



Our new energy program is hot, cool, and green.

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FRIDAY 9, JULY 2010

Notice to Participants



In May 2010, Fannie Mae and Freddie Mac directed banks and credit unions on how to treat assessments under programs such as the SCEIP. These directives stated that energy improvement assessments should be classified as “loans” instead of “assessments,” implying that agreeing to the assessment could be considered a violation of most mortgage

documents. Sonoma County vigorously disagrees with this interpretation and is working diligently to reverse their opinion through legislative action and education efforts with the federal regulators. In the meantime, it is important for you to understand what these directives mean to your situation.

On July 6, 2010, FHFA issued a guidance statement to lenders regarding SCEIP type programs and the assessments being applied. That statement provides for the protection of SCEIP participants with assessments established before July 6, 2010. However, the letter outlines potential restrictions and impacts on any future participants. Although we appreciate the grandfathering of existing SCEIP participants, we were dismayed to see that the new directive includes new restrictions that could affect lending standards applied after July 6, to all residents of Sonoma County if the County's SCEIP program continues.

In an effort to protect potential new program participants and existing applicants, the Sonoma County Energy Independence Program is temporarily suspending the processing of all pending applications and will not be accepting new applications or signing new contracts pending direction from the Board of Supervisors on July 13, 2010.

Also this month

Calendar

23 July 2010

- *Deadline to submit Request for Disbursement for August Funding*

02 August 2010

- *August Disbursements*

03 August 2010

- *Monthly Forum*

24 August 2010

- *Deadline to submit Request for Disbursement for September Funding*

01 September 2010

- *September Disbursements*

About SCEIP

Sonoma County's Energy Independence Program is an opportunity for property owners to finance energy efficiency, water efficiency and renewable energy improvements through a voluntary assessment.

The program works by placing an assessment on the property which is paid back through property taxes over 5, 10, or 20 years with an interest rate of 7%. Financing is available to both residential and

commercial applicants with a minimum amount of \$2500. The amount available for financing is based on the value of the property, and the assessment stays with the property, it does not move with the owner.

Avoid SPAM

The Sonoma County Energy Independence Program does not sell or share your email address with anyone. To ensure you receive the latest news and updates from SCEIP and that our messages do not end up in your SPAM folder, please add energyinfo@sonomacountyenergy.org to your address book or mark our email items as "safe".

We thank you for your continued interest in SCEIP.

Contact SCEIP

404 Aviation Blvd., Suite 200
Santa Rosa, CA 95403
Phone: (707) 521-6200
Fax: (707) 524-3769

Email:

energyinfo@sonomacountyenergy.org
www.sonomacountyenergy.org

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The [Federal Housing Finance Agency Statement](#) from July 6, 2010 is available on the SCEIP website for review. We strongly encourage you to contact the [Federal Key Decision Makers](#) and share your support of SCEIP and Property Assessed Clean Energy ("PACE") programs generally. Educating key decision-makers to understand the benefits of our program, and the loss to our community from an economic and environmental perspective, is critically important to our effort to preserve SCEIP.

We are confident that our endeavors will yield a positive resolution and keep our innovative SCEIP moving forward. We appreciate your support and participation in SCEIP, and have seen the positive impact it has had on our community.

Please feel free to contact our office at (707) 521-6200 should you have any questions. Visit our website at www.sonomacountyenergy.org for up-to-date information.

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What's Next?

If you have already executed a contract and HAVE received your funds:

According to the FHFA letter, you are protected from adverse action by your lender.

If you executed an assessment contract prior to July 6, 2010 and have NOT yet applied for disbursement:

According to the FHFA letter, all SCEIP participants with contracts signed as of July 6, 2010, are protected from adverse action by their lender. However, if you do not wish to proceed with your improvements for any reason, you may either cancel your agreement with SCEIP with no penalty OR, you may complete your project and request your funds from SCEIP.

Residential property owners with pending applications:

You may either withdraw your application or have your application placed on hold until the current situation is resolved. **Please notify our office of your decision no later than 5:00 p.m. on Friday, July 30, 2010.** If we have not heard from you by then, we will consider your application withdrawn and we will shred your application materials for your protection. This will not impact your future ability to re-apply for SCEIP participation.

Commercial property owners with pending applications:

We are temporarily holding these applications as well. Due to other guidance from the Office of the Comptroller of the Currency it is unclear whether a commercial PACE program may also be subject to similar regulatory guidelines. We are working to clarify this concern, and will hold all commercial application until we have more information. We will provide updated information as it becomes available.

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Take Action!



Draft a letter to one or more of the contacts listed on the [SCEIP Key Decision Maker List](#)

- Visit [Vote Solar Initiative](#) to send an automated message to Honorable Christopher Dodd, Chairman of the Committee on Banking, Housing and Urban Affairs and to Honorable Barney Frank, Chairman of the Committee on Financial Services
- Review [ICLEI-Local Governments for Sustainability USA](#) message for additional Resources and Contact Lists

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More Information

For a [chronological list of events and copies of correspondence](#) between State and Federal officials and the FHFA, Fannie Mae/Freddie Mac since the issuance of the Fannie Mae/Freddie Mac Industry Letter on May 5, 2010, please visit the SCEIP website at www.sonomacountyenergy.org. Check back often for updated information.

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