

From: Greg Blume [greg@bfrland.com]
Sent: Sunday, September 26, 2010 11:25 PM
To: !FHFA REG-COMMENTS
Subject: Guidance on Private Transfer Fee - Covenants No. 2010-N-11

Dear Mr. Pollard,

I ask that you reject the proposed guidance for Private Transfer Fees.

Based on my investigation transfer fees have been used for decades and fall within conforming guidelines for FNMA. I found no evidence of harm to consumers or lenders so creating a new guideline would negatively impact the availability of conforming, lower cost financing for millions of homeowners.

Our conclusion was that Private Transfer Fees are a creative, free-market means of funding project costs much like capital recovery fees or MUD taxes, only cheaper for the buyer / homeowner. There is nothing unfair or inequitable about this practice.

The future value generated by the Transfer Fees can allow developers to pay down their development / construction loans and recapitalize their project. This can help create or maintain many real estate related jobs and stabilize real estate values. What a benefit - especially in today's market.

In addition, many Home Owners Associations, and the property owners they represent, benefit from these programs to help reduce their dues and better serve the communities they were created to benefit. The Transfer Fee Programs also contributes funds to area Non-Profits to bring further community benefits.

Since the Private Transfer Fees are integral with in the deed restrictions, they are conspicuously disclosed to buyers. Because of the program is within the deed restrictions they cannot be easily removed, if at all; the proposed guidance would harm all property owners already under the program.

With so much positive being gained by Private Transfer Fees, it is puzzling to understand what is really driving the two special interest groups pushing for these restrictive guidelines. I hope it is an innocent ignorance of the benefits of Private Transfer Fees. If not, I trust the authority of your agency will see past some other concealed agenda.

Thank you for this opportunity to comment and to request your rejection of the proposed guidance.

Sincerely,

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