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Public Comments on Proposed Guidance; Request for Comments: Private Transfer Fee Covenants:=====

Title: Proposed Guidance; Request for Comments: Private Transfer Fee Covenants
FR Document Number: 2010-20108
Legacy Document ID:
RIN: null
Publish Date: Mon Aug 16 00:00:00 EDT 2010
Submitter Info:

I am writing on behalf of a housing cooperative located at 201 West 89th Street in New York Cit, in opposition to the proposal that would restrict Fannie Mae and Freddie Mac from purchasing loans in developments that have transfer fees. Our transfer fee, which is fully disclosed to purchasers and is an integral part of our proprietary lease, requires sellers of apartments to pay 10% of any profit they make on the sale to be remitted back to the apartment corporation. These funds are used solely for capital improvements to our property. Since our building was converted to a co-op in 1981 we have used these funds to make over \$5 million in capital improvements. Among the improvements we have made are a new roof, re-plumbing, exterior cleaning and repairs, etc. Without the transfer fee we would have had to either assess or raise maintenance on shareholders to pay for necessary repairs and improvements. Transfer fees have been used to greatly improved the housing stock in NYC, as owners typically take better care of their property than landlords might.

I urge FHFA to reconsider applying this rule to housing co-ops. Transfer fees in housing co-ops accrue to the benefit of all shareholders by increasing the value of individual apartments and the property as a whole. This increases the likelihood that any loan purchased by Fannie Mae or Freddie Mac will be repaid in full.

Thank you,
Martin Hoffman
Treasurrer
201 W 89, Owners Inc.