

From: Brad Schmidt <bschmidt@kwh.com>  
Sent: Friday, March 16, 2012 9:50 AM  
To: !FHFA REG-COMMENTS  
Subject: RIN 2590-AA53 comments

RIN 2590-AA53 Mortgage Assets Affected by PACE Programs

Dear Mr. Pollard,

Property Assessed Clean Energy (PACE) programs are not an important and innovative tool to increase the adoption of residential clean energy technologies. They do not save consumers money, or reduce pollution, or create jobs. Most importantly, they do not make the nation more energy independent. I agree with FHFA's 2010 decision that PACE programs create too much risk, and thus homes with PACE assessments should not be worthy of financing through FHFA loans.

Investing in energy efficiency technologies (i.e. more insulation, weatherization, energy-efficient appliances) in homes is the smartest way to reduce our country's dependence on fossil fuels, reduce pollution, and improve public health. Investing in renewable energy shams such as solar and wind are not smart. The FHFA's decision that PACE programs create too much risk is a sound decision and protects homeowners from making these risky investments in their home. Furthermore it protects future owners from having to assume the responsibility for those risky investments.

FHFA's assertion that PACE assessments create unreasonable risk stand up to scrutiny. In fact, clean energy investments can be among the worst money spent on a home. However, increasing the energy efficiency of a home with improvements such as more efficient appliances leave homeowners more cash to meet their mortgage obligations. The Lawrence Berkeley Laboratory report that found that the presence of a solar system on a home provides a significant premium at resale is flawed and without merit. On the contrary, a solar system on a home is more likely to raise due concerns about future liability and expense to repair and maintain such a system. Rather, monies would be better spent on additional insulation and weatherization of the home. I strongly urge FHFA to hold its opposition to residential PACE programs. It appears to be properly discounting its benefit while prudently recognizing its high risk. Fannie Mae and Freddie Mac should maintain fair underwriting standards that disallow PACE programs to proceed.

Thank you for your consideration.

Sincerely,

Bradley Schmidt

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UNITED STATES

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