

Congress of the United States
Washington, DC 20515

July 19, 2010

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

We are writing to express our strong support for the continuation of the innovative financing mechanism known as Property-Assessed Clean Energy (PACE) program. As you know, this innovative program will create jobs and make thousands of homes more energy efficient. We are deeply concerned about the Federal Housing Finance Agency's recent decision not to allow responsible homeowners to use the PACE program. Accordingly, we write to strongly urge you to exercise all of your authority to resolve the uncertainty surrounding the PACE program.

PACE programs have proved to be a successful resource for homeowners and for municipalities that want to reduce their energy consumption. As you know, there are several successful PACE programs currently operational across the nation, with many additional PACE programs set to launch this summer. The program allows municipalities to invest in projects that reduce energy consumption and greenhouse gas emissions. The PACE program allows residential property owners, who may not have large amounts of capital on hand, to afford the up-front costs of a number of cost-effective energy efficiency improvements to their home.

As our nation strives to be the leader in the global clean energy economy, the PACE program has proved to be an effective way to get Americans back to work. At a time when the nation's unemployment rate is over 9 percent, and the construction industry's unemployment rate is over 20 percent, the recent statement from the Federal Housing Finance Agency will have a severe impact on our economy, our local communities, and our goal to move to a clean energy economy and establish energy independence. The PACE program has already created or saved thousands of jobs across the nation. According to the latest estimates, for every 100,000 homes that are retrofitted, with an average expenditure of \$10,000, more than 10,000 jobs would be created. The program is also encouraging individual residents to "green" their homes by purchasing energy efficient home improvements to lower their monthly energy costs, which helps spur domestic manufacturing.

Your Administration has strongly supported the PACE program since its inception. Vice President Biden and the Department of Energy have repeatedly stated that the PACE program is a key element in our national policy priority to create a "green economy." The White House issued a PACE Policy Framework on October 18, 2009. In that framework, the Administration lays out a series of measures to limit the risk to mortgage

lenders. According to your Administration, the framework “provides important safeguards for the relevant parties, including homeowners and mortgage lenders” and that “federal agencies including DOE, HUD, and Treasury have worked together to understand how best to encourage energy efficiency and renewable energy loans while also creating effective rules and practices to prevent losses in the mortgage market.” Unfortunately, nine months later FHFA’s actions run counter to your Administration’s framework.

Accordingly, we strongly urge you to explore all of your available options to quickly restore, and resolve the uncertainty surrounding the PACE program. States and localities are heavily financially invested in PACE’s success. PACE programs throughout the country need immediate clarification to serve public interest objectives. In fact, some jurisdictions, like the State of California and Babylon, New York, have begun exploring legal action against the Federal Housing Finance Agency to restore the PACE program. Other states and municipalities may follow and seek similar legal action if your Administration does not resolve this in a timely manner.

We appreciate your commitment to the PACE program in the American Recovery and Reinvestment Act of 2010, and seek your immediate assistance to resolve the uncertainty surrounding the PACE program. Specifically, we request that the Federal Housing Finance Agency immediately publish revised guidelines that would allow PACE financing programs to continue while ensuring that both taxpayer and private mortgage investments are protected. Many Americans, states, and municipalities are counting on this program to be restored. We stand ready to work with you to resolve this issue in a timely manner.

