

From: William Johnson [willtyye@yahoo.com]
Sent: Wednesday, October 13, 2010 6:30 PM
To: !FHFA REG-COMMENTS
Subject: Guidance on Private Transfer Fee Covenants, (No. 2010-N-11)

To whom it may concern:

I am a shareholder in a small cooperative building in New York City. It has come to my attention that you are considering prohibiting deed-based transfer fees (flip taxes). First, as a small coop, we need the occasional flip tax in order to offset our spiraling expenses and high real NY real estate taxes. Secondly, if loans up to the value of \$727,500 are sold to the secondary market, then many apartments in the range of our apartments would be extremely difficult to sell, as no bank will take on the loan if they can't sell it to the secondary market.

Please reconsider this ruling....it has a negative impact on every day, middle class Americans who still need to be able to purchase and resell their homes without the burden of having no ability to find a bank that will make a mortgage on an apt. under the \$727,500 cap. I strongly urge you to not pass this ruling.

Thank you,

William T. Johnson


Here is a portion of the article where I read about this proposed ruling:

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... 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."