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To Whom It May Concern:

I'm writing to ask that you reconsider the recent proposal by FHFA to ban typical and routine government guarantees of mortgages on properties that include a private transfer fee. (<http://www.fhfa.gov/webfiles/16480/PrivTransFeeGuidance081210.pdf>) While there may be some abuse of private transfer fees, in my experience they are used to fund HOA's that include many community amenities into which each new homeowner is buying. Each member of the community pays the small fee knowing each new member of the community will also pay the same small fee. The fees, along with HOA dues, fund amenities like community centers, pools, and parks. At one time these same amenities would have been provided by municipalities and underwritten with bonds paid back through property taxes. However, over the last 30 years municipalities have grown accustomed to demanding that all new master planned communities include amenities paid for directly by the community and not through the municipality.

The new rule you are initiating will have two direct effects, 1) ***immediately stop or slow home sales*** in communities in which a Private Transfer Fee is included in the obligations attached to the title, along with the CC&R's. Like the CC&R's the homeowners agreed to when making their home purchase, the private transfer fee has already been agreed to. Your new rule disallows guarantees for mortgages that include such a fee. **Banning the underwriting of the mortgages is not a magic wand that eliminates the contractual requirement already in place.** It will simply disqualify most potential buyers from making a purchase where the funding obligation exists. This can only create an immediate and absolute reduction in the value of the homes already built in those communities where the owners have agreed to a private transfer fee. It's also important to remember that the entire amenity plan has been approved by local municipalities. Home owners and developers are not empowered to unilaterally eliminate private transfer fees on a go forward basis, as the funding generated by the fees is included in budgets that have governmental approval via the planning process. 2) The move will create a long delay in the development of new master planned communities. Municipalities will continue to demand extensive amenities that are not paid for by property taxes and not the responsibility of the municipality to maintain, and the new rule you are planning destroys one of the funding mechanisms that fulfills the municipalities' demands. When the new rule goes into place, we cannot expect municipalities to simply start picking up the ball, the way they did 30 years ago.

In the announcement of August 12 from your agency it mentions, "*FHFA is concerned that the fees fund purely private streams of income for select market participants and do not benefit homeowners.*" While I'm not arguing that has never happened, **I've never experienced it myself nor ever heard of a private transfer fee being used in this way.** It's never even occurred to me that it private transfer fees could or would be abused this way.

It should be noted that the four states that have taken legislative action to limit Private Transfer Fees have either a) limited their action to the establishment of new Private Transfer Fee obligations; b) limited their action to Private Transfer Fees that were NOT directed to HOA's or similar non-profit entities directly benefiting the buyer of the property. The action proposed by the FHFA does not include either of these limitations.

I am copying **Congressman Minnick** on this email via U.S. Mail, because he is on the committee that provides oversight to FHFA and because this will directly affect his district. My firm is

currently developing a 5,500 home community in Ada County. The amenities that will be built into the community are not going to fund themselves. While the project is paused due to macroeconomic conditions, we look forward to the day we can start putting shovels in the ground. The new rule the FHFA is considering may put that day off, perhaps for years.

The last thing we need right now is more friction in the housing market created by new rules and regulations that will have an immediate and absolutely negative impact on home values while adding complexity to the home sale process. I hope you will take the necessary action to get this plan by your department stopped, as negative short and long term ramifications clearly outweigh any potential benefit.

I will be in Washington D.C. the week of October 11, and I would welcome the opportunity to meet with you that week to discuss this issue.

Sincerely --

Martin A. Stever

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