March 23, 2011

Alfred M. Pollard
General Counsel
Federal Housing Finance Agency
Eighth Floor, 400 Seventh Street SW.
Washington, DC 20024

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

Dear Mr. Pollard,

We write in response to the request for public comments regarding the Federal Housing Finance Agency's (FHFA) proposal to prevent homeowners from participating in Property Assessed Clean Energy (PACE) programs by directing FHFA regulated entities to avoid purchasing mortgages in cities and towns that offer PACE programs. We believe that the FHFA should work in good faith with communities and states around the nation, as well as the Department of Energy and other federal agencies, to develop appropriate standards that allow PACE programs to move forward.

We appreciate the need for appropriate standards to ensure that PACE programs offer quality energy efficiency and renewable energy work that achieves tangible energy savings for consumers. For this reason, Architecture 2030 recommends that the FHFA move to incorporate the Architecture 2030 Challenge targets into the PACE program.

Property Assessed Clean Energy (PACE) programs are an innovative tool to increase the adoption of residential clean energy technologies, save consumers money, reduce pollution, create jobs, and make the nation more energy independent. However, the PACE process is missing the guarantee that the work will meet specific energy reduction targets like those found in the widely adopted 2030 Challenge. Using 2030 Challenge targets to determine PACE program eligibility would bring needed clarity and quantification to FHFA regulations.

Buildings are the major source of global demand for energy and materials that produce by-product greenhouse gases (GHG). Slowing the growth rate of GHG emissions and then reversing it is the key to addressing climate change. To accomplish this, Architecture 2030 issued The 2030 Challenge asking the global architecture and building community to adopt the following targets:

- All new buildings, developments and major renovations shall be designed to meet a fossil fuel, GHG-emitting, energy consumption performance standard of 60% below the regional (or country) average for that building type.

- At a minimum, an equal amount of existing building area shall be renovated annually to meet a fossil fuel, GHG-emitting, energy consumption performance standard of 60% of the regional (or country) average for that building type.

- The fossil fuel reduction standard for all new buildings and major renovations shall be increased to:
    - 70% in 2015
    - 80% in 2020
    - 90% in 2025
    - Carbon-neutral in 2030 (using no fossil fuel GHG emitting energy to operate).

The 2030 Challenge targets have been embedded in the Residential Energy Services Network's (RESNET) Home Energy Rating System (HERS) Index. RESNET's Home Energy Rating System (HERS) is recognized by the US residential Building Sector as a well-established and widely-used metric for evaluating the energy efficiency of homes. RESNET's standards are officially recognized by the US mortgage industry for capitalizing a building's energy performance into the mortgage loan and for certification of "White Tags" for private financial investors. It is also used by the federal government for verification of building energy performance for such programs as federal tax

incentives, the Environmental Protection Agency's ENERGY STAR program and the US Department of Energy's Building America Program.

The 2030 Challenge has been adopted by American Institute of Architects, U.S. Conference of Mayors, U.S. Green Building Council, The American Society of Heating, Refrigerating and Air-Conditioning Engineers, Royal Architectural Institute of Canada, Congress for the New Urbanism, American Solar Energy Society, Society of Building Science Educators, Association of Collegiate Schools of Architecture, National Wildlife Federation, Union Internationale des Architectes, American Society of Interior Designers, and numerous universities, businesses, professional offices, and organizations nationwide.

In December 2007, after being passed by the Senate and the House of Representatives, the Energy Independence and Security Act became law with the President's signature. Section 433 of this bill requires that all new federal buildings and major renovations meet the energy performance standards targets of the 2030 Challenge. California's Long Term Energy Efficiency Strategic Plan released in September 2008 includes two "Big Bold" strategies in line with the 2030 Challenge: to have all residential buildings achieve zero- net- energy use by 2020, and to have all commercial buildings achieve zero net energy use by 2030. Other governmental adopters include: The National Governors Association, The National Association of Counties, International Council for Local Environmental Initiatives, the states of Minnesota, Illinois, New Mexico, Washington State, and numerous cities and counties.

Clean energy investments can be among the most profitable that can be made to a home. By lowering its operating cost, efficiency improvements leave homeowners more cash to meet their mortgage obligations. Investing in energy efficiency and renewable energy technologies in homes is the smartest way to reduce our country's dependence on fossil fuels, reduce pollution, improve public health and curb climate change. PACE programs, combined with the well-known energy reduction targets of the 2030 Challenge and HERS Index, address the barriers that often stop homeowners from making these improvements and keeps the investment with the home, allowing future owners to both take the responsibility for the investment and reap the benefits. Fannie Mae and Freddie Mac should establish fair underwriting standards, incorporating 2030 Challenge targets, that allow PACE programs to proceed and deliver significant economic and environmental benefits.

Thank you for your time and consideration.

Sincerely,

Edward Mazria AIA
Founder and Chief Executive Officer
2030, Inc. / Architecture 2030