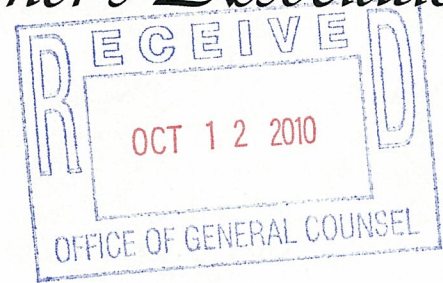


# Victoria Hills Homeowner's Association

September 29, 2010

Mr. Alfred Pollard, General Counsel  
FEDERAL HOUSING FINANCE AGENCY  
1700 G Street NW  
Washington, D.C. 20552



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

Dear Mr. Pollard;

As representatives of our HOA, we would like to express our position on the FHFA Proposed Guidance directive for Fannie Mae, Freddie Mac and other institutions within the Federal Home Loan Bank System to cease accepting mortgages for properties that have Transfer Fees based on ownership transfer. For many years (since 1982), Victoria Hills did not assess any fees for new owners in our development. However, recently we have implemented a Transfer Fee. Please understand that with each property transfer there is considerable work involved – here is a partial list of what most loan companies request (as memory serves):

1. provide written statement about annual dues
2. provide written statement about any Special Assessments
3. provide written statement with up-to-date financial status for particular property detailing all monies owed
4. provide proof of non-profit status
5. provide proof of Common Area liability insurance
6. provide proof of Executive Board liability insurance coverage
7. provide statement that specific property has no other outstanding liabilities other than what has been provided
8. if there is any encumbrance, we have to file a very detailed Invoice if we expect to recover any monies owed

Internally, we also have to:

1. Ensure membership rosters are modified
2. Update mailing/contact lists
3. Ensure new owners have copies of all governing documents
4. Investigate responsible party for lot maintenance until transfer occurs

Victoria Hills Homeowner's Association, P.O. Box 58272, Renton, WA 98058-1272



Additionally as part of the Board's Due Diligence, we have to report all this to our membership. Just the administrative burden to keep records of our activities is much more than one might think. Expecting people to volunteer for this work, especially during a time of rapid turnovers, is indeed a high expectation. If it is known that some compensation will come from all this work, volunteers tend to feel better about their efforts. Of course, this is for a self-managed Association. We tried hiring a Professional Manager, who handled these kinds of requests, but the cost was so high, had we continued, we would have had to impose a 50% increase in our annual dues. We already have an incredible amount of foreclosures in our development. Placing additional burden on budgets already stretched thin was not considered to be good management.

It seems to condense down to the simple fact that someone pays for this effort. A deed-based transfer fee seems to place that cost directly where the cost is generated – between the seller and purchaser.

As a member of our cities HOA Leadership Group, I have heard from that many HOA's are in jeopardy of ceasing to exist because of lack of volunteers. The FHFA's ruling in this case is part of the snowball affect causing individuals to not volunteer and those volunteering to get burned out. This is a very basic tenet of home ownership in the USA in 2010.

Our response does not address the AMOUNT or COST of a transfer fee, just that such a fee is appropriate. If we may make a suggestion, perhaps the FHFA could permit ownership transfer fees with two conditions: (1) that they can only be paid to a non-profit homeowner's association and (2) that a limit or cap be placed on the total transfer fee allowed (either a certain dollar amount or percentage of sale cost).

Please feel free to contact the undersigned for confirmation or additional information. Thank you very much for accepting our input. We wish you well in arriving at an equitable ruling.

Best regards,



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