

Green Valley, Arizona
October 11, 2010

In re: 9-22-10 *Green Valley News* "Resale" article

Alfred M. Pollard
General Counsel
Federal Housing Finance Agency
Fourth Floor
1700 G Street NW
Washington, D.C. 20552

ATTN: Public Comments "Guidance on Private Transfer Fee Covenants (No. 2010-N-11)"

Dear Mr. Pollard:

I obtained your contact as a source that may offer insight in the above-entitled matter. I'm responding in the posture of a more-than concerned citizen and property owner here in Green Valley.

The catatonic, even moribund conditions impacting the national economy in general, and real estate markets in particular, are of keen concern to anyone contemplating the sale of their property. This particular geographic area has in common with many homeowner associations nationwide the onerous Private Transaction Fees in place in most real estate transactions between buyer and seller here. This market is stalled, overburdened with over 600 pieces of inventory. The present resale rules hidden in the fine print in closing-cost documentation promulgated by Green Valley Recreation (GVR) stagnate buyer motivation: why pay the PTF of \$2,224 for nothing?

The housing market is mired in mud; potential buyers with whom I've spoken avidly seek to avoid any transaction involving GVR and its SS style of hampering any purchase. In my own circumstance, the Statement of Costs at closing was presented before me for signature with no verbal disclosure as to that restrictive clause. Extortion?

No, imprudently, I did not read that fine print.

Developer Bob Sharpe told residents in nearby Sahuarita that "if the FHVA restricts resale fees, Rancho Sahuarita Village Program Association may be forced to raise monthly assessments to pay for community improvements."

Does that sound like blackmail to you?

He was further quoted: "The rule would impact home values by effectively stopping new and used home sales and preventing homeowners from being able to refinance their mortgages to secure a lower interest rate."

My God. That really hits me in the brain as a blatant hindrance, indeed impeding home sales in a national market that squirms along the ground. The only beneficiaries in such scenario would appear to be the developers and GVR. I must ponder the wonder of such statement: On which side is Mr. Sharpe? (duh).

On the subject of developers, I was precluded from joining a recent class action suit filed in Tucson Superior Court against GVR as the result of my developer "waiving" that legal avenue of relief to further their ability to construct housing in my particular area of Green Valley (Desert Meadows II). I stand puzzled at the realization that another party, involved only in the monetary interest of increasing their profits, can simply give away my participation in such proceeding.

At my closing, the cost of the \$450 covenant was not addressed; now, 8.5 years later, that figure stands at the above-mentioned \$2224 for new purchases. A friend bought her home here some twenty years ago. What was the fee then in place? \$25. That amounts to nearly a 1000% increase. Someone schooled in the practice of law

might call that grand theft. Now multiply that figure by six million (an estimate arrived at by the Community Associations Institute).

I contemplated selling out and relocating, then realized that prospective buyers will look first at non-GVR properties, thus avoiding the exorbitant New Member Capital Fee thrust upon those new to the area.

GVR is bemoaning the possibility that lost revenue from such resale fees could result. My gums are bleeding for their plight.

My neighborhood is composed of citizens well into their octogenarian years; they are unable, due to infirmity, transportation issues, or plain-old lack of desire, to participate in the “generous” services available to all of us in GVR: the workout gyms, computer classes, and other outlets for the sheer boredom these GVR members must face today and the day after that. They have paid the “entry fee”; yet their feet are held to the fire and they are required, unwillingly, to pay the annual dues freight, \$403 for 2010, increasing to \$409 in January.

It would appear that these hapless victims have become inured to the blatant in-your-face tactics of GVR; a body which goes about impersonating a viable, beneficial entity in the community. Yet their perceived mission, by me, is to sack the citizenry of funds no longer available, exacerbated by the very real smug posture that this self-serving organization is fireproof, bulletproof, waterproof and weatherproof. Their saddlebags are deep and rich with a plentitude of coin of the realm.

And so far, they certainly are.

Looking down the barrel of a loaded pistol year after year while your pocket is being picked is humiliating, and co-existing with these carnivorous predators is like hugging a snowman.

I joined the computer club, a cost of \$35, but was informed after the fact that any personal instruction might be pursued by contacting “one of our experts,” at the cost of \$65 per hour. When I asked for a refund, the words were paraphrased as “a deal is a deal.”

Oh, the class action suit? That “litigation” was adjudicated in favor of GVR, the defendant. Summary judgment was awarded by the Honorable Paul Tang; no jury trial ensued. I personally attended a court hearing before Judge Tang and remain amazed at the mediocrity of plaintiffs’ attorneys. My impression – granted, a lay-person spectator – but possessing knowledge of some case law and seemingly strong evidence held by plaintiffs’ law firm, was that their position stood solid, albeit poorly presented.

My befuddlement was further fanned upon learning that, during cross-examination in the deposition of GVR Executive Director Anndrea Blackshear, obvious interrogation went unnoticed. (possibly much to the delight of the defendants’ attorneys). For example, Ms. Blackshear resides in Sierra Vista, Arizona, a four-hour round-trip daily commute to her office in Green Valley.

What is the cost of gasoline for such a *daily* journey? Who bears that bill, GVR or the hostages domiciled in Green Valley? I’m untrained in the practice of law, and such testimony may be immaterial, therefore unrecognized by the trier of fact. But isn’t that a heavy expense? Such evidentiary pursuit could only bear fruit, if answerable without objection by the defense, inadmissible or otherwise.

She stood at the entrance to a dead-end alley, easy prey; plaintiff counsel stood on the curb and let her walk.

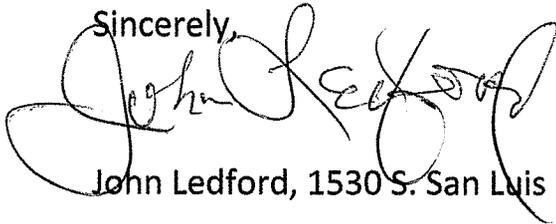
I’m perfectly willing to swear that this is commonplace practice in any lawsuit filed against the HOAs of America. After all, who will the defendants retain to represent their interests, Elmer Fudd or Wilmer, Cutler & Pickering?

The GVR Goliath gunslingers rode in from Phoenix; David stood in Tucson, sans slingshot.

As a result of the Philip Franchine article and your hoped-for move to ban resale home fees, justice may still be awarded by the Arizona Court of Appeals. Could there be light in the tunnel that is not just another muzzle flash?

Hopefully, this lengthy missive explains my side of the helpless position in which many of us here find ourselves stranded. I hope you have read my thoughts and will indeed proceed with your publicized action; further, that Congresswoman Giffords intercedes on our behalf.

Sincerely,

A handwritten signature in black ink, appearing to read "John Ledford". The signature is fluid and cursive, with a large loop at the end.

John Ledford, 1530 S. San Luis

Green Valley, Arizona

Copies:

Congresswoman Gabrielle Giffords

Philip Franchine, *GVR News* reporter (FYI)