

From: RJON ROBINS [rjonrobins@gmail.com]
Sent: Wednesday, September 15, 2010 8:27 PM
To: !FHFA REG-COMMENTS
Subject: Guidance on Private Transfer Fee Covenants No. 2010-N-11
Private capital recovery transfer fees are GOOD for property owners and the economy.
Guidance No. 2010-N-11 is BAD for property owners and the economy.

Dear Mr. Pollard-

I am a lawyer and I am very well acquainted with private capital recovery fees. I would be very happy to schedule a call or meet you in your office to educate you about how private capital recovery fees REALLY work so that you can make a fully-informed decision.

By way of brief background:

a.. Every economist who has actually put a calculator to this issue has concluded BY THE NUMBERS that private capital recovery transfer fees are GOOD for property owners. Accordingly, the guidance will backfire and saddle homeowners with higher interest payments and LESS AFFORDABLE HOUSING.

a.. 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. Despite widespread use of transfer fees for decades, there is no evidence of harm to consumers or lenders.

a.. Transfer fees are voluntary and are easily recognizable through proper disclosure. Passing the guidance will negatively impact millions of homeowners, who will find their property ineligible for low-cost financing.

a.. Developers sell off the income streams from private capital recovery fees and use the proceeds to PAY OFF LOANS, REDUCE NEGATIVE EQUITY, and RESTART FAILED PROJECTS - CREATING JOBS. In return, homeowners pay less up front for their homes. And every single economist who has carefully studied the issue concludes that subsequent home owners benefit too. HOAs use transfer fees to lower quarterly dues. Non-profits use the income to provide important community benefits.

a.. 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 being considered will backfire.

I sincerely hope you accept my invitation, so that you are able to make a more fully-informed decision about this important issue.

Sincerely,

RJON ROBINS
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