

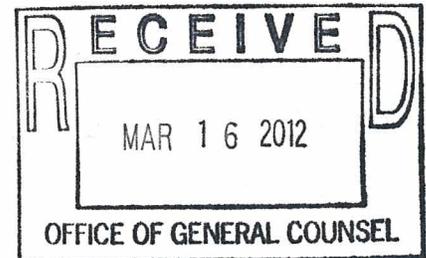
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# GALLUP SOLAR

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Mr. Alfred Pollard  
General Counsel  
Federal Housing Finance Agency  
400 7<sup>th</sup> St. NW  
Washington DC 20024

February 29, 2012



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

Dear Mr. Alfred Pollard:

Gallup Solar is educating and in other ways promoting solar energy and energy efficiency in Gallup and McKinley County New Mexico. Our city is well established as the primary border town with the Navajo Nation and celebrates a very unique geographical, multi-cultural and demographic reality. Our county ranks among the most economically-disadvantaged in the U.S.

We enjoy well over 300 "sun" days each year. It makes no sense to continue ignoring this readily available resource. Financing is the biggest barrier to solar development here. Due to economies of scale in our small city, a successful PACE program would have to include homes as well as commercial buildings. Our utility rates will significantly increase within 1 year as our municipally-owned utility must negotiate a new power purchase agreement by June 30, 2013 and also bank enough money to fund its cost-share of the Navajo-Gallup water pipeline. A 30-50% rate increase is expected! Our small diverse community of communities needs a PACE program.

Economic development is our primary need. University of NM-Gallup and Navajo Technical College have certified green building and technology programs. We need to offer these trainees career jobs here and build local construction capacity. Other ways in which PACE can move us forward are increased home values and home ownership security, in addition to all the well-known advantages of energy efficient solar powered homes.

In 2009 the NM Legislature passed SB 647 enabling municipalities and counties to implement PACE districts. In no way does this state law exceed the restrictions included in HR 2599 which greatly minimize the default risks that FHFA is concerned about. We, however, recommend that HR 2599 be amended to raise the LTV limitation from 10% to 20% to increase owners' energy savings potential and benefits. We urge you to respect the needs of our municipality for local control and to be actively engaged in the PACE program by determining the specific guidelines, underwriting standards and requirements pursuant to federal law. Gallup and McKinley County need PACE for sustainable economic development.

Respectfully,

Ella Scott

A handwritten signature in black ink, appearing to read "Ella Scott". The signature is written in a cursive style and is positioned to the right of the printed name.

Vice President, Gallup Solar