



Westchester Putnam Association of REALTORS® , Inc.

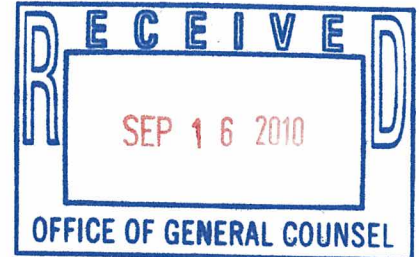
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September 9, 2010

Edward J. DeMarco
Acting Director
Federal Housing Finance Agency
1700 G Street, NW
4th Floor
Washington, DC 20552



Dear Mr. DeMarco:

I am writing on behalf of the Westchester Putnam Association of Realtors to support FHFA's proposed guidance on the use of private transfer fees for the Federal Home Loan Banks (FHLBs) and the government sponsored enterprises (GSEs) Fannie Mae, Freddie Mac. We fully support the FHFA guidance that states the FHLBs and the GSEs should not purchase mortgage encumbered by private transfer fees and that such purchases are not prudent or safe or sound investments.

As you know, a private transfer fee commonly occurs when a developer agrees to add a covenant to the deed of each new home, or a homeowner agrees to add a covenant to an existing home's deed, that requires future owners of the property to pay a percentage of the selling price to a designated beneficiary. The Westchester Putnam real estate market is one of the most expensive in the country and we have a constant problem of housing affordability in this region. Private transfer fees would exacerbate that problem by embedding a new cost in multiple property transfers, without any discernable public benefit or improvement for home buyers. Your Agency's proposed guidance on this issue will be a useful restraint of a harmful practice.

The Federal Housing Administration (FHA) recognizes the impact of private transfer fees. The US Department of Housing and Urban Development (HUD) General Counsel has confirmed that private transfer fees clearly violate HUD's regulations which prohibit legal restrictions on conveyance and require lenders to convey clear marketable title.

Thank you for your time and consideration of this matter.

Sincerely,

A handwritten signature in black ink that reads 'P. Gilbert Mercurio'.

P. Gilbert Mercurio
Chief Executive Officer

pgm/sf