

From: constances_diane@yahoo.com
Sent: Wednesday, October 13, 2010 6:44 AM
To: !FHFA REG-COMMENTS
Subject: Guidance on Private Transfer Fee Covenants, (No. 2010-N-11)

As a Board member and Board President, I can tell you we work hard to increase the value of our co-op and to be told that the one means we have to increase our capital reserve, which benefits all shareholders will be taken away is disheartening to say the least. It is unfair and unjust that banks time and time again reap the benefits. This clearly tells me that despite the efforts of Boards in striving to make their homes a better place for all residents, the only concern here is that the banks make their money. This is disgraceful.

I urge you to please reconsider because the people who are really terribly impacted by this change are the shareholders.

Constance Diane

Sent from my iPad

Dear Constance:

There is an issue of importance we'd like to bring to your attention.

On August 13, 2010 , the Federal Housing Finance Agency (FHFA) issued a proposed regulation to ban the use of deed-based or covenant-based transfer fees. The proposal would prohibit Fannie Mae, Freddie Mac and all federal home loan banks from purchasing mortgages for properties in communities with deed-based transfer fees (flip taxes.) The proposed rule, as currently written, would apply to cooperatives and condominium associations. (<http://www.fhfa.gov/webfiles/16480/PrivTransFeeGuidance081210.pdf>)

Fannie Mae, Freddie Mac and the Federal Home Loan Banks ultimately purchase most bank-originated mortgages. If loans in your community are not eligible to be purchased by these agencies, many banks will not lend money for the sale and/or refinance of your unit.

FHFA's Draft Guidance does not distinguish between private transfer fee covenants which render a benefit to the affected co-op or condo association and those which accrue value only to unrelated third parties such as a developer.

Further complicating matters is that it is difficult to remove a deed restriction, in some instances requiring the consent of all property owners.

The proposal as written would negatively impact the ability of a potential purchaser to obtain financing in most transactions, thus impacting the liquidity of your investment and consequently your unit's value.

I urge you to send comments to FHFA. The deadline for comments is Oct. 15, 2010 .

Email to:

regcomments@fhfa.gov

subject line of the email: Guidance on Private Transfer Fee Covenants, (No. 2010-N-11)

Website

<http://www.regulations.gov>

Mail to:

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

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

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