

From: Glad, Amy <amy.glad@pardeehomes.com>
Sent: Tuesday, April 05, 2011 5:02 PM
To: !FHFA REG-COMMENTS
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 effect 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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