

**Timeline of Key FHFA Directives
on Residential PACE**

2009	FHFA Letter raising concerns regarding PACE (6-18-09)
2010	Fannie Mae and Freddie Mac issued Advisories to lenders and services—prohibited from having liens senior to that of the mortgage (5-5-10)
	FHFA statement- Advisories to remain in effect (7-6-10)
	Fannie Mae and Freddie Mac letters to lenders—Enterprise would cease purchasing mortgage loans secured by outstanding PACE loan (8-31-10)
2011	FHFA directive—Fannie Mae and Freddie Mac not to purchase mortgage loans secured by properties with outstanding first lien PACE obligations (2-28-11)
2012	FHFA issued a notice of proposed rulemaking, “Enterprise Underwriting Standards,” to make the directive a rule in accordance with a California District Court order that FHFA was appealing and subsequently won in 2013. Proposed rule included: shall not purchase any mortgage that is subject to a first line PACE obligation and shall not consent to the imposition of a first lien PACE obligation on any mortgage. (6-15-12)
2013	9 th Circuit opinion- (<i>County of Sonoma v. FHFA</i> (2013) 710 F.3d 987) FHFA directive not to purchase mortgages with PACE loans upheld
	FHFA withdrew the proposed rule “Enterprise Underwriting Standards” based on their success in the 9 th Circuit, noted in withdraw not contemplating altering policy (7-31-13)
2014	FHFA letter affirming directive not to purchase or refinance mortgages encumbered with first lien PACE loans; PACE loss reserve program insufficient to offer full loss protection and concerned regarding ongoing sustainability of fund (5-1-14)