

September 15, 2010

Alfred M. Pollard
General Counsel, Federal Housing Finance Agency
Fourth Floor
1700 G Street, NW
Washington, DC 20552

RE: Guidance on Private Transfer Fee Covenants (No. 2010-N-11)

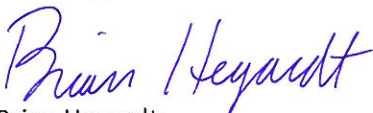
Dear Mr. Pollard:

I am writing to urge you to REJECT the proposed guidance No. 2010-N-11 relating to private transfer fees. Our company has utilized a private transfer fee in communities we have developed and we are concerned about the significant negative ramifications of such a policy action. A transfer fee has a real value to a community when used in specific circumstances that benefit the community being assessed.

We are concerned about the severe negative impacts that this proposed guidance will have on the already devastated real estate market. With a high percentage of mortgages (by some estimates 90%) insured or backed by Freddie Mac or Fannie Mae, there will be significant disturbance and negative impact to the real estate market but also, importantly, to property owners trying to sell their property. Approval of this proposal will place a cloud over thousands of transactions and make many properties difficult to sell – especially if a potential buyer cannot get a loan.

Approval of this guidance is ill-advised and should be REJECTED. At a minimum, the comment period should be delayed and extended for a significant time to allow for the thoughtful and transparent consideration of the impacts of such a change.

Sincerely,



Brian Hegardt
President
Communities Southwest