

From: sean kay [imakikr@gmail.com]
Sent: Tuesday, September 14, 2010 9:56 PM
To: !FHFA REG-COMMENTS
Subject: FHFA Guidelines

Alfred M. Pollard, General Counsel
Federal Housing Finance Agency
1700 G Street NW., Fourth Floor
Washington, DC 20552
Via: regcomments@fhfa.gov
Attn: Public Comments

Re: Guidance on Private Transfer Fee Covenants No. 2010-N-11

Dear Mr. Pollard,

I recently became aware of the newly proposed FHFA guidelines that will adversely affect so many developers, property owners and homeowners, negatively impacting an already troubled economy.

Please consider the damage such repressive policies will surely cause if implemented.

I have taught economics for years and see these policies as a strong push toward more of a Command Economy with more and more government control of private property, taking away from Free Market elements of competition, variety and consumer choice.

These Capital recovery fees are critical to developers for liquidity and the ability to spread infrastructure costs over time. Capital recovery fees allow these costs to be shared rather than financed in whole by the first home buyer. Sharing these costs over time through capital recovery fees reduces the initial cost of the home. This also gives consumers a variety of choices. Since these fees are recorded, no consumer will buy a home with a Capital recovery fee in place without their knowledge and voluntary consent.

Many developers are struggling in this economy of tight money, capital recovery fees give more liquidity to these developers helping them remain in business where they continue to provide jobs in one of the most important economic sectors of the economy.

A home that sell 10 times in 99 years would have would have approximately 10% in capital recovery fees, but 60% in realtor commissions. If there is so much concern about cost, perhaps you should address real estate commissions instead.

Sincerely,

Sean M. Kay