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United States Senate

COMMITTEE ON
ENERGY AND NATURAL RESOURCES

WASHINGTON, DC 20510-6150

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November 10, 2009

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

We were delighted to see the strong support for Property Assessed Clean Energy (PACE) programs announced by Vice President Biden, Secretary Chu and Secretary Donovan at the recent "Recovery Through Retrofit" press conference. We are writing to request the support of the White House for additional clarity for lenders and homeowners from the Federal Housing Finance Authority, Fannie Mae, and Freddie Mac (the "GSEs") so that PACE program adoption can accelerate.

PACE programs are created by local and state governments to allow property owners to voluntarily pay for energy retrofits over 15 to 20 years through a small incremental increase in their annual property tax payment. The key innovations of PACE finance involve the elimination of the upfront cost barrier for property owners, the long term nature of the repayment period, and structuring the payment as annual property tax surcharges. This innovative approach, which Vice President Biden announced, will only succeed at the scale necessary if the GSEs provide clarity for these programs so that states and municipalities can proceed with confidence.

The Recovery Through Retrofit announcement contemplates the development of appropriate lender guidance and underwriting standards that allow PACE programs to flourish and to protect homeowners and mortgage lenders. We look forward to your administration's leadership to ensure that a successful collaborative effort among the PACENow Coalition, appropriate federal departments, and the GSE's results in guidelines that will allow PACE programs to flourish.

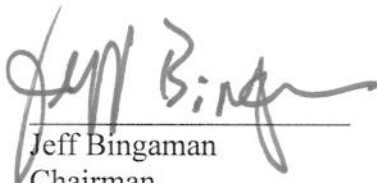
In the past year alone PACE has been enacted in 14 states, with many more anticipated. PACE has strong bipartisan support given that it provides large benefits to homeowners, municipalities and our nation without burdening taxpayers. We hope to reap the long term benefits of lower energy costs, less energy demand, reduction in carbon emissions, and new green jobs that will be achieved through using PACE to finance large scale energy efficiency retrofit programs in our home states.

We are very pleased that the Vice President and various key agencies have embraced PACE

program adoption. The PACE policy framework released by the White House is an excellent first step at the creation of national standards for PACE programs that protect homeowners and lenders. We believe that with additional clarification and support from the GSEs there is the potential to build to scale a powerful financing tool to retrofit our nation's built environment.

Cities, states, and counties stand ready to work collaboratively with the GSEs and others to ensure these programs are designed well and that PACE programs can meet America's goals for assisting homeowners, creating green jobs, improving energy security and reducing greenhouse gas emissions.

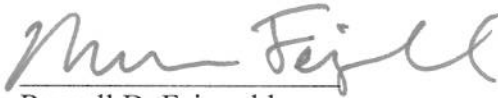
Sincerely,



Jeff Bingaman
Chairman
Committee on Energy
and Natural Resources



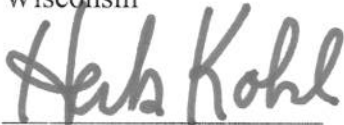
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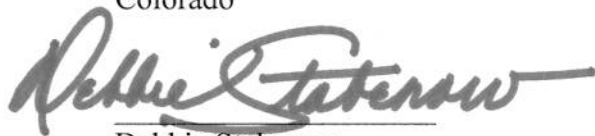
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Wisconsin



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Colorado



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Ohio



Debbie Stabenow
U.S. Senator
Michigan

cc: Vice President Joseph Biden
Carol Browner, Director of the White House Office of Energy and Climate Change
Secretary Steven Chu, U.S. Department of Energy
Secretary Shaun Donovan, U.S. Department of Housing and Urban Development
Secretary Timothy Geithner, U.S. Department of the Treasury
Edward DeMarco, Acting Director, Federal Housing Finance Agency
Michael Williams, President and CEO, Fannie Mae
Charles E. Haldeman, Chief Executive Officer, Freddie Mac