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Federal Housing Finance Agency (FHFA)
1700 G Street, NW
4th Floor
Washington, DC 20552

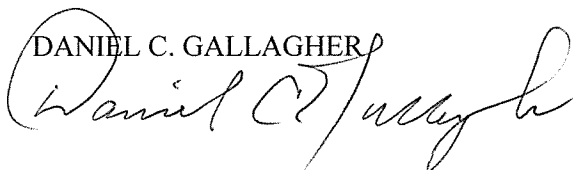
Gentlemen,

We are writing to you concerning the proposed rule making of the Federal Housing Finance Agency (FHFA) that would restrict Fannie Mae, Freddie Mac and the Federal Home Loan Banks from investing in mortgages with private transfer fee covenants (referred to as a "Flip Tax"). The restriction would also apply to mortgages and securities purchased by the Federal Home Loan Banks. We attach a summary of the proposed rule issued by the FHFA for your reference.

We have been the shareholders and owners of a coop in the Bronx boro of New York City for 32 years. The "flip tax" was originally put in place at the time of conversion to coop or condo ownership in order to discourage people from purchasing a coop or condo merely with the intention of quickly selling it for a profit. They wanted to encourage purchasers who actually intended to live in the coop or condo as their residence. Most "flip taxes", such as ours, were only intended to be in effect for a few years after the conversion to coop or condo ownership. There never was any intention that these "flip taxes" should be extended for more than 20 years as has been the case in our coop. These "flip taxes" have long outlived their primary intention and now only serve to discourage sales and diminish the value of the properties. Moreover, in our coop, the "flip tax" does not apply to shares owned by the developer. In our coop the developer has maintained ownership of more than 50% of the shares since the conversion to coop ownership was started in 1984.

The continued presence of a "flip tax" is no longer appropriate. The reasons for the proposed restrictions are concisely and clearly stated in your attached summary and we fully agree with your reasoning. We thank you for your efforts.

We are asking that you implement the rule as written and as quickly as the law and rule making regulations allow. We believe that the proposed restrictions will result in an increase in sales which can only benefit the economy. After all, coops or condos have the ability to increase monthly fees or pass special assessments to raise the money needed for improvements or other projects.

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