

From: LenCapu@aol.com
Sent: Thursday, September 30, 2010 11:51 AM
To: !FHFA REG-COMMENTS
Cc: adler.marlton@mail.house.gov
Subject: Guidance on Private Sale Transfer Fee Covenants, (NO.2010-N-11), FHFA

Reference: Federal Housing Finance Agency Proposal No. 2010-N-11, Private Transfer Fee Covenants

Dear Sir,

I am writing as a resident of a large age-restricted planned community. The proposed guidance on prohibiting GSE's from underwriting mortgages on homes with private sales transfer fees will have a profound negative effect on our community. One of two adverse events will occur. Either,

One, since a high proportion of homes require mortgages which are typically underwritten by one of the GSE's, this guidance will block the ability of new home owners to obtain mortgages and homes sales will be stifled. Prospective purchasers will turn away from homeowner associations since almost all have such fees. or,

Two, as the FHFA appears to want, homeowner's associations will be forced to eliminate the one time private sale transfer fee in order to sell homes. Then revenues flowing into their reserve funds will be reduced. This in turn will require the association to raise homeowner dues to compensate for the shortfall.

Neither scenarios are beneficial to homeowner's associations.

With regard your arguments for eliminating private transfer fees they contain exaggerated and unsubstantiated claims. All are prefaced by "may". Where is the data? While each of the possible claims may have happened in isolated cases there needs to be hard evidence that they are commonplace. Many of these problems can be corrected by simple directives. Further the FHFA seems to ignore the role of real estate attorneys, realtors and title companies in policing these potential pitfalls.

In summary, the FHFA's broad brush approach will do far more damage than good. The FHFA's action will either damage the housing market for homeowner associations or increase the financial burden on residents in homeowner associations. Please consider dropping it altogether or greatly modifying it.

By way of this e-mail I am requesting my congressman, Mr. John Adler,NJ-3, to look into this matter as there are many homeowner associations in his district which will be adversely affected if this guidance becomes final.

Sincerely.
Len Capuano
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