

Guidance on Private Transfer Fee Covenants, (No. 2010-N-11) - Please Reject As  
WrittenFrom: Eddie Kho [ekho@mpengr.com]  
Sent: Monday, October 04, 2010 4:20 PM  
To: !FHFA REG-COMMENTS  
Subject: Guidance on Private Transfer Fee Covenants, (No. 2010-N-11) - Please  
Reject As Written

Mr. Pollard:

I am writing to urge you to REJECT the proposed guidance No. 2010-N-11 relating  
to private transfer fees as it is currently written.

The abusive practice of using transfer fees for purely private gain can be  
curtailed without disturbing the legitimate use of transfer fees for homeowner  
or community benefits. As proposed, this guidance would have a severe negative  
impact on the operations of homeowners associations, environmental groups and  
affordable housing programs that rely on these disclosed fees for their  
operations. A transfer fee has a real value to a community when used in specific  
circumstances that benefit the homeowner or community, such as use by homeowners  
associations (HOAs), non-profit organizations, or governmental agencies to build  
and maintain community enhancements or promote important community benefits such  
as open space, affordable housing, and transit improvements.

With a high percentage of mortgages (by some estimates 90% insured or backed by  
Freddie Mac or Fannie Mae, this proposal would effectively preclude the use of  
transfer fees for community benefits, removing a critical tool for building  
strong communities and dealing another blow to homeowners at a time when the  
markets are struggling to recover.

Approval of this guidance as written is ill-advised and should be REJECTED. The  
FHFA should instead adopt transfer fee standards that protect community benefits  
while prohibiting abusive fees that are used solely for private gain.

At a minimum, the comment period should be delayed and extended for a  
significant time to allow for the thoughtful and transparent consideration of  
the impacts of such a change.

Sincerely,

Eddie W. Kho, P.E., F.ASCE, LEED AP  
President & CEO  
Morton & Pitalo, Inc. · Engineering · Surveying · Planning · Landscape  
Architecture  
75 Iron Point Circle, Suite 120, Folsom, CA 95630  
Tel: (916) 984-7621 Ext. 122 · Fax (916) 984-9617 · Cell: (916) 267-1572  
Web: [www.mpengr.com](http://www.mpengr.com)  
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