

From: Jeffrey J. Land <jjland@midlantictitle.com>  
Sent: Wednesday, April 06, 2011 11:54 AM  
To: !FHFA REG-COMMENTS  
Subject: I support banning Private Transfer Fee Covenants (RIN 2590-AA41)

Dear Alfred Pollard,

Dear Mr. Pollard.

As a land title professional, I support FHFA's decision to limit Fannie Mae, Freddie Mac and the Federal home Loan Banks from dealing in mortgages on properties encumbered by private transfer fee covenants. These covenants create a significant burden in the title search process, potentially increase claims, cost consumers and further damage the already struggling real estate market. These covenants also conflict with traditional real property law which requires to burden the land a covenant must benefit the land. These fees only serve to benefit third parties to the real estate transaction at the expense of homeowners, and the public. Every time a property with these restrictions changes hands, the original owner and the company who set this up for them will benefit from each and every future sale of the property for the next 99 years. It would be in their interests to make sure a property turns over as many times as possible so as to keep the checks coming. In the mean time, you no longer have stable neighborhoods because of the incentives to make people buy and sell the lots more. In the end, it is not good for the consumer because it makes homeownership more expensive and it destabilizes the neighborhoods where they will be imposed.

For these reasons I strongly support the rule and encourage the FHFA to move forward in protecting homeowners, the GSE's, and our property rights system from these onerous fees.

Sincerely,

Sincerely,  
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