

From: John Thompson [jthompson@sipoa.org]  
Sent: Thursday, October 14, 2010 12:03 AM  
To: !FHFA REG-COMMENTS  
Cc: government@caionline.org  
Subject: Guidance on Private Transfer Fee Covenants, (No. 2010-N-11)

Ladies and Gentlemen,

On the surface, an interruption of transfer fees charged on property re-sales may sound like a good idea, however, not all transfer fees are the same.

Particularly, in thousands of communities across the country, transfer fees are collected to support community infrastructure projects, cultural programs, green initiatives, and other very valid, worthwhile programs.

At Seabrook Island in particular, we have a ½% transfer fee charged on each transfer of a property. The fee was approved by our Property Owners through a vote at a formal meeting, and has been pledged as security to the bank for repaying an \$8MM loan on a recently constructed community center.

As written, the Proposed Rule would greatly inhibit the ability of our owners to sell their homes, further complicating an already troubled housing market.

This set of circumstances is not unique. Thousands of communities across the country have similar, Community-supporting transfer fees. They are not profit streams for unrelated parties, they are fees formally approved by Property Owner votes; they support worthwhile programs and projects and need to be allowed to continue, unaffected by any government intervention.

Please take time to recognize that thousands of communities have in place transfer fees that benefit organizations within their community, and the fees are supported by the Community's property owners. The proposed rule, if moved toward adoption, needs to recognize these beneficial transfer fees and carefully ensure they are not adversely impacted.

The professional organization most capable of providing focused consult on these matters is the Community Association Institute, with it's 30,000 members nationwide, representing the interests of several million property owners. We respectfully request you engage CAI directly in the consideration of this proposed rule. Andrew Fortin is CAI's Government Relations contact, he is copied in above.

Many thanks for your consideration.

John Thompson

SEABROOK ISLAND

Property Owners Association

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