

From: Harry Delagrammatikas [mailto:Hdelagrammatikas@mcoblaw.com]
Sent: Wednesday, February 02, 2011 12:19 PM
To: Office of the Director
Subject: FHFA proposed trnasfer fee rule

Dear Mr. DeMarco,

I just had an opportunity to review the proposed rule. Overall, I think your agency got it right. Further, I agree that condos, coops and HOAs should be exempt-for the most part. You may not be aware, but some "flip taxes" on New York City coop apartments exceed 40%. Most people would not believe that this is possible, but it just so happens that I am a shareholder at one such coop, 60 Knolls Crescent, Bronx, NY 10463.

Your agency should consider revising the proposed rule by placing a cap on the transfer fees that an exempt entity can charge- ie. 20% (certainly, a significant transfer fee) would help hold coops and HOAs more accountable for how these funds are spent. It should not be a bottomless pit.

After all, wouldn't Fannie and Freddie have difficulty if a mortgage issued on such a coop unit went into foreclosure- certainly the excessive flip would make it difficult to sell and it would leave the lien-holder on the hook for maintenance associated with the unit as well. Taxpayers would have to take the hit on that too.

Best regards,

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