

From: Phil Gray [pgray@midstate-cal.com]  
Sent: Wednesday, October 06, 2010 6:33 PM  
To: !FHFA REG-COMMENTS  
Subject: Attention: "Public Comments Guidance on Private Transfer Fee  
Covenants (No. 2010-M-11): APPROVE"

General Counsel Pollard

I am writing to urge you to APPROVE 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 private gain-- to pass costs on to future buyers, randomly dependent on whether a home is resold, is wrong. Costs should be recovered by property taxes, either generally or through assessment districts, not as a 'sales tax'. This is just another method of hiding part of the true cost of a home from the buyer.

As proposed, this guidance need not affect the operations of homeowners associations, environmental groups and affordable housing programs, because these entities have operated without these hidden burdens for generations.

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-- a worthy goal.

Sincerely,

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