

From: Mark E Wooldridge [markwool@sbcglobal.net]
Sent: Friday, October 15, 2010 5:47 PM
To: !FHFA REG-COMMENTS
Subject: Guidance on Private Transfer Fee Covenants No. 2010-N-1
Attn: Public Comments

Mr. Pollard,

I am a real estate and construction professional and I am writing to express my OPPOSITION to the above referenced guidance.

While I certainly understand the concerns expressed in the guidance, I find them to be extreme worst case scenarios with weak relationship to reality.

The best case I can make would be to share with you a 'real life' example of a small commercial property I recently sold with a conveyance fee attached. The buyer and I negotiated a purchase contract - during the negotiation he was informed of the 1% conveyance fee that was recorded with the deed. He discounted his offer approx. 1.5% less for the property, and he also didn't have to pay for approx. 7k in electrical improvements that I was currently having installed for a new tenant. I was able to be reimbursed for those costs thru the conveyance fees to be paid in the future - and everyone was happy - it actually simplified our negotiation, rather than complicating it. The title company (Fidelity) processed the paperwork without a hitch, as they are familiar with transfer fees, having done them for years with HOA's, etc.. The lender was paid first (as always). The real estate agents involved received their full commissions, and there was no drama or unforeseen out-of-pocket costs at the last minute.

Going forward, I plan some residential developments - specifically in bringing passive solar, geothermal homes into mainstream building construction. My hope is to use conveyance fees to assist me in paying for the upfront infrastructure costs in getting the land 'lot ready'.

If I use the fees to pay for the infrastructure, I would not have to charge the homeowners for them and can offer the homes for less, making them more affordable. And since a home with a conveyance fee is worth approx. 1.5% less than a comparable home without - I have a very high incentive to use the monies I receive appropriately.

I do understand the potential for mischief, which is why I would be a proponent of some type of standardized procedure for full disclosure and a recording of the agreement with the title/deed - something the title companies should easily be able to provide.

In conclusion, I respectfully request you reject the proposed guidance, and instead seek to create some type of disclosure process that would inform buyers/sellers. As a wise attorney once told me: "Disclose, Disclose, Disclose! You can't get into much trouble if inform others..."

Thank you for your attention,
Respectfully,
Mark Wooldridge
WEM Financial