

From: Edgar Miller [edgar@ctnc.org]
Sent: Thursday, October 14, 2010 4:36 PM
To: !FHFA REG-COMMENTS
Cc: Reid Wilson; Leslie Ratley-Beach
Subject: Guidance on Private Transfer Fee Covenants, (No. 2010-N-11)

Mr. Pollard:

I am writing on behalf of North Carolina's 24 land trusts to urge you to reject the proposed guidance No. 2010-N-11 relating to private transfer fees as it is currently written.

In 2008, the NC General Assembly passed legislation authorizing land trusts and historic preservation organizations to include voluntarily negotiated transfer fees in conservation and historic preservation easements (SL 2008-165). In the 2010 with the support of the NC Association of Realtors and bill sponsors, the NC General Assembly passed legislation banning private transfer fees, but exempted transfer fees in conservation and historic preservation easements. Not only are these transfer fees voluntary, they are also being used by land trusts and historic preservation organizations to fund long term stewardship, maintenance and monitoring costs to protect the public conservation benefits associated with these properties. While the use of these fees is still somewhat limited in the state, there is a growing need for stewardship funds to protect the more than 300,000 acres of land conserved by private land trusts in the state.

The abusive practice of using transfer fees for purely private gain may be curtailed without impacting the legitimate use of transfer fees for land conservation purposes and other community benefits. As proposed, this guidance could have a severe negative impact on the stewardship capacity of land trusts that are increasingly relying on these fees for stewardship purposes. A transfer fee has a real value when used in specific circumstances that benefit the community, such as the protection of open space, farmland and watersheds.

We hope the FHFA will reconsider this guidance and instead adopt transfer fee standards that protect community benefits, such as conservation and historic preservation, while prohibiting abusive fees that are used solely for private gain.

Land trusts in NC would also appreciate an extension to the comment period to pull together more information on the potential negative impacts of the proposed guidance. The conservation and historic preservation communities have worked hard to pass legislation in our state to explicitly authorize transfer fees in conservation and historic preservation agreements and have been supported by the real estate community in those efforts. The federal guidance on private transfer fees should not over turn those efforts.

Thank you for the opportunity to comment.

Sincerely,

Edgar Miller

Director, Government Relations

Conservation Trust for NC

319 Beck's Church Road

Lexington, NC 27292

336.793.8219 (o)

336.688.2651 (mobile)

edgar@ctnc.org

www.ctnc.org