



April 11, 2011

Alfred M. Pollard  
General Counsel  
Attention: Comments/RIN 2590-AA41  
Federal Housing Finance Agency  
1700 G Street, N.W.  
Washington, DC 20552

RE: Notice of Proposed Rulemaking 2590-AA41 (76 Fed. Reg. 6702 (February 8, 2011))

Dear Mr. Pollard,

The Conference of State Bank Supervisors appreciates the opportunity to comment on the Federal Housing Finance Agency's notice of proposed rulemaking on Private Transfer Fees, RIN 2590-AA41. CSBS commends the Federal Housing Finance Agency (FHFA) for its thorough analysis of a complex issue and agrees that inconsistent disclosure, impaired marketability, and impaired transferability are critical problems that warrant regulation. Further, we are especially pleased that FHFA has recognized the work states have done in this arena and that FHFA respects the inherently local nature of property rights and the accompanying regulation.

By establishing a regulatory floor for the regulated entities, FHFA has ensured that the states can continue to enact sound and localized regulations in the area of private transfer fee covenants. As the proposed rule notes, the states have been very active monitoring this issue and taking legislative action where necessary. Supervision at the state level provides regulators that are accessible, who understand state laws, are in tune with the local economy, and knowledgeable about the consumer. This allows the states to identify issues pertinent to their citizens and communities, which solidifies the underlying strength of a federalist system. Federal regulatory preemption of state laws endangers consumer protection, and this proposed rule illustrates an approach that utilizes the strength of the dual banking system by protecting a state's ability to monitor and enforce real property and consumer protection laws.

Thank you for the opportunity to comment, and please contact us for any assistance you may need from state bank supervisors as you continue to face private transfer fee covenant issues.

Sincerely,

Neil Milner  
President and CEO

**CONFERENCE OF STATE BANK SUPERVISORS**

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