

October 14, 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

Dear Mr. Pollard:

We are writing on behalf of Champion Hills Property Owners Association, Inc. in Henderson County, North Carolina. Our Association strongly opposes the FHFA's Notice of Proposed Guidance on Private Transfer Fee Covenants published in the Federal Register on August 16, 2010.

Our Association adopted a transfer fee in 2000 and we feel that it is extremely important to the success of our community. The transfer fee is paid by a Seller upon the sale of a lot or home in Champion Hills. The transfer fee is paid directly to the Association and is used to fund Common Expenses of the Association for the general benefit of the entire community. The transfer fee is not paid to a developer or to a third party. Every dollar paid in a transfer fee at Champion Hills is put back into our community to enhance and improve the community.

The elimination of the transfer fee would negatively impact Champion Hills by reducing our operating budget. We would have to compensate for that loss by increasing assessments, reducing services or both.

The transfer fee concept at Champion Hills serves a legitimate purpose in the enhancement of our community. We are aware of certain developments where transfer fees are paid to a third party and as such those transfer fees do not benefit those communities. We would ask that you not penalize all communities that have legitimate transfer fees because of a few communities with transfer fees that do not benefit the residents of those communities. We feel that a complete ban of transfer fees would have far-reaching and unintended consequences. Therefore, we respectfully request that FHFA withdraw the Guidance or to at least revise the Guidance to allow transfer fees that are legitimate and contribute to the community.

The Board of Directors of Champion Hills Property Owners Association, Inc.