

GRANDVIEW TOWERS COOPERATIVE, INC.

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October 15, 2010

**Federal Housing Finance Agency
1700 G Street NW, 4th Floor
Washington, DC, 20552**

Re: 2010-N-11

Dear Sir/Madam:

As a Board Member of a 154 apartment Cooperative, I am writing to express my dismay at a new rule that your agency is proposing that would in effect restrict Federal Loan Banks, Fannie Mae and Freddie Mac from making loans to buyers on properties that have in effect Transfer Fee Covenants, including cooperatives and condominiums. As a shareholder/unit owner of a cooperative in New York I am acutely aware of the negative effect this could have on me and my neighbors.

Transfer Fees are an essential source of revenue for over half of the cooperatives in New York and for many condominiums. They are permitted under Section 501 (c) of the Business Corporation Law. They are imbedded in our By-Laws and Lease Agreements, and would require a vote of at least 66% of the shareholders to agree to change them. If your rule is promulgated present shareholders and interested purchasers would be unable to obtain mortgages.

Deprived of this source of revenue we would have to increase monthly maintenance and common charges or impose assessments to fund the capital improvements that are necessary not only to replace of the aging building's systems, but also to implement upgrades needed to comply with new building codes and evolving technology.

I have read that the primary intent of proposed rule is to stop developers from imposing 99 year covenants on new homes that require sellers to kick back a percentage of the sale price of the home to the developer when the house is sold. This it appears, is a prevalent practice in the Southwest and Florida, it is not in New York. And while

the proposed rule would address a problem in one sector, it would certainly cause major problems for individual residents/ owners in New York. By including the cooperatives and condominiums in this rule it is like taking a meat ax to an issue that requires a scalpel.

I respectfully request that cooperatives and condominiums not be included in your final published rule.

Sincerely,

A handwritten signature in cursive script that reads "Marion E. Ebner". The signature is written in black ink and is positioned above the typed name.

**Marion E. Ebner, Vice President
Board of Directors**

*** FAX RX REPORT ***

RECEPTION OK

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