



Joint Office of Sustainability (JOS)

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Mr. Alfred Pollard
General Counsel
Federal Housing Finance Agency
400 7th St., N.W.
Washington, DC 20024

RE: RIN 2590-AA53 Mortgage Assets Affected by PACE Programs

Dear Mr. Pollard:

Lack of up front funding has been a serious impediment for people wishing to make their homes more energy efficient, use less energy and save money. The Property Assessed Clean Energy (PACE) program would have solved that problem, but FHFA's directive stating that it would not underwrite or purchase any mortgages on homes that had gotten PACE funding essentially stopped the program. This is unfortunate since there is no cost to the federal government for the program and it is a local solution shown to have less risk than other programs FHFA allows.

The PACE program:

- Is a voluntary assessment based program that has been shown to have less risk than other federal loan programs that FHFA currently underwrites.
- Is one of 37,000 assessment districts in the US, but the only one challenged by FHFA.
- Is a public good which has broad based support at the Federal, State, and Local level.
- Uses private capital to run it - no federal money is used to implement the PACE program.
- Is locally based and implemented.
- Should have safeguards in place such as the Federal or Vermont based guidelines which would limit the loans to less than 10% of the value of the home; owners must have a minimum 15% equity in their home; owners must have had no

delinquent payments; and must have a savings to investment ratio of more than one.

- Would create jobs doing the required energy audit by a qualified contractor to ensure the savings to investment ratio is valid.
- Would create jobs doing the energy efficiency upgrades or renewable energy installations.
- Would save US citizens billions of dollars in energy costs.
- Make the United States more energy independent.
- Reduce climate changing greenhouse gases.
- Would allow a homeowner to do the upgrades without the worry of having to pay off the improvements before the sale of the house as the assessment would stay with the house.
- Would increase the value of homes which undergo the improvements.
- Saves the power companies (and the public) money by not having to invest in new expensive power plants. ("Negawatts")
- Will reduce the critical need for infrastructure improvements to the US electrical grid.

For all of the reasons stated above and many more, I respectfully ask you to reconsider your decision to halt underwriting or purchasing of PACE mortgaged homes by Fannie Mae, Freddie Mac, and any other mortgage lenders regulated by FHFA. In fact, I believe it would be prudent to give preference to those mortgages with PACE assessments covered by HR 2599 (The PACE Assessment Protection Act). It makes economic sense and it will further the energy security goals of the United States.

Sincerely,



Michael Sauber