

From: mindydallas@optonline.net
Sent: Saturday, October 09, 2010 9:07 PM
To: !FHFA REG-COMMENTS
Subject: Guidance on Private Transfer Fee Covenants (NO.2010-N-11)

October 9, 2010

Alfred M. Pollard, General Counsel
Federal Housing Finance Agency, Fourth floor
1700 G Street, NW
Washington DC 20552

Re: Guidance on Private Transfer Fee Covenants, (NO.2010-N-11)

Dear Mr. Pollard:

I understand that the Federal Housing Finance Agency is considering a proposal whose effect would be to eliminate transfer fees ("flip taxes"). I have been urged to write to express my opinion of this proposal, and I am happy to do so.

In my opinion, flip taxes are extortionate, and any ruling that outlaws them has my enthusiastic support. Flip taxes, of course, confiscate from shareholders who are selling their apartments a percentage of the sale price. Originally justified as a means of bolstering a building's reserve fund when an initial sponsor converted a building with much deferred maintenance, the flip tax sought to attach some of the profits of original purchasers, who often were able to buy at far below market price to secure their agreement to an initial offering plan. Since these original purchasers made an "unearned" profit on their good luck in being in a building at the time of its conversion, clawing back some of their gain seemed to some like rough justice.

It has since evolved into a practice that preys on sellers, irrespective of whether they are selling at a profit or at a loss, taking advantage of their contractual obligation to close and having little recourse against this systematic extortion. I think this is a shameful practice, and I support any effort to end it.

Yours truly

Mindy Dallas
Shareholder: 6035 Broadway Owners Corp.
Bronx, NY 10471