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Sent: Wednesday, September 15, 2010 12:02 PM
To: !FHFA REG-COMMENTS
Subject: Guidance on Private Transfer Fee

Expires: Thursday, February 18, 2027 12:00 AM

Mr. Pollard,

Please reject any attempt to limit or prohibit private transfer fees. Don't let two private interest groups influence your decision, their interests are not aligned with the public at large.

- Transfer fees are voluntary. No one is forced to pay the fee and they
- are easily recognizable through proper disclosure.
- 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.
- 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.
- HOAs use transfer fees to lower quarterly dues. Non-profits use the
- income to provide important community benefits.
- 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.
- 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.
- 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.

- The guidance will not stop developers from using the fee. It will
- simply saddle homeowners with higher interest payments.
- Despite widespread use of transfer fees for decades, there is no
- evidence of harm to consumers or lenders.

Sincerely, Craig Millard

President Texas Gulf and Harbor. Newport, RI