

**William T. Phares, P.C.**

**Attorney At Law**

**4500 Kennedy Drive**

**P.O. Box 457**

**East Moline, Illinois 61244-0457**

TEL (309) 796-0170

FAX (309) 796-2884

Email: wtpharesca@aol.com

October 13, 2010

VIA EMAIL

regcomments@fhfa.gov

Federal Housing and Finance Agency

Attention: Mr. Pollard

Re: Guidance on Private Transfer Fee Covenants,  
(No. 2010-N-11) - Please Reject As Written

Mr. Pollard:

I am writing to urge you to REJECT the proposed guidance No. 2010-N-11 relating to private transfer fees as it is currently written.

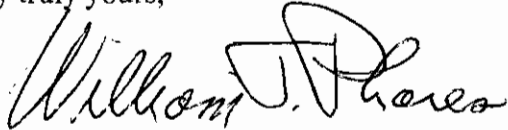
The abusive practice of using transfer fees for purely private gain can be curtailed without disturbing the legitimate use of transfer fees for homeowner or community benefits. As proposed, this guidance would have a severe negative impact on the operations of homeowners associations, environmental groups and affordable housing programs that rely on these disclosed fees for their operations. A transfer fee has a real value to a community when used in specific circumstances that benefit the homeowner or community, such as use by homeowners associations (HOAs), non-profit organizations, or governmental agencies to build and maintain community enhancements or promote important community benefits such as open space, affordable housing, and transit improvements.

With a high percentage of mortgages (by some estimates 90 percent) insured or backed by Freddie Mac or Fannie Mae, this proposal would effectively preclude the use of transfer fees for community benefits, removing a critical tool for building strong communities and dealing another blow to homeowners at a time when the markets are struggling to recover.

Approval of this guidance as written is ill-advised and should be REJECTED. The FHFA should instead adopt transfer fee standards that protect community benefits while prohibiting abusive fees that are used solely for private gain.

At a minimum, the comment period should be delayed and extended for a significant time to allow for the thoughtful and transparent consideration of the impacts of such a change.

Very truly yours,

A handwritten signature in black ink that reads "William T. Phares". The signature is written in a cursive style with a large, stylized initial "W".

WILLIAM T. PHARES

WTP/dkc