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Public Comments on Proposed Guidance; Request for Comments: Private Transfer Fee Covenants:=====

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I understand that these types of fees have been imposed on thousands of properties for many years, with the fees benefiting all kinds of beneficiaries including homeowner associations, charitable foundations and organizations, etc. Given that, it should be easy to gather hard data to determine whether they actually HAVE impeded marketability, valuations, or raised homeownership costs. And, there should also be hard data on the number of claims against title companies because the fees were not disclosed.

This ban will have a huge negative impact on thousands or hundreds of thousands of homeowners. Given the fact that thousands of transactions involving private transfer fee covenants have already closed, this type of action should be based upon actual harm that has been determined from those transactions, and not upon theory or hypotheticals.

It is my understanding that these private transfer fee covenants are typically created by for-profit builders and developers. I may be a cynic, but find it hard to believe that these profit seeking capitalists would place covenants on their properties that impeded marketability. But, it should be easy to determine by comparing marketability of subdivisions with and without these covenants. If the data shows that existing private transfer fee covenants have actually impeded the marketability of property or increased homeowner costs, then that should be the basis for this debate.

Finally, I have seen some discussion that private transfer fees created for the benefit of non-profits should be allowed, but those with for individuals or profit beneficiaries should be banned. The beneficiary of the fee is irrelevant. These fees either do or don't impact marketability and valuations. If they do, they do so no matter who the beneficiary is.

It would be easy to gather hard facts about the impact of private transfer fee covenants on property. There is no reason to debate theory.