



MEMBERS OF THE BOARD
JOHN C. ZARAGOZA
Chair
STEVE BENNETT
LINDA PARKS
KATHY LONG
PETER C. FOY

BOARD OF SUPERVISORS
COUNTY OF VENTURA

GOVERNMENT CENTER, HALL OF ADMINISTRATION
800 SOUTH VICTORIA AVENUE, VENTURA, CALIFORNIA 93009

KATHY I. LONG
SUPERVISOR, THIRD DISTRICT
(805) 654-2276
FAX: (805) 654-2226
(800) 660-5474 EXT. 6542276
E-mail: kathy.long@ventura.org

March 26, 2012

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

Subject: Comments/RIN 2590-AA53

Dear Mr. Pollard:

Thank you for the opportunity to provide comments to the Federal Housing Finance Agency (FHFA) regarding the Advance Notice of Proposed Rulemaking concerning mortgage assets affected by Property Assessed Clean Energy (PACE) programs. I concur with the March 2, 2012 joint letter sent by the National Association of County, National League of Cities, and the United States Conference of Mayors urging FHFA to withdraw its July 6, 2010 Statement and February 28, 2011 Directive and allow the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), (together, the Enterprises), to purchase mortgage loans secured by properties with outstanding first-lien PACE and PACE-like obligations, or by properties that could become subject to first-lien PACE obligations. In addition, I support the request that these properties be secured on terms and conditions consistent with those applicable to mortgages secured by properties with no PACE assessments.

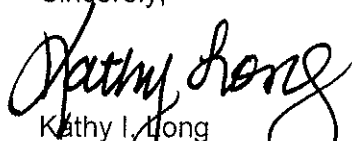
In concurrence with the March 2, 2012 letter, the following comments are provided for your consideration:

- **Authority of local governments:** PACE programs operate in accordance with state law; twenty eight states plus the District of Columbia have passed laws enabling local governments to develop such programs. It is the traditional authority of local governments to utilize the tax code for public benefit. FHFA has no statutory authority to decide whether local government assessments are valid or not.
- **Economic recovery:** local governments have developed and continue to develop innovative financing programs, such as PACE, to help communities realize economic development goals even in challenging fiscal periods.
- **Secondary Mortgage Market hypothetical risk response:** the standards and best practices called for in the U.S. Department of Energy's "Guidelines for Pilot PACE Financing Programs" (Guidelines, May 7, 2010) are sufficient to minimize any potential risk posed by the PACE program to both the public and private investments in a PACE

home. The Guidelines establish clear consumer protection and underwriting standards to protect homeowners and lenders, and I request that FHFA establish underwriting standards consistent with these Guidelines.

I recognize the importance of establishing pathways for financing improvements that will deliver economic and environmental benefits and have a positive impact at every level of government. I would like to provide these opportunities for residents in Ventura County. I urge you to recommit to working with local and state governments, as well as Congress and the Administration, on a viable solution that will allow existing PACE programs to continue, and encourage additional programs to flourish throughout the country.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathy Long". The signature is fluid and cursive, with the first name "Kathy" and last name "Long" clearly distinguishable.

Kathy L. Long
Supervisor, Third District
Ventura County, California