

From: Emily Fischer <emily.b.fischer@gmail.com>
Sent: Monday, March 26, 2012 4:41 PM
To: !FHFA REG-COMMENTS
Subject: Environment America comments re: RIN 2590-AA53

March 26, 2012

Mr. Alfred Pollard
General Counsel
Federal Housing Finance Agency
400 7th St., N.W.
Washington, DC 20024

RE: RIN 2590-AA53 Mortgage Assets Affected by PACE Programs; Comments on
Advanced Notice of Proposed Rulemaking and EIS Scoping Comments

Dear Mr. Pollard:

On behalf of Environment America, our state affiliates, and our 250,000 members, I am writing to urge you to ensure that state and local governments can implement Property Assessed Clean Energy (PACE) programs in order to curb global warming pollution and promote clean energy in their communities.

We have worked hard to enable state and local governments to utilize PACE financing, a groundbreaking policy tool. PACE has enormous potential to save homeowners money, create local jobs and dramatically reduce energy use. Because of its unique ability to spur homeowner investment in energy efficiency and clean, on-site renewable energy, PACE legislation was passed by 28 states in just two and a half years.

It has strong bi-partisan support at the local, state and federal levels. This innovative and commonsense policy has a clear public purpose – the betterment of buildings in which we live and work; while protecting the environment, reducing our reliance on imported fuel, and promoting energy security.

Right now, 40 percent of the energy used in America goes to heat, cool, and power our buildings. And because much of this energy comes from dirty and dangerous sources like coal, oil, natural gas, and nuclear power, this accounts for nearly half of global warming pollution in the country. Furthermore, much of this energy is wasted, flying out of leaky doors and windows. This high level of energy consumption pumps billions of tons of global warming pollution into the atmosphere and costs Americans nearly \$4 billion every year.

This month, Environment America and our state affiliates released a report, Building a Better America: Reducing Pollution and Saving Energy with Efficiency, which found that the United States can reduce global warming pollution from buildings 30 percent and cut energy use in our homes and businesses 24 percent by 2030 through smart efficiency policies. PACE financing can play a critical role in leveraging private investment to improve the energy performance of our buildings.

PACE has great potential to help governments attain important economic and environmental goals. For example, according to a May 2011 Department of Energy

study, the Boulder County PACE program created over 120 jobs, generated more than \$20 million in overall economic activity and reduced consumers' energy use by more than \$125,000 in the first year alone. These energy-saving measures, and the resulting reduction in global warming pollution, are important benefits. In developing a rule that serves the public interest, the FHFA must weigh perceived risks against economic benefits that clearly reduce default rates.

We believe that FHFA's action to unilaterally halt local government PACE programs on July 6, 2010 was unwarranted. This rulemaking provides an opportunity to establish a fact-based record and correct misinformation and misunderstandings, to the benefit of all stakeholders: local governments, mortgage lenders, homeowners, and our nation. We appreciate the opportunity, and urge FHFA to look for ways to accommodate these broadly beneficial programs.

Sincerely,

Emily Fischer, Rob Sargent, and Courtney Abrams, Environment America

Bret Fanshaw, Environment Arizona

Michelle Kinman, Environment California

Jeanne Bassett, Environment Colorado

Jennette Gayer, Environment Georgia

Max Muller, Environment Illinois

Emily Figdor, Environment Maine

Ben Wright, Environment Massachusetts

Ted Mathys, Environment Missouri

Doug O'Malley, Environment New Jersey

Sanders Moore, Environment New Mexico

David VanLuven, Environment New York

Sarah Higginbotham, Environment Oregon

David Masur, PennEnvironment

Luke Metzger, Environment Texas

Scott Thompson, Wisconsin Environment