



RENT STABILIZATION ASSOCIATION ♦ 123 William Street ♦ New York, NY 10038

October 6, 2010

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

Attention: Alfred Pollard
General Counsel

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

Dear Mr. Pollard,

The proposed Federal Housing Finance Agency (FHFA) guidance that would prohibit Fannie Mae or Freddie Mac from buying mortgages on property that have a private transfer tax fee agreement, or a "Flip Tax" as it is known in New York, would seriously disrupt the stability and efficiency of the city's housing market.

The New York City condo and co-op housing market has operated with a flip tax for some time. In one study, it was reported that more than 50 percent of the co-ops in New York City have a flip tax.

To deny Fannie Mae and Freddie Mac to potential buyers in buildings to have flip taxes would have a devastating on he co-op/condo market sales. Furthermore, all co-ops and condo's depend heavily on flip tax income to keep them financially viable. There seems to be no rationale for such a prohibition.

Please use your best efforts to eliminate this restriction.

Very truly yours,

RENT STABILIZATION ASSOCIATION

A handwritten signature in black ink, appearing to read "Arnold Goldstein", is written over a horizontal line.

ARNOLD GOLDSTEIN
Chairman

AG:mm

W:\POLLARD.WPD