

From: Chris Clemente [cclemente@comstockcompanies.com]
Sent: Wednesday, September 15, 2010 7:23 AM
To: !FHFA REG-COMMENTS
Subject: Guidance on Private Transfer Fee Covenants (2010-N-11)

I would like to register my opinion regarding the debate on private transfer fees. I am the CEO of Comstock Homebuilding Companies, Inc. (Nasdaq: CHCI). We have built more than 5,000 homes and have never built a home subject to private transfer fees that have benefitted any for-profit organization but we have built homes subject to such fees benefitting non-profit groups such as community organizations, which is common in the new home industry. It appears that any proposed new regulation would negatively impact the ability to sell new and existing homes in communities subject to private transfer fees and we therefore oppose such regulatory intervention.

Further it appears that the well organized realtor lobby groups are opposed to these fees becoming a revenue source used to pay for costs of infrastructure improvements needed to create communities and potentially lower the ultimate cost of new homes. I have read that the realtors are fashioning such fees as "royalties" for home builders. That is an absurd argument coming from an industry group that has spent years protecting the "royalty" fee they call sales commissions (typically 6% and sometimes higher) that they collect every time a home resells. Compared to the typical private transfer fee of 1% or less that actually helps pay or repay the cost of adding value to the community and it's homes, it would seem that any new regulations would better serve the population if it focused on limiting the fees charged by realtors, which often compensate the realtor organization for little more than listing a property in a proprietary listing service.

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