

Guidance on Private Transfer Fee Covenants (No.2010-N-11)From: Tom Stevenson
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Sent: Sunday, October 10, 2010 4:55 PM
To: !FHFA REG-COMMENTS
Subject: Guidance on Private Transfer Fee Covenants (No.2010-N-11)

On behalf of the Board of Directors of our New York City cooperative apartment building (MOR SEVENTH AVENUE OWNERS CORP. 32 Morton Street, NY, NY 10014) I am writing to express our strong opposition to any prohibition on "transfer fees" charged by cooperatives such as ours.

May I ask that you exempt cooperatives from this proposed regulation.

Unlike the "transfer fees" included in 99 year covenants being pushed by real estate develops on new buyers of homes, in a cooperative this fee is not imposed on our shareholder/cooperative members by a second party. As voting shareholder/cooperative members they could eliminate this fee any time they chose. The fact that they have not done so indicates their support of the transfer fee and, in our view, the lack of necessity for this regulation.

The income from these sales helps to maintain our building and moderates the monthly carrying charges that must be paid by our neighbors/shareholders.

In my thirty years in the building, several on the Board, I have never heard any opposition to this transfer fee which, in our case, is 1% of the sales price of the apartment.

I understand that this proposed prohibition may reflect concern with the 99-year covenants written by real estate developers that generate a payment to the developer each time a home is sold. Those circumstances are totally unlike those in a cooperative which is a self governing corporation.

While eliminating developer transfer fees may serve a public purpose, I can think of none that is served by taking away the right of our cooperative to maintain a transfer fee that is charged only to its members who have, indeed, supported it because they believe that it is to their benefit

Sincerely,

Thomas H. Stevenson,

Treasurer

Board of Directors

MOR SEVENTH AVENUE OWNERS CORP.

32 Morton Street

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