

69-60 108 Street
Apt. 314
Forest Hills, NY 11375



October 7, 2010

Edward J. DeMarco,
Acting Director
The Federal Housing Finance Agency
1700 G Street NW, 4th Floor
Washington, DC 20552

Dear Mr. DeMarco,

I am a member of the Board of Directors of The Cromwell Co-Op at the above address, and am writing to protest the Federal Housing Finance Agency's proposal to do away with the "flip tax."

The so-called tax is a property transfer fee imposed by Co-Op boards and is a practice that has been in use for many years as a means to supplement the Co-Op's income. Eliminating these fees would have a severe negative financial impact on Co-Ops and their members. The flip tax provides revenue that enables Co-Ops to make necessary upgrades or capital improvements to their property without imposing massive increases in carrying charges and/or assessments on their shareholders.

In New York, no banks or mortgages are involved in Co-Op property transfer fee charges. What applies to Western banking should not be applied to New York City Co-Op operations; they are vastly different. Co-Ops are unique to New York and perhaps the FHFA may not be aware of the tremendous impact this measure would have. I urge you to review this proposal and consider the financial crisis it could create for many New York Co-Ops.

I learned of this proposal only a few days ago, and I beseech you to prevent it from being enacted.

Respectfully,


Beryl Rosendorf

Cc: The Honorable Charles E. Schumer
757 Third Avenue, Suite 17-02
New York, NY 10017

The Honorable Kirsten Gillibrand
780 Third Avenue, Suite 2601
New York, NY 10017

The Honorable Anthony D. Wiener
80-02 Kew Gardens Road
Suite 5000
Kew Gardens, NY 11415