

From: NRDC <nrdcinfo@nrdconline.org> on behalf of Ryan Vanden Brink
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Sent: Thursday, March 15, 2012 5:37 PM
To: !FHFA REG-COMMENTS
Subject: RIN 2590-AA53 - Restore PACE programs now

Mar 15, 2012

General Alfred Pollard

Dear General Pollard,

[Please withhold my email, phone number, and address from the public record.]

Having researched local, state, and federal options to finance small-scale energy projects for clients, educational programs, and myself, I urge the Federal Housing Finance Agency to restore Property Assessed Clean Energy (PACE) programs.

Businesses, utilities, and all levels of government advocate energy efficiency and distributed renewable energy as one approach to help the United States transition to a clean energy economy, reduce its dependence on foreign energy sources, mitigate climate change, and control rising energy costs. However, from a financing standpoint, efficiency retrofits and renewable energy projects face significant hurdles.

These hurdles include a general limited availability of credit, high upfront costs, large monthly payments under traditional lending models, the ability to secure collateral from a project, and the typical need to stay in a building for several years to achieve a return on the investment. Property Assessed Clean Energy (PACE) programs have emerged as a financing alternative that eliminates financial hurdles for both lenders and building owners.

Extending repayment periods to 15 or 20 years makes these projects affordable to building owners in the same way that a mortgage makes the building affordable. The repayment period is shorter than a mortgage so that the loan is repaid within the useful life of the improvements.

With an extended repayment period, the savings on the building owner's utility bill, as a result of the improvements, will cover the costs of the special assessments, making efficiency retrofits and renewable energy projects affordable for all building owners. PACE financing can also be used in conjunction with other government grants, tax incentives, and utility rebates, and may be one of the only workable options to help homeowners and businesses fully access these other funding options.

By enabling renewable energy and energy efficiency improvements that benefit homeowners and lower utility bills, PACE also reduces default risk and improves home values.

I urge you to withdraw the July 2010 directive that froze PACE programs and allow these programs to move forward. Hundreds of communities in the 27 states that have passed PACE-enabling legislation are counting on your agency to reinstate these programs at a time when we need them most.

Sincerely,

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