

October 15, 2010

Mr. Alfred M. Pollard  
General Counsel  
Federal Housing Finance Agency  
Fourth Floor  
1700 G Street, NW  
Washington, DC 20552

ATTENTION: Public Comments "Guidance on Private Transfer Fee Covenants, (No. 2010-N-11)"

Dear Mr. Pollard:

The Coalition to Stop Wall Street Home Resale Fees thanks you for issuing the "Guidance on Private Transfer Fee Covenants (No. 2010-N-11) that would protect consumers from the predatory scheme of for-profit transfer fees.

Together, we are fighting to ensure that homeowners keep full equity in their home, and have the freedom to buy or sell their home without paying-off an unaffiliated third party.

Often unnoticed by homeowners, Wall Street Home Resale Fees (otherwise known as Private Transfer Fees) are inserted into the covenants, conditions and restrictions of a property by private third parties, and require that every time a home is sold for the next 99 years, a percentage of the sale price of the home (usually 1%) be paid back to the third party. In return, homeowners receive nothing but reduced home equity and a harder time selling their home.

Wall Street Home Resale Fees require homeowners to pay thousands of dollars to third parties that hold no ownership interest in their property. These fees lower a home's equity, depress home prices and complicate the safe, efficient and legal transfer of real estate.

Resale fees levied by homeowners' and condo associations, in contrast, direct money back towards homeowners in the form of infrastructure and amenity improvements. This is what differentiates them from the private, predatory legal instruments that the Coalition opposes.

Unfortunately for home and property owners, the same people that designed this predatory financial scheme are attempting to bundle Wall Street Home Resale Fees into securities, and sell them on Wall Street, allowing them collect billions of dollars worth of other people's future equity today. Similar to the tools that brought Wall Street to its knees in 2008, the designers of these predatory covenants are bundling Wall Street Home Resale Fees into synthetic assets, and are trying to sell their future value for money today.

The use of Wall Street Home Resale Fees has already been restricted in 18 states, the fees have been called “unconscionable” by the American Law Institute, and the US Department of Housing and Urban Development and the Federal Housing Agency have publicly opposed their use.

The following groups are **members** of the Coalition to Stop Wall Street Home Resale Fees:

Consumers Union

Vote Vets

National Association of Realtors

Institute for Liberty

Consumer Federation of America

Property Rights Alliance

Americans United For Change

American Land Title Association

National Real Estate Investors Association

Service Employees International Union (SEIU)

US Action

Labor Council for Latin American Advancement

Transport Workers Union (TWU)

Office & Professional Employees International Union (OPEIU)

Massachusetts Affordable Housing Alliance

International Federation of Professional and Technical Engineers (IFPTE)

Georgia State Trade Association of Nonprofit Developers

Hawaii Advocates for Consumer Protection

Interfaith Housing Center of the Northern Suburbs

We encourage FHFA to recognize the difference between these “for profit” transfer fees and those that benefit communities, and we thank FHFA for offering guidance on private transfer fee covenants to protect consumers from these predatory fees.

Signed,

COALITION MEMBERS AND SUPPORTERS