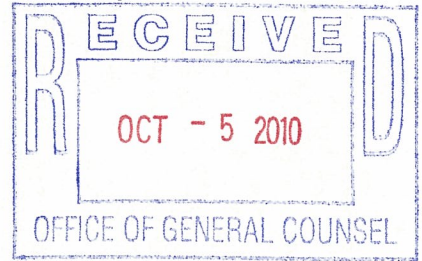


The Honorable Alfred M. Pollard
General Counsel
Federal Housing Finance Administration
Fourth Floor
1700 G Street, NW
Washington DC 20552

9/23/2010



RE: Proposed Guidance on Private Transfer Fee Covenants, (No. 2010-N-11)

Dear Mr. Pollard:

I write to express my strong opposition to the Federal Housing Finance Agency's Notice of Proposed Guidance on Private Transfer Fee Covenants published in the *Federal Register* on August 16, 2010. If implemented in its current form, the guidance will have a significantly negative impact on all homeowners living in **EDINBURGH CA SUN CITY CENTER FLORIDA**. I respectfully request the proposed guidance be either withdrawn in its entirety or revised to ensure that the one in five American households living in a community association continue to have access to mortgage credit.

As is the case with the majority of community associations across the country, **EDINBURGH CA - WITH 7 YEARS** under association control] employs a covenant or deed-based transfer fee to fund critical community operations and to ensure the association is able to sufficiently fund ongoing and unanticipated costs. The elimination of deed-based transfer fees will **SIGNIFICANTLY IMPACTS** operating **EXPENSES EACH YEAR**. This reduction in association income means our homeowners will face higher association assessments, a reduction in the services that attracted them to our community in the first place, or both. Additionally, this loss of income increases the likelihood of special assessments, which often are a significant and unanticipated financial burden on our homeowners.

Rather than destabilizing communities by threatening to depress home values, FHFA should support the use of covenant or deed-based transfer fees that benefit homeowners and support home values. Indeed, it is unclear if FHFA contemplated the impact of its proposed guidance on homeowners living in associations with deed-based transfer fees when developing its proposed guidance. Compliance with FHFA's guidelines as proposed would be cumbersome and in some instances impossible. Covenant or deed-based fees are attached to a property's deed or are contained in the covenant establishing association governance. These fees are, by design and by their nature, difficult to rescind. Some associations require 100 percent agreement between current owners to alter covenants while some require a super-majority vote of all homeowners in the association. In other instances, the fees are recorded in the deed itself.

Given the difficulty associations across the country face in removing deed-based restrictions or modifying community covenants, it is likely a significant number of homeowners will no longer have access to mortgage credit if FHFA's proposal is not withdrawn or revised. In its proposed guidance, FHFA suggests the elimination of mortgage financing for properties with a deed-based transfer fee will protect the nation's "still fragile housing markets." Rather than protecting housing markets, this regulatory redlining of healthy associations and creditworthy borrowers will put downward pressure on home values in these communities and cause severe financial hardship on homeowners who have done nothing wrong.

There are certain deed-based transfer fees that I believe do not serve a legitimate purpose and FHFA identified one such fee in its proposed guidance. Fees that are paid at closing directly to a third party that makes no investment in the association serve no other purpose than to enrich the fee recipient at the expense of homebuyers. This is why several state legislatures have considered legislation to void or require disclosure of private transfer fees that solely benefit unrelated third parties. This is the appropriate venue to address private transfer fees, as property law and the practices governing real estate transactions are in the purview of state and local governments. State and local governments are familiar with local real estate markets and are, therefore, able to craft solutions to policy problems appropriate to housing in that state. Finally, deed restrictions and covenants constitute a binding legal agreement between two parties that may only be voided in certain circumstances by Act of Congress or state law. FHFA's attempt to restrict the use of all private transfer fee covenants through guidance does not have the force or effect of law. As a result, the guidance will accomplish little more than to create substantial uncertainty in the community association housing market, which includes one out of every five homeowners nationwide.

I appreciate the opportunity to comment on FHFA's proposed guidance on private transfer fee covenants, and I strongly urge FHFA to reconsider its proposal to ban all covenant or deed-based transfer fees.

Sincerely, **EDINBURGH CONDOMINIUM ASSOC.**
C/O CONTINENTAL MANAGEMENT
1904 CLUB HOUSE DRIVE
SUN CITY CENTER, FL 33573

SIGNATURES ATTACHED

Edinburgh Condominium Association
 c/o Continental Management
 1904 Club House Drive
 Sun City Center, Florida 33573

RE: Proposed Guidance on Private Transfer Fee Covenants
 No. 2010-N-11

Robert E. Bedell 1932 Acadia Greens Pl.
 Theresa & Bedell 1932 Acadia Greens Dr.
 Gloria Pmail 1934 Acadia Greens Dr.
 Kathy McLannan 1942 Acadia Greens Dr.
 Mini A. Massey 1919 Acadia Greens Dr. SCC FL
 Harry Massey 1919 " " " "
 Phyllis Mend 1912 Acadia Greens Dr
 Barbara Kroziak 1906 Acadia Greens Dr
 Wm A. Mum (TAYLOR) 1909 Acadia Greens Dr
 J. J. [unclear] 1917. " " "
 Cecil [unclear] 1923
 EKIE LA LON
 Sarah Morse 1922 Acadia Greens Dr.
 1924 Acadia Greens Dr
 Barbara [unclear]
 Phyllis Ingenti 1926 Acadia Greens Dr, SCC, FL
 Kathryn Smith 1930 Acadia Greens Dr. SCC, FL
 Nell Elliott 1935 Acadia Greens Dr SCC FL
 Lovaine Bumbin 1937 Acadia Greens Dr

MIKE Holcombe 1839 ACADIA GREENS DR.
AARON SEWELL 1943 ACADIA GREENS DR.
MARILYN DELURSK 1948 ACADIA GREENS DR.
Wilhelmina Fisher 1931 Acadia Greens Drive
Julie MAY 1934 ACADIA GREENS DR.