

From: k able [gacres1604@yahoo.com]
Sent: Monday, October 04, 2010 11:55 AM
To: !FHFA REG-COMMENTS
Subject: FHFA Guidance on PRivate Transfer Fee Covenants #2010-N-11
FHFA:

I understand that on August 16, 2010, the FHFA will announced (see Guidance on Private Transfer Fee Covenants, No. 2010-N-11) that it is going to ban certain fees that homeowners associations across the nation use to fund maintenance projects and to build up savings for unanticipated expenses. As you know, if your agency bans these fees, entire communities will be cut off from most mortgage financing. This is a SCARY situation as it will devastate communities throughout the great state of Texas and other states!! It will almost impossible to sell a home!

Statistics show that one out of every five Americans lives in a community or homeowners association. Many of these associations require all new homeowners to make an upfront payment to fund the ongoing obligations of the association. All fees are DISCLOSED to homebuyers, along with the rate of regular assessments that all association residents must pay, prior to closing.

With a continuing WEAK and FRAGILE housing market the FHFA's proposal to prohibit Fannie Mae, Freddie Mac and the Federal Home Loan Banks (the GSEs) from buying or investing in mortgages on homes in community associations with deed-based transfer fees will cause further HARM and weakening.

I must assume that you are aware that since the fees are EMBEDDED in the properties' deeds, it is almost impossible to remove them. Most of these communities will immediately become off-limits for the GSEs. Without access to credit, these homeowners will suffer (including the towns and cities in which they exist) - not because they made a bad decision, but because FHFA was trying to "help." (Doesn't sound helpful to me!)

A survey of Community Associations Institute's member communities suggests that up to a quarter of the more than 24 million housing units in community associations could be blocked from mortgage financing under this rule. (Was this your intent????)

If FHFA wants to help homeowners rather than harm them, the agency should focus its efforts on examining the impact of the 1 % fee being paid to third parties through developers. That was the ORIGINAL INTENT of this guidance before it was expanded to impact the transfer fees of communities and management companies. Fees that directly support the underlying property, and touch and concern the land in question, have a more than 30-year track record of benefiting communities and covering actual costs involved in the transfer of property.

As a citizen of this great nation I demand that FHFA revise or withdraw this ill-conceived GSE mortgage purchasing guidance on transfer fees. Please let me know what actions you will take to amend this impending horror of a situation which will have a MAJOR impact on the housing market and economy of my country.

Regards,
Kathleen Able