

From: Charles Castor <charlescastor@hotmail.com>  
Sent: Tuesday, March 29, 2011 12:39 PM  
To: !FHFA REG-COMMENTS  
Subject: Private Transfer Fees

SUBJECT:  
Proposed Rule on Private Transfer Fee Covenants, (No. 2590-AA41) - Please  
Reject As Written

Mr. Pollard:

I am writing to urge you to REJECT the proposed rule No. 2590-AA41  
relating to private transfer fees as it is currently written.

The abusive practice of using transfer fees for purely private gain can  
be curtailed without disturbing the legitimate use of transfer fees for  
homeowner or community benefits. As proposed, this rule is too broad, at  
times inconsistent, and would have a severe negative impact on the  
operations of homeowners associations, environmental groups and  
affordable housing programs that rely on these disclosed fees for their  
operations. A transfer fee has a real value to a community when used in  
specific circumstances that benefit the homeowner or community, such as  
used by homeowners associations (HOAs), non-profit organizations, or  
governmental agencies to build and maintain community enhancements  
including community parks and emergency services facilities or to promote  
important community benefits such as open space, affordable housing, and  
transit improvements.

With a high percentage of mortgages (by some estimates 90 percent)  
insured or backed by Freddie Mac or Fannie Mae, this proposal would  
effectively preclude the use of transfer fees for community benefits,  
removing a critical tool for building strong communities and dealing  
another blow to homeowners at a time when the markets are struggling to  
recover. Further, while we understand the desire on the part of the FHFA  
to limit the abusive use of impact fees, the regulation would have the  
unintended affect of chilling the already weakened housing finance market  
and, without articulation the presence of an existing problem, the  
Proposed Rule takes away the right of home buyers to pay for the  
resources and services they believe best serve them and their community.

Approval of this rule as written is ill-advised and should be REJECTED.  
The FHFA should instead adopt transfer fee standards that protect  
community benefits while prohibiting abusive fees that are used solely  
for private gain.

Sincerely,

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