

From: Steven C. Ruoff [SRuoff@landadvisors.com]

Sent: Wednesday, October 13, 2010 11:56 AM

To: !FHFA REG-COMMENTS

Subject: 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.

Sincerely,

Steven C. Ruoff

PS. Before you look at regulations like these. Find some people to advise you that have some understanding of how our systems and country run. Few Ivy Leaguers have the slightest clue what really goes on out here. This idea seems to come from the same group of advisors who thought it would be a great idea to modify the tax laws in the mid 80's to "close the loopholes on real estate deductions". That brilliant move cost us trillions of dollars in bank defaults. Wake up!!!