

From: Joe Bunting [joe.bunting@kica.us]
Sent: Wednesday, September 08, 2010 12:04 PM
To: !FHFA REG-COMMENTS
Cc: G&PA@caionline.org
Subject: Guidance on Private Transfer Fee Covenants, (No. 2010-N-11)

On August 13, the FHFA issued a proposed regulation to ban the use of deed-based or covenant-based transfer fees. Such a rule as currently written will be devastating for our community. Folks move here because we provide well maintained roads, drainage, street lighting and other infrastructure that is entirely paid for by transfer fees at the time of closing (the time of property purchase).

In this way, only new purchasers of property (new owners in the community) are charged once as they move in. This allows for the existing community members NOT TO BE BURDENED with additional assessment charges annually to pay for these repairs/replacements.

Members move here BECAUSE OF the transfer fee, not because it is not here. If the transfer fee were not in place, then all members would be charged an additional approx \$1,000 per year so that infrastructure could be replaced. Transfer fees make more sense, since they are paid by new purchasers and are a one-time fee.

In addition, it would be next to impossible to remove this covenant from the community's governing documents. Such a change requires a 3/4's vote in favor by all members. Remember that such a transfer fee was voted on and APPROVED by this many members in 1996, because they wanted such a covenant change! Since then the community has paid for approx \$20 million in repairs to infrastructure from the fees -- which are 1/2 of 1% of the sale price of the home. These reasonable fees are very popular because NO ONE wants to pay annual fees every year for such repairs and replacements! Why do you want to take away these good measures from us, measures that all owners contract for when they purchase their properties!

We respectfully ask that you not implement this regulatory proposal as drafted.

Joe Bunting
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Chief Operating Officer

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