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

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

I am writing to express my concern and opposition to proposed regulation No.2010-N-11. Being a homeowner in a NJ community, I will be caught in and adversely affected by the proposed regulation innocent of any transgression. Because my home is in a deed/covenant based transfer fee development, this regulation will mean hardship and loss of marketability for me and any future sale of my home respectively.

As a homeowner in a NJ community, I have read the regulation and comments already made by others, in particular CAI. I understand and agree with comments with respect to the negative logistics of this regulation submitted by CAI and hence my concern; what I am reading is frightening to me.

There is a blatant disparity between the stated regulation's intent versus what the regulation actually says and what will be the end result. The regulation's methods are in conflict with its intent on who will be affected and how. The intent of the regulation is to target those that use transfer fees to generate income and eliminate this practice. Stating that it would thereby "safeguard" homebuyers. The regulation instead makes federal loans unavailable for buyers in communities like mine, adversely affecting innocent sellers and to top it off further degrade the already beleaguered housing market.

If 90% of the home buying market is financed through federal loans, respectively 90% of potential homebuyers for my home and community will not be able to buy. This regulation's main thrust makes federal loans unavailable for the home buying market in a specific sector of the market (thus directing the market to where it can and cannot buy). It does not aim to directly eliminate or discourage the practice of charging private transfer fees (charging fees for income).

Meanwhile, it will have made my home and the community I live in unmarketable.

I have questions and would appreciate answers and consideration of the following:

- What happens to those homebuyers that no longer have federal loans available to purchase homes in communities such as mine?
- Isn't it possible that the regulation will "unintentionally" create an adverse reaction benefiting "fee for income" developers, investors and third parties-the true intended target of this regulation?

- Isn't it possible that new forms of financial instruments will be developed to replace the unavailable federal loan programs, perhaps by these same mentioned above?
- Isn't it possible that this regulation will generate private fee based loan programs that will not come under this regulation?
- How will the regulation affect my township that has bought 22 units in my development for low income housing under COAH? Since I don't know how my township appropriated for our low income housing, it is possible that this regulation could also have a serious effect on municipalities like mine that buy into communities to fulfill their NJ COAH requirements using federal programs.

The proposed regulation states, and I paraphrase, that mortgages encumbered by transfer fees constitute unsafe and unsound business practice and are contrary to the public missions of the Enterprises and the Banks.

This provision above astounds me because this practice of charging transfer fees has been practiced for years and there is even easily available disclosure relating to the fees in my community. For example when I questioned my general manager within 15 minutes I was provided the answers to all my questions regarding this fee. I was further supplied with copies of the financial statements.

I ask that you consider CAI's comments, which were submitted shortly after this regulation was proposed. Their early submission reveals the harm that will come to Americans and the economy due to the regulations failure to distinguish between community transfer fees and private transfer fees. If enacted as is, I, as well as my neighbors and communities across NJ and the nation as well as the housing market and economy will not become "unintended casualties of the regulation" but victims of regulative intent.

In closing the regulations as written do not fulfill the FHFA's objective and therefore I respectfully request that they be withdrawn and revised.

Sincerely,

Sue EllenMikowski