

From: Babs Makinde [bmakinde@tejonranch.com]

Sent: Thursday, October 14, 2010 2:18 PM

To: !FHFA REG-COMMENTS

Subject: Guidance on Private Transfer Fee Covenants, (No. 2010-N-11) - Please Reject As Written

Mr. Pollard:

Kindly withdraw the proposed guidance No. 2010-N-11 relating to private transfer fees as it is currently written.

I request that the comment period should be extended by at least another 90 days (due to fast approaching holiday season) to allow for comprehensive, thoughtful and transparent consideration of the impacts of such a proposed change by the wider public.

The abusive practice of using transfer fees for purely private gain can be minimized without interfering with the legitimate use of transfer fees for homeowner or community benefits.

The proposed guidance would have severe and unintended negative impacts on the operations of homeowners associations (HOAs), environmental groups and affordable housing programs that rely on these disclosed fees for their operations.

Many have noted that appropriate transfer fee has real value to a community when used in specific circumstances that benefit the homeowner or community, such as use by homeowners associations (HOAs), non-profit organizations, or governmental agencies to build and maintain community enhancements or promote important community benefits such as open space, affordable housing, and transit improvements.

Both Freddie Mac and Fannie Mae have significant influence footprints within the mortgage industry. With a high percentage of mortgages (by some estimates 90 percent) insured or backed by Freddie Mac or Fannie Mae, this proposal would practically (de facto) preclude the use of transfer fees for community benefits, eliminating a critical tool for building strong communities and dealing another blow to homeowners at a time when the mortgage industry is struggling.

The proposed guidance as written is ill-advised and should be REJECTED. Rather, the FHFA should instead re-propose (for public review) realistic and rationale transfer fee standards that better protect community benefits while prohibiting abusive fees that are used solely for private gain.

Sincerely,

Babs Makinde