



**REALTORS®**  
*Association of  
Maui, Inc.*

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September 15, 2010

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

**RE: In Support of FHFA'S GUIDANCE ON PRIVATE TRANSFER FEES**

Dear Mr. DeMarco:

The REALTORS® Association of Maui wishes to go on the record in support of the Federal Housing Finance Agency's (FHFA's) proposed guidance on the use of private transfer fees to the Federal Home Loan Banks (FHLBs) and the government sponsored enterprises (GSEs) Fannie Mae and Freddie Mac. We fully agree that Federal Home Loan Banks and the GSEs should not purchase mortgages encumbered by private transfer fees; that such purchases are neither prudent nor sound investments.

Our Association and our State Hawaii Association of Realtors successfully persuaded our state legislature to ban the use of these deed restrictions because we can see that they will be harmful to the marketplace over the long term. This is especially true because Wall Street has already started securitizing these real estate actions. We are thankful that our Legislature readily understood the threat and took the appropriate action. We also support the action proposal by the FHFA as both prudent and necessary.

It is our belief that private transfer fees increase the cost of homeownership, do little more than generate revenue for developers or investors and provide no benefit to homebuyers. 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. To be fact, it amazes us that so soon after the recent financial meltdown, caused in part, but impudent real estate lending, that another such impudent scheme would so quickly enter the market place.

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. And common sense says that there is no justification for taking such risks in our fragile marketplace.

Thank you for your time and consideration of this matter.

Sincerely,

*Bruce Faulkner*  
Bruce Faulkner, President