

# Atlanta Board of REALTORS®

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February 16, 2011

Alfred M. Pollard  
General Counsel  
Federal Housing Finance Agency  
1700 G Street, NW  
Washington, DC 20552

RE: RIN 2590-AA41

Dear Mr. Pollard:

On behalf of the over 5,000 members of the Atlanta Board of REALTORS®, I am writing to support proposed rule RIN 2590-AA4 by the Federal Housing Finance Agency (FHFA) on the use of private transfer fees for the Federal Home Loan Banks (FHLBs) and the government sponsored enterprises (GSEs) Fannie Mae and Freddie Mac. We support the FHFA proposal to restrict the FHLBs and the GSEs from dealing in mortgages on properties encumbered by certain types of private transfer fee covenants and in certain related securities.

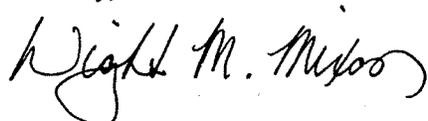
A private transfer fee commonly occurs when a developer or homeowner agrees to add a covenant to the deed that requires future owners of the property to pay a percentage of the selling price to a designated beneficiary. While the percentage fee paid is tied to the home price, it does not correlate with any tangible benefit received by the homebuyer. The transfer fee is a covenanted mandate and is extremely difficult to reverse once it is in place. The covenant usually attaches the fee to the deed for up to 99 years, which will result in several subsequent buyers paying a fee where no service is rendered or benefit received.

Private transfer fees increase the cost of homeownership, do little more than generate revenue for developers or investors, and provide no benefit to homebuyers. They place an inappropriate drag on the transfer of property. There is virtually no oversight of where or how proceeds are spent, how long a private transfer fee is imposed, or how the fees should be disclosed to homebuyers. At least one company is negotiating with institutional investors to "securitize" pools of transfer fees, which will essentially create bonds that can be sold on a secondary market, based on the future cash flows.

FHFA's proposed rule appropriately recognizes that fees should be exempted when paid to nonprofit organizations that are tax exempt under section 501(c)(3) or (c)(4) and provide direct benefits to the encumbered party. An exception for these organizations, where such fees are expected and familiar to many homeowner association members, can help fund capital reserves, capital improvements, upgrades and major repairs. Implementation of the rule ensures that homes already encumbered with such fees will not be adversely impacted by adhering to rules that were not in existence at the time of the original purchase.

Thank you for your time and consideration of this matter.

Sincerely,



Wight M. Wight  
President



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