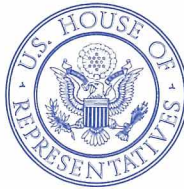


CHARLES B. RANGEL
15TH CONGRESSIONAL DISTRICT
NEW YORK

COMMITTEE:
WAYS AND MEANS
JOINT COMMITTEE
ON TAXATION

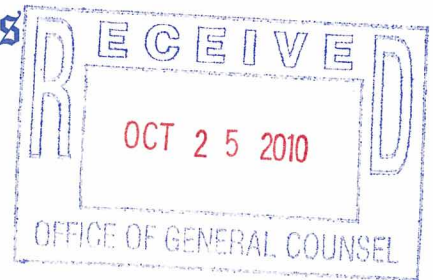


GEORGE H. HENRY
CHIEF OF STAFF

JAMES E. CAPEL
DISTRICT DIRECTOR

Congress of the United States
House of Representatives

October 14, 2010



Alfred M. Pollard
General Counsel
Federal Housing Finance Agency
1700 G. Street North West, 4th Floor
Washington DC 20552

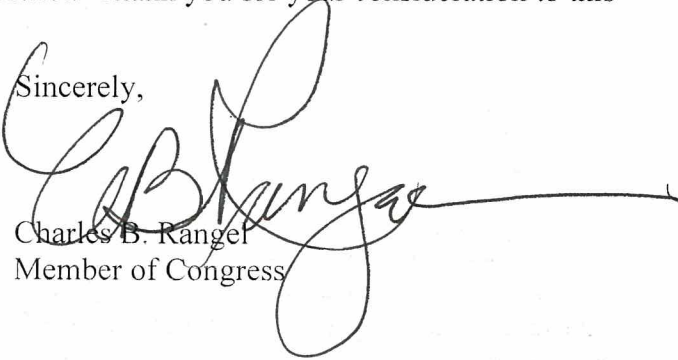
Dear Mr. Pollard,

It has been brought to my attention by many of my constituents that the Federal Housing Finance Agency has proposed a guidance on private transfer fee covenants. As you know, this guidance would prohibit the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Home Loan Banks from granting mortgages on properties that carry a private transfer fee.

It is my understanding