From: Larry Miller [larry@matrixxmgt.com]
Sent: Tuesday, September 14, 2010 6:06 PM
To: !FHFA REG-COMMENTS
Subject: Guidance on Private Transfer Fee Covenants No. 2010-N-11

Dear Mr. Pollard-

I ask that you reject the proposed guidance, for the following reasons:

1. Despite widespread use of transfer fees for decades, there is no evidence of harm to consumers or lenders.
2. Passing the guidance will negatively impact millions of homeowners, who will find their property ineligible for low-cost financing.
3. Transfer fees are voluntary. No one is forced to pay the fee and they are easily recognizable through proper disclosure.
4. Developers use capital recovery fees to spread infrastructure costs. There is nothing unfair or inequitable about this practice. It is analogous to using road bonds to pay for roads.
5. Developers sell off the income stream (e.g. a development bond), and use the proceeds to PAY OFF LOANS, REDUCE NEGATIVE EQUITY, and RESTART FAILED PROJECTS - CREATING JOBS. In return, homeowners pay less up front.
6. HOAs use transfer fees to lower quarterly dues. Non-profits use the income to provide important community benefits.
7. These fees are embedded within deed restrictions, and cannot be easily removed in most cases - if at all. Some fees (to charity) run in perpetuity.
8. If the issue is protecting Fannie and Freddie, there is no basis for

eliminating the use by subdivision developers. Lender liability bears no relationship to the ultimate use of the fee.

9. The guidance is being pushed almost exclusively by two special interest groups well known for lobbying hard for lax lending standards and subprime loans in pursuit of profits.

10. The guidance will not stop developers from using the fee. It will simply saddle homeowners with higher interest payments.

Sincerely,

Larry Miller