



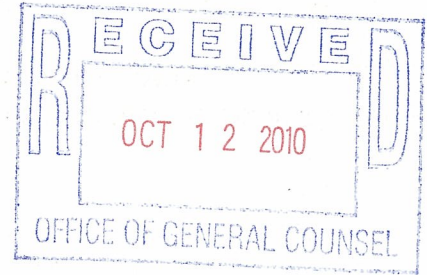
NATIONAL REAL ESTATE INVESTORS ASSOCIATION

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October 05, 2010



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

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

Dear Mr. Pollard:

As a member of the Coalition to Stop Wall Street Home Resale Fees, we thank you for issuing the "Guidance on Private Transfer Fee Covenants (No. 2010-N-11) that would protect consumers from the predatory scheme of for-profit transfer fees.

Together, we are fighting to ensure that homeowners keep full equity in their home, and have the freedom to buy or sell their home without paying-off an unaffiliated third party.

Often unnoticed by homeowners, Wall Street Home Resale Fees (otherwise known as Private Transfer Fees) are inserted into the covenants, conditions and restrictions of a property by private third parties, and require that every time a home is sold for the next 99 years, a percentage of the sale price of the home (usually 1%) be paid back to the third party. In return, homeowners receive nothing but reduced home equity and a harder time selling their home.

Wall Street Home Resale Fees require homeowners to pay thousands of dollars to third parties that hold no ownership interest in their property. These fees lower a home's equity, depress home prices and complicate the safe, efficient and legal transfer of real estate.

Resale fees levied by homeowners' and condo associations, in contrast, direct money back towards homeowners in the form of infrastructure and amenity improvements. This is what differentiates them from the private, predatory legal instruments that the Coalition opposes.

Unfortunately for home and property owners, the same people that designed this predatory financial scheme are attempting to bundle Wall Street Home Resale Fees into securities, and sell them on Wall Street, allowing them collect billions of dollars worth of other people's future equity today. Similar to the tools that brought Wall Street to its knees in 2008, the designers of these predatory covenants are bundling Wall Street Home Resale Fees into synthetic assets, and are trying to sell their future value for money today.

The use of Wall Street Home Resale Fees has already been restricted in 18 states, the fees have been called “unconscionable” by the American Law Institute, and the US Department of Housing and Urban Development and the Federal Housing Agency have publicly opposed their use.

As an organization that supports the efforts of Real Estate investors who are party to roughly 20% of all real estate transactions each year, we believe these transfer fees are unjustly stripping equity from our members, the individuals who benefit from their efforts to revitalize communities and the owners of properties encumbered by these predatory covenants.

We encourage FHFA to recognize the difference between these “for profit” transfer fees and those that benefit communities, and we thank FHFA for offering guidance on private transfer fee covenants to protect consumers from these predatory fees.

Sincerely,

A handwritten signature in black ink that reads "Rebecca B. McLean". The signature is written in a cursive, flowing style.

Rebecca McLean, Executive Director