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

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I am writing on behalf of the Board of Directors of 40-50 Tenants Corp., a cooperative apartment building located at 40-50 E. 10th St., New York City, with regard to the proposed Guidance on Private Transfer Fees Covenants. Our building (113 units) has been a cooperative since 1963 and all of our units (except for our superintendent's apartment and one commercial rental unit) have been owned and occupied by individual residents since then. All transfers of apartment ownerships (except for a small number of exempt transfers, such as to a spouse or child) are subject to the payment of a transfer fee payable by the seller to the Building which is the higher of \$38 a share or 2% of the gross sales price (in reality, it is always the 2% measure). These fees go directly into the Building's reserves where they are utilized to pay for capital improvements or unanticipated repairs or other operating expenses. These are amounts that we otherwise would have to raise through maintenance increases or assessments from our shareholder/residents. Many of our residents are retired/elderly/both, and our ability to use these transfer fees for such purposes materially assists us in keeping our maintenance charges as low as possible which in turn assists in allowing a number of our residents to continue to live in the Building by doing so. The proposed Guidance would cause many of our Building's residents great hardship, and we strongly urge that the Guidance be revised to continue to permit transfer taxes in contexts such as our Building's.

Thank you.

Lawrence Hohlt  
President, Board of Directors