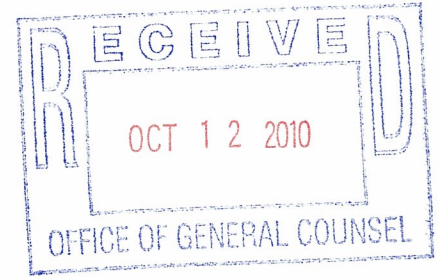




20555 North Pima Road, Suite 140
Scottsdale, Arizona 85255
tel 480-513-1500 fax 480-513-1505



October 4, 2010

The Honorable Alfred M. Pollard
General Counsel
Federal Housing Finance Administration
Fourth Floor
1700 G Street, NW
Washington DC 20552

RE: Proposed Guidance on Private Transfer Fee Covenants, (No. 2010-N-11)

Dear Mr. Pollard:

On behalf of the Board of Directors of DC Ranch Community Council, Inc., I write to express our strong opposition to the Federal Housing Finance Agency's Notice of Proposed Guidance on Private Transfer Fee Covenants published in the *Federal Register* on August 16, 2010. If implemented in its current form, the guidance will have a significantly negative impact on all homeowners living in DC Ranch, a **2,700 home master-planned community located in Scottsdale, Arizona**. We respectfully request the proposed guidance be either withdrawn in its entirety or revised to ensure that the one in five American households living in a community association continue to have access to mortgage credit.

As is the case with the majority of community associations across the country, DC Ranch employs a covenant or deed-based transfer fee to fund critical community operations. Specifically, transfer fees are the primary funding source for the activities of the **DC Ranch Community Council, a non-profit entity providing distinguishable and exceptional programming that enhances property values and quality of life for residents**. The elimination of these fees will **reduce our operating budget by roughly one-third or \$1.1million annually**. This reduction in income would seriously jeopardize our ability to fulfill our commitment to property owners. As a result, homeowners may face higher assessments, special assessments, reduction in services, or all three.

The DC Ranch Community Council was organized in July, 1999, and has used transfer fees to fund operations since that time. The Community Council Transfer Fees, as they are referred to in our governing documents, are a **fully-disclosed, equitable and sustainable** way to provide long-term benefits to homeowners and the entire community. This proposed ban will negatively affect DC Ranch and other communities throughout the United States by creating a

potential loss of housing value and desirability, as well as a loss of important community benefits. This ban will also severely limit individual choice and inhibit the way communities assemble.

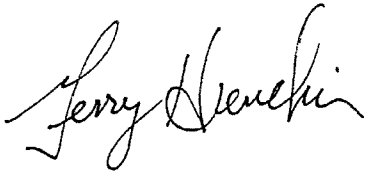
There are certain deed-based transfer fees that we believe do not serve a legitimate purpose and FHFA identified one such fee in its proposed guidance.

Fees that are paid at closing directly to a third party that makes no investment in the association serve no other purpose than to enrich the fee recipient at the expense of homebuyers.

This is why several state legislatures have considered legislation to void or require disclosure of private transfer fees that solely benefit unrelated third parties. This is the appropriate venue to address private transfer fees, as property law and the practices governing real estate transactions are in the purview of state and local governments.

Thank you for the opportunity comment on FHFA's proposed guidance on private transfer fee covenants. In the interest of protecting property values, services and amenities, **we strongly urge FHFA to reconsider its proposal to ban all covenant or deed-based transfer fees.**

Sincerely,

A handwritten signature in black ink, reading "Gerald Hrenchir". The signature is written in a cursive, flowing style.

Gerald Hrenchir
Board President
DC Ranch Community Council, Inc.