

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 4785
OFFERED BY MR. INGLIS OF SOUTH CAROLINA**

At the end of the bill, add the following:

1 **SEC. ____ . TREATMENT OF PACE PROGRAMS BY FANNIE**
2 **MAE AND FREDDIE MAC.**

3 (a) **ADOPTION OF UNDERWRITING STANDARDS.—**
4 Not later than the expiration of the 60-day period that
5 begins upon the date of the enactment of this Act, the
6 Federal National Mortgage Association and the Federal
7 Home Loan Mortgage Corporation shall adopt under-
8 writing standards that are consistent with the Guidelines
9 for Pilot PACE Financing Programs issued on May 7,
10 2010, by the Department of Energy. Liens or other prop-
11 erty obligations that secure property taxes or assessments
12 under a PACE program and are consistent with such
13 standards shall be considered to comply with the Uniform
14 Instruments of such Association and Corporation and
15 shall not constitute a default on an existing mortgage or
16 trigger the exercise of lender's remedies for a property
17 with such a lien. With respect to a property that meets
18 the underwriting criteria of the Association and the Cor-
19 poration without consideration of the PACE program lien,

1 the Association and the Corporation shall not require re-
2 payment of a PACE program tax or assessment in order
3 for a property owner to finance, refinance or transfer the
4 property. The underwriting standards shall provide that,
5 in the event that a tax or assessment under a PACE pro-
6 gram is delinquent, only the unpaid delinquent amount
7 along with applicable penalties, interest and costs will be
8 subject to foreclosure and not the entire amount.

9 (b) PROHIBITION OF DISCRIMINATION.—The Federal
10 Housing Finance Agency, the Federal National Mortgage
11 Association, and the Federal Home Loan Mortgage Cor-
12 poration, and all Federal agencies and all entities char-
13 tered under Federal law shall not discriminate against
14 communities implementing or participating in a PACE
15 program, including by prohibiting lending within the com-
16 munity or requiring more restrictive underwriting criteria
17 for properties within the community.

18 (c) DEFINITION OF PACE PROGRAM.—For purposes
19 of this section, the term “PACE program” means a prop-
20 erty assessed clean energy program under which a State
21 or political subdivision of a State levies taxes or assess-
22 ments on residential, commercial, agricultural, and other
23 real property to finance the installation of renewable en-
24 ergy and energy efficiency improvements.

