



310 N. Commerce Park Loop  
Tucson, AZ 85745

October 14, 2010

Federal Housing Finance Agency  
1700 G Street NW, 4<sup>th</sup> Floor  
Washington, DC 20552

Re: Proposed Regulation Prohibiting Mortgages on Homes with Private Transfer Fees

On behalf of the City of Tucson Housing Trust Fund Citizens Advisory Committee, I would like to submit comments regarding the proposed regulation that would prohibit Fannie Mae, Freddie Mac, and the Federal Home Loan Bank from buying mortgages on homes in communities with private transfer fees. These comments were supported by a majority vote of the Trust Fund at its September 23<sup>rd</sup> 2010 meeting.

It is our view that the proposed prohibition is too broad in its application and would punish forms of private transfer fees designed to support affordable housing.

In the City of Tucson, one potential source of funding for affordable housing derives from development agreements between the City of Tucson and private developers collaborating on projects with some component of public purpose or public investment. In these cases, the development agreements might include a clause that allows a certain percentage private transfer fee to be used to support affordable housing for the life of that development. We already have a project in Tucson that has agreed to provide up an estimated \$250,000 for affordable housing derived from modest transfer fees on market rate housing. That agreement is already in place.

While we understand the fear of private transfer fees as a long-term income wind-fall strategy of developers, we think the regulation ought to exclude any transfer fee aimed at affordable housing or some other public purpose. The regulation is overly broad and threatens worthwhile projects with its unintended consequences.

I thank you for your attention to this issue.

A handwritten signature in black ink, appearing to read "Corky Poster". The signature is fluid and cursive.

Corky Poster, Chair  
City of Tucson Housing Trust Fund Citizens Advisory Committee

