

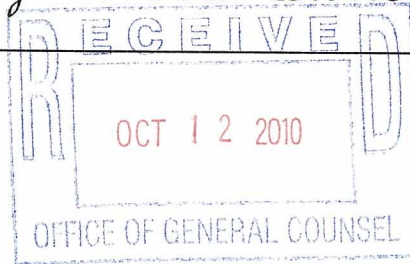
#2043

Kings Wood Owners' Corp.

146 Church Street, Apt. 3B
Kings Park, New York 11754

October 5, 2010

The Honorable Alfred M. Pollard
General Counsel
Federal Housing Finance Administration, Fourth Floor
1700 G Street, NW
Washington DC 20552



(631) 269-6424
(631) 269-3945 Fax

RE: *Proposed Guidance on Private Transfer Fee Covenants, (No. 2010-N-11)*

Dear Mr. Pollard:

I am writing to express our strong opposition to the Federal Housing Finance Agency's Notice of Proposed Guidance on Private Transfer Fee Covenants published in the *Federal Register* on August 16, 2010. If implemented in its current form, the rule will destroy an important source of financing and negatively impact all homeowners in the Kings Wood Owners Corp.'s co-op community located on Long Island in Kings Park, New York. Passage of this proposed ruling will result in increased maintenance fees to all shareholders in order to make up the shortfall in Kings Wood's operating budget.

I respectfully request the proposed guidance be either withdrawn in its entirety or revised to ensure continued access to mortgage credit for an affordable place to live. Our community relies on the fees obtained at closing, aka flip tax, to keep monthly maintenance fees affordable for those who continue to live here. Kings Wood Community's management and board understand the challenges residents face in managing their personal finances during a time when the cost of food and housing is soaring, the economy is slowing and we are experiencing the highest unemployment rate in decades. Kings Wood Community prides itself on being able to offer an affordable alternative to high priced home ownership to individuals with low to mid-level incomes.

As is the case with the majority of community associations across the country, Kings Wood Owners Corp. employs a covenant or deed-based transfer fee to fund critical community operations and to ensure the association is able to sufficiently fund ongoing and unanticipated costs. The elimination of deed-based transfer fees would significantly reduce our operating budget. The proposed reduction in association income would mean that our homeowners will face higher association assessments, a reduction in the services that attracted them to our community in the first place, or both. Additionally, this loss of income increases the likelihood of special assessments, which often are a significant and unanticipated financial burden on our homeowners.

It is our belief that these fees directly benefit homeowners in our community, as they ensure maintenance of adequate reserves and provide funds for the general obligations of the association. This protects the values of homes in our community for all residents, which is a considerable additional benefit for the individuals purchasing a home in our community.

FHFA needs to support the use of covenant or deed-based transfer fees that benefit homeowners and support home values. The elimination of mortgage financing for properties with a deed-based transfer fee will put downward pressure on home values in these communities and cause severe financial hardship on homeowners who have done nothing wrong.

I appreciate the opportunity to comment on FHFA's proposed guidance on private transfer fee covenants, and I strongly urge FHFA to reconsider its proposal to ban all covenant or deed-based transfer fees.

Sincerely,

A handwritten signature in black ink, appearing to read "Lucille Short". The signature is written in a cursive, flowing style.

Lucille Short, Board President
Kings Wood Owners Corp.

cc: Senator Charles Schumer, Representative Carolyn Maloney
Kings Wood Community Board of Directors
Rita Hammond, VP
Stacy Haney 2nd VP
Dan Lunde, Treasurer
Jack Murphy, Secretary
Property Manager, Helena Chaves