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Public Comments on Mortgage Assets Affected by PACE Programs:========

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Comment: It stands to reason that a well-designed PACE program could actually place FHFA-backed mortgages in a more secure financial position than without. Rather than categorically excluding all mortgages with PACE-liens, FHFA should set strict standards that require a demonstrated energy savings in excess of the tax lien; thus placing the homeowner in a better cashflow position than without. Further, FHFA should place standards on term length for PACE improvements (e.g. energy efficiency at 10 years, and renewable energy at 15 years).

Banning PACE tax liens from FHFA-backed mortgages Takes local governments home-rule and State and Local governments' historical authority in determining what qualifies as a Public Need or Purpose necessitating a tax assessment. The proposed role will usurp local government authority and set the precedence that FHFA can unilaterally set national and local policy as to what qualifies for a necessary tax assessment. Worse, this proposed rule sets the precedence for FHFA to eliminate all first-lien tax assessments due to its out-sized influence on the residential mortgage market.

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