From: Ray Hannigan [rayhnyc@mac.com]
Sent: Tuesday, October 05, 2010 1:31 PM
To: !FHFA REG-COMMENTS
Subject: Guidance on Private Transfer Fee Covenants (No. 2010-N-11

FHFA:

I am writing to you as President of 61 East 11th Street Corporation, a residential building in Manhattan owned by 9 coop unit owners (A coop apartment is very much like a condominium, and common in New York City).

Our corporation long ago enacted a "flip tax" which collects a small percentage of the profit earned by unit owners when they sell their units. The money collected does not go to the original developer; rather, the money is paid into the capital account of the coop to be used for necessary expenses of the building.

Without the income generated from our "flip tax" we would be unable to afford important capital expenditures, such as the replacement of the building's boiler, used for heat.

We need the money generated by our flip tax and it would be difficult, if not impossible, to eliminate the provision from our by laws and proprietary lease. Many of us also finance and refinance our units with FHFA loans and a restriction, as now proposed, my prevent us from doing so.

For the foregoing reasons, I would urge that the FHFA not enact restrictions on Private Transfer Fee Covenants, or otherwise create an exceptions where such fees are utilized by the coop corporation, or condo association, to raise additional necessary revenue.

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