



June 1, 2010

Dear SCEIP Participant:

In May 2010, Fannie Mae and Freddie Mac, government sponsored enterprises that purchase the vast majority of conforming single family home mortgages, issued new, confusing instructions to lending institutions on how to treat properties with assessments under programs such as SCEIP. These letters appear to suggest energy assessments could be considered by the lender to be “loans” instead of “assessments.” This may lead some lenders to conclude the assessment should be paid off before the property transfers or is refinanced. Sonoma County disagrees with these instructions, and is working with Fannie Mae and Freddie Mac to clarify their position.

Copies of these letters can be viewed at the following links:

- <https://www.efanniemae.com/sf/guides/ssg/annltrs/pdf/2010/ll1006.pdf>
- <http://www.freddiemac.com/sell/guide/bulletins/pdf/iltr050510.pdf>

Please feel free to contact us if you have questions or would like to discuss this further. If you wish to suspend your application until this issue is resolved, please contact our storefront by responding to this e-mail or calling us at (707) 521-6200.

Thank you for your interest in SCEIP and please be assured we are working hard to try to reach a result that allows us to continue this robust, beneficial program.

Sincerely,

Sonoma County Energy Independence Program