

From: Ruth Gitzendanner [gitzcpa@comcast.net]
Sent: Monday, October 11, 2010 11:07 PM
To: !FHFA REG-COMMENTS
Subject: Guidance on Private Transfer Fee Covenants, (No. 2010-N-11)

Sun City Vistoso Community Association, Inc.
2181 East Sahuarita Wash Way
Oro Valley, Arizona 85755

October 11, 2010

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

RE: Public Comments "Guidance on Private Transfer Fee Covenants (No. 2010-N-11)

Dear Mr. Pollard,

As Treasurer of the Sun City Vistoso Community Association, I am writing on behalf of the approximately 4,200 residents of Sun City Vistoso (SCV), an active adult community.

On August 16, 2010, the Federal Housing Finance Agency (FHFA) published proposed guidance to ban fees that homeowners associations across the nation collect to fund maintenance and improvement projects and provide savings for unanticipated expenses. If this plan goes into effect, our entire community (2,488 homes) will be cut off from most mortgage financing (i.e., Fannie Mae, Freddie Mac, and the Federal Home Loan Banks), making it almost impossible for residents to sell their homes. This will be devastating in a local housing market already stunned by the recent recession.

Even if we were able to change our governing documents and stop collecting these fees (which are embedded in the properties' deeds), the effect on our community would be equally devastating. We would have to rely on very large special assessments to accomplish even the most immediately needed capital improvements. SCV is 23 years old and badly in need of refurbishment. Almost all of our residents are retired. Many are living on fixed incomes; many others have had their pensions reduced, frozen, or eliminated completely. They cannot afford special assessments. Therefore, SCV collects the equivalent of one year's homeowners dues from new owners - currently \$1,555 - which is placed in a fund restricted to capital improvements. The Capital Contribution Fund has taken in over \$300,000 during the last two years and is critical to sustaining the marketability of our homes. Even with the Capital Contribution Fund, projects estimated to cost at least \$2 million await funding, and we are struggling to maintain the standards that have made us competitive in the past.

We respectfully urge the FHFA to consider the consequences of its proposed guidance, which does not distinguish between transfer fees such as ours - that enhance community facilities - and those that are not connected to the underlying property or community association.

Respectfully,

Ruth J. Gitzendanner
Treasurer, Sun City Vistoso Community Association