

**Congress of the United States**  
**Washington, DC 20515**

October 15, 2010

Edward DeMarco  
Acting Director  
Federal Housing Finance Agency  
1700 G Street NW, Fourth Floor  
Washington, DC 20552

Dear Mr. DeMarco:

We are writing to express our concern regarding your agency's proposal to limit financing for properties with private transfer fee covenants attached. This proposed change, which would ban "flip taxes," would hurt the New York City cooperative and condominium housing market and should be abandoned or modified.

Flip taxes, which are a form of private transfer fee covenants, have been used in the New York market for over 30 years. In fact, a recent study reports that about half of the cooperative units in New York City have a flip tax attached. These funds are generally paid directly to the cooperative or management body of the building and are dedicated to maintenance, repairs, and building improvements. Without them, many amenities used by building residents, such as gardens, common rooms, and exercise facilities, would be unaffordable for middle class New Yorkers.

While we understand the concerns that some have raised about transfer fees that benefit only a developer or investor in a property, the overly broad prohibition proposed by your agency would ban an important and legitimate device that supports middle class condos and co-ops.

Thank you in advance for a prompt and favorable response to this letter and your assurance that federally-guaranteed or direct federal loans will continue to be available for New Yorkers interested in purchasing units with flip taxes associated.

Thank you for your personal attention to this matter, and we look forward to your response.

Sincerely,

  
ANTHONY D. WEINER  
Member of Congress

  
GARY L. ACKERMAN  
Member of Congress

  
YVETTE D. CLARKE  
Member of Congress

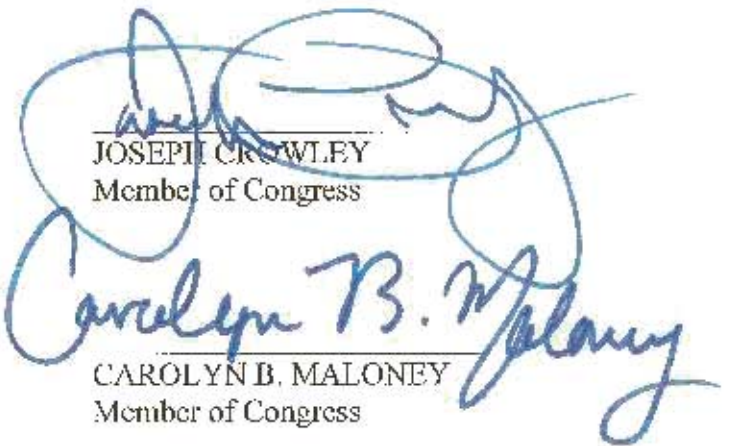
  
ELIOT L. ENGEL  
Member of Congress

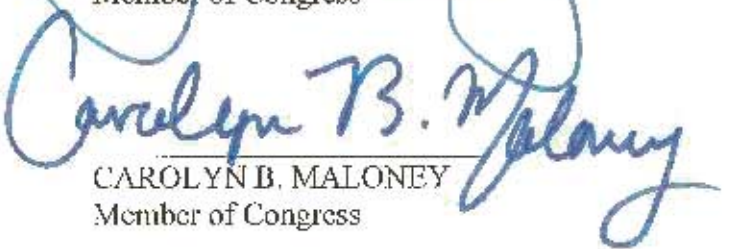
  
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Member of Congress

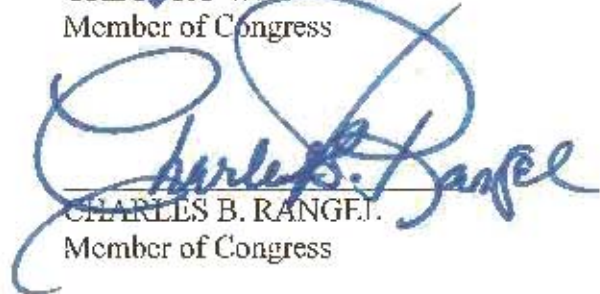
  
JOSÉ E. SERRANO  
Member of Congress

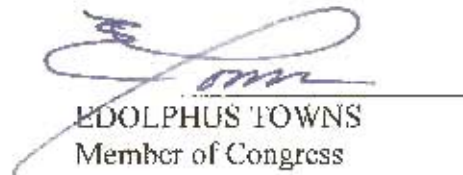
  
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