

From: FHFInfo
Sent: Friday, October 01, 2010 11:12 AM
To: Miller, Crystal
Subject: FW: Flip tax for coops

Hi Crystal-

At first I was not sure but it turns out this is another transfer fee comment. The lady has phrased it in terms of a "flip tax."

From: Marie Orlando Pedraza [mailto:mopedraza6@aol.com]
Sent: Thursday, September 30, 2010 10:41 PM
To: FHFInfo; Office of the Director; Office of the Director; Bragg, Veronica N.; Roberts, Toi
Subject: Flip tax for coops

A flip tax is a means for a coop to accrue revenue to keep the coop working.

My family moved into the Forest Park Coop in 1955. My sister was a Principal of a NYCity Elementary School, my brother became a CPA, and I was a teacher for many years.

I returned to the coop in 2002 in order to take care of my mother. When she passed away, I purchased the coop. I paid the flip tax. I have lived in the coop a total of 32 years, and yet I paid the flip tax. This situation might seem strange, but if we had sold the unit to another party, we would still have had to turn over the flip tax to the coop.

The flip tax is not paid by the new purchaser, rather by the seller. They are leaving, and the coop gets to use the flip tax to keep the coop in good shape.

The coop has no debt. We paid off our mortgage years ago, and we have one of the lowest maintenance charges in the city.

I have a three bedroom apartment, and I pay less than \$700 per month.

My apartment is large, not like apartments in Manhattan.

The coop has been fiscally sound and has conducted the business operations in good faith. We are good stewards of our neighborhood.

There are people here that are the original tenants, and they are on a fixed income.

We do not want to raise their maintenance in order to allow you to stop the flip tax.

Some are ninety, some are in their eighties and they are quite vital but they don't have the ability to withstand too many increases.

That is what will happen if you get rid of the flip tax.

My mother and father's friends will have to pay more money for maintenance.

Now while I understand your wanting to help new buyers, all that you are doing is allowing them to come in to a coop that will then charge a higher maintenance fee.

The flip tax actually comes from the seller, not the buyer. You will then be turning this on its head.

We are talking about \$16,000 for a 3 bedroom apartment.

Does this seem unreasonable.

What is unreasonable is that banks are still giving out loans to people who can not afford to pay the mortgage and the maintenance.

Why would a person earining less than \$33,000 a year qualify for a \$160,000 mortgage?

And, they will have to pay maintenance, perhaps they won't eat, or buy clothing, or pay for transportation to work? How will they pay for hospitalization insurance, car insurance, insurance on the unit?

What is wrong with the lenders? Have they not learned anything?

Go and look at the banks.

Leave the coop alone.

We really have a well run coop. Come visit.

I know many of the people here, I have known them since 1954.

There are 900 families in the entire coop.

Nine buildings, three sections, one big family.

We have people who have become doctors, lawyers, teachers, policemen, firemen, scientists, writers, accountants, soldiers, leaders in their communities, etc.

We are trying to keep this place safe and beautiful. We do not want an increase in the maintenance, but you will be doing just that if you get rid of the flip tax.

Sincerely yours,

Marie Pedraza
mopedraza6@aol.com
Secretary, Board of Directors
Forest Park Coop, Section 1
83-55 Woodhaven Blvd
Woodhaven, NY 11421