

From: a-pmarcus@verizon.net
Sent: Wednesday, October 06, 2010 10:49 AM
To: !FHFA REG-COMMENTS
Subject: Guidance on Private Transfer Fee Covenants (2010-N-11)

Ladies and gentlemen:

I am a vice-president of a 76 unit co-operative in New York City. I recently learned about your proposal to make mortgage financing through FNMA, Freddie Mac and Home Loan financed banks of co-op and condo apartments with so-called flip taxes illegal. This is a disaster for co-ops and condos in this City and, as far as I can see, throughout the country. Our co-op and most like ours depend on flip taxes to pay for a major share of the capital improvements required to keep our buildings in proper operating condition and meet new code requirements. Losing these fees would require a significant rise in carrying costs and therefore a reduction in the value of each apartment. Since there are already too many defaults on condo mortgages, you would think this is the last thing the Federal Government would want. Furthermore, there would seem to be little difficulty in crafting your new regs so as to prevent developers from requiring covenants that permit collecting fees from the re-sale of their housing units and permitting the collection of fees by non-profit co-op and condo boards. Please rethink these proposed regulations.

Paul N. Marcus, Vice-president, 54 Riverside Drive Corp.