

6840 North Oracle Road, Suite 150  
Tucson, AZ 85704  
(520) 575-8633  
(520) 797-3232 – Fax



# Fax

<b>To:</b> Federal Housing Finance Agency External Affairs	<b>From:</b> Melissa Martin
<b>Fax:</b> 202-414-3823	<b>Pages:</b>
<b>Phone:</b>	<b>Date:</b> 10/12/2010
<b>Re:</b> Ruth Gitzendanner	<b>CC:</b>

Urgent     For Review     Please Comment     Please Reply     Please Recycle

Ms. Gitzendanner is concerned about rules proposed by the FHFA.

Melissa Martin  
Office of Senator Jon Kyl  
(520) 575-6706 – Direct  
[Melissa\\_Martin@kyl.senate.gov](mailto:Melissa_Martin@kyl.senate.gov)

The information contained in this facsimile is intended only for the individual or organization named above and may contain confidential or privileged information. If you are not the intended recipient, any copying, distribution or dissemination of this is strictly prohibited. If you have received this transmission in error, please notify us by telephone immediately.

JON KYL

ARIZONA

730 HART SENATE OFFICE BUILDING  
(202) 224-4521

COMMITTEE ON FINANCE

COMMITTEE ON THE JUDICIARY

REPUBLICAN WHIP

# United States Senate

WASHINGTON, DC 20510-0304

STATE OFFICES:

2200 EAST CAMELBACK ROAD  
SUITE 120  
PHOENIX, AZ 85016  
(602) 840-1891

6840 NORTH ORACLE ROAD  
SUITE 150  
TUCSON, AZ 85704  
(520) 575-8633

October 12, 2010

Mrs. Ruth Gitzendanner  
2181 East Sahuarita Wash Way  
Oro Valley, Arizona 85755

Dear Mrs. Gitzendanner:

Thank you for contacting my office with your concerns.

In an effort to be of help, I have taken the liberty of forwarding your correspondence to officials at the Federal Housing Finance Agency to ask that your comments be given appropriate consideration as the agency decides how to proceed.

Please feel free to contact me if I may be of assistance with any other federal matters.

Sincerely,



JON KYL  
United States Senator

JK:mkm

cc: Federal Housing Finance Agency

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

October 11, 2010

The Honorable Jon Kyle  
6840 North Oracle Road, Suite 150  
Tucson, AZ 85704

Dear Senator Kyle:

On August 16, 2010, the Federal Housing Finance Agency (FHFA) announced that it is going to ban certain fees that homeowners associations across the nation (including SCVCAI) use to fund maintenance projects and to build up savings for unanticipated expenses. If FHFA bans these fees, our entire community will be cut off from most mortgage financing. This will devastate our community and make it almost impossible for residents to sell their homes.

One out of every five Americans lives in a community or homeowners association. The vast majority of these associations require all new homeowners to make an upfront payment to fund the ongoing obligations of the association. These fees are disclosed to homebuyers, along with the rate of regular assessments that all association residents must pay, prior to closing.

The housing market is weak and has not begun a sustained recovery nationwide. FHFA's proposal to prohibit Fannie Mae, Freddie Mac and the Federal Home Loan Banks (the GSEs) from buying or investing in mortgages on homes in community associations with deed-based transfer fees will only cause further harm. Since the fees are embedded in the properties' deeds, it is almost impossible to remove them. Most of these communities will immediately become off-limits for the GSEs. Without access to credit, these homeowners will suffer – not because they made a bad decision, but because FHFA was trying to “help.” A survey of Community Associations Institute's member communities suggests that up to a quarter of the more than 24 million housing units in community associations could be blocked from mortgage financing under this rule.

If FHFA wants to help homeowners rather than harm them, the agency should focus its efforts on examining the impact of fees that are payable to third parties not connected to the underlying property or community association. These fees are a recent development and deserve close examination by regulators. Fees that directly support the underlying property, and touch and concern the land in question, have a more than 30-year track record of benefiting communities.

I request that you write FHFA and demand the agency revise or withdraw its ill-conceived GSE mortgage purchasing guidance on transfer fees. Please let me know what you are doing to stop FHFA and help our housing market to recover.

Very truly yours,

*Ruth J. Gitzendanner*

Treasurer, Board of Directors  
Sun City Vistoso Community Association, Inc.