Sincerely,



Nancy Pelosi
Speaker of the House



Doris O. Matsui
Member of Congress



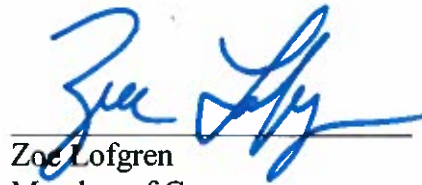
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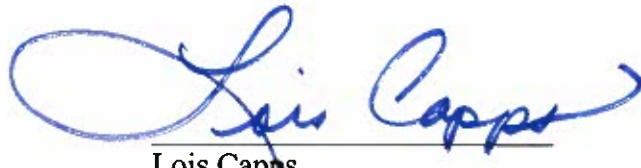
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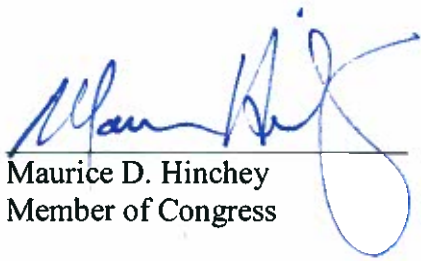
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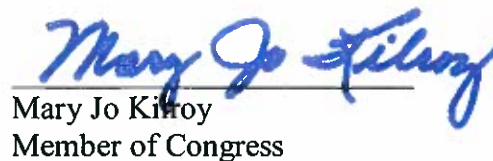
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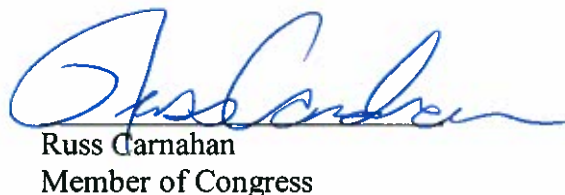
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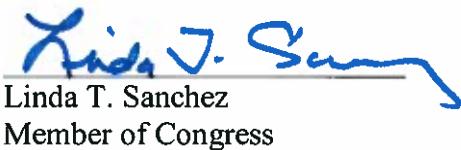
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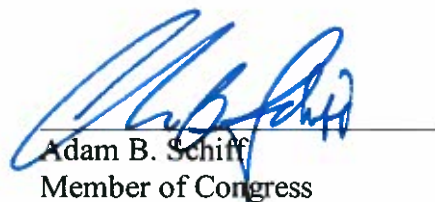
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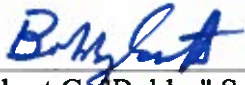
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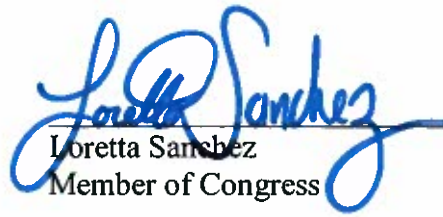
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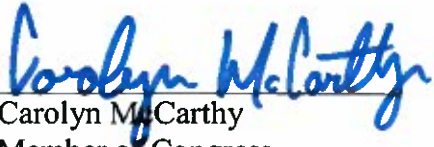
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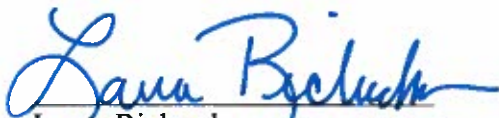
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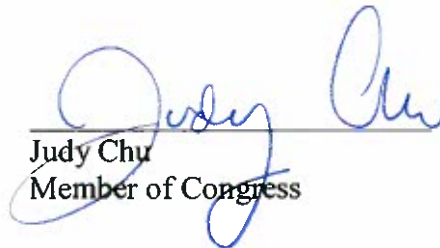
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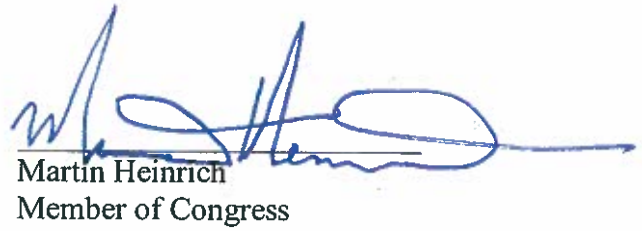


Laura Richardson
Member of Congress

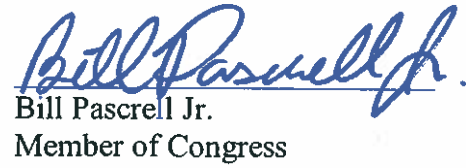


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