

**Plymouth and South Shore
ASSOCIATION of REALTORS, INC.**

48 Schoosett Street • Pembroke, MA 02359
tel 781-826-5139 • 781-335-2718 • fax 781-826-0329
www.PassRealtors.com • Info@PassRealtors.com

September 17, 2010

President

Marybeth Mills Muldowney
GRI, CBR, CRB, CRS, SRES, GREEN
TradeWinds Realty Group, LLC

President-Elect

Marcia Gallagher Solberg
GRI, CBR, e-PRO
Macdonald & Wood Sotheby's Intl. Realty

Vice President

Peggy Dinger
ABR, e-PRO, GREEN
Coastal Countryside Properties

Treasurer

Richard Stevens
Jack Conway & Co., Inc.

Secretary

Christopher Head
GRI, CBR, GREEN
William Raveis Real Estate

Past President

Rita Coffey
CBR, CRB
CENTURY 21 Tullish & Clancy RE, Inc.

Directors

Susan Condon
ABR
CENTURY 21 Alliance Realty

Davenport Crocker, Jr.

Coldwell Banker Residential Brokerage

Robert Germaine

Germaine Realty Group, Inc.

Lenny Harris

CRS, e-PRO
Jack Conway & Co., Inc.

Jayne Magown

CBR
CENTURY 21 Abigail Adams

Barbara J. Watkins

CENTURY 21 Network-Richmond

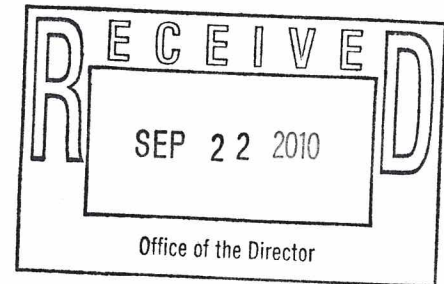
Marty Zurn

The Green Company

Chief Executive Officer

Nancy Betz
RCE, e-PRO

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



Dear Mr. DeMarco:

I am writing on behalf of the Plymouth and South Shore Association of REALTORS® to support the Federal Housing Finance Agency's (FHFA's) proposed guidance on the use of private transfer fees for the Federal Home Loan Banks (FHLB's) and the government sponsored enterprises (GSE's) Fannie Mae, Freddie Mac. We fully support the FHFA guidance that states the FHLB's and the GSEs should not purchase mortgages 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. While the percentage fee paid is tied to the home price, it does not correlate with any tangible benefit received by the home buyer. The transfer fee rule is a covenanted mandate so it is extremely difficult to reverse the requirement once it is in place. In many cases the fee is attached to the deed for up to 99 years, meaning several subsequent buyers may pay a fee where no service was rendered or benefit received.

Private transfer fees increase the cost of homeownership, do little more than generate revenue for developers or investors and provide no benefit to home buyers. They place an inappropriate drag on the transfer of property. Moreover, there is virtually no oversight on where or how proceeds can be spent, on how long a private transfer fee may be imposed, or on how the fees should be disclosed to home buyers. Already, one company is negotiating with institutional investors to "scrutinize" pools of transfer fees, which will essentially create bonds that can be sold on a secondary market, based on the future cash flows.

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 regarding this matter.

Sincerely,

A handwritten signature in cursive script that reads "Marybeth Mills Muldowney".

Marybeth Mills Muldowney
President

