



THE SENATE  
STATE OF NEW YORK  
ALBANY 12247

**TOBY ANN STAVISKY**  
Senator, 16th District

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October 14, 2010

Mr. Edward DeMarco  
Acting Director  
Federal Housing Finance Agency  
1700 G Street NW, Fourth Floor  
Washington, DC 20552

Dear Mr. DeMarco:

I am writing to express my concerns regarding your agency's proposal to eliminate "flip taxes" and "transfer fees" for cooperative and condominium housing. I believe that such a proposal would have disastrous consequences for co-op and condo owners in New York.

Flip taxes are a form of private transfer fee covenants that have been used in the New York market for over 30 years. These funds are generally paid directly to the cooperative or management body of the building and are dedicated to maintenance, repairs, and building improvements.

I am a shareholder in a co-op so I understand firsthand the importance of "flip taxes" for prospective buyers in financing their purchases and keeping maintenance costs affordable, especially for seniors and others who may live on a fixed income.

While I understand the arguments that some have raised about transfer fees that benefit only a developer or investor in a property, the overly broad prohibition proposed by your agency would ban an important and legitimate device that supports middle class condo and co-op owners and which do not benefit the developer.

I appreciate your review of this proposal and sharing your thoughts with me. I know the NY Congressional delegation has also contacted you on this matter.

Sincerely yours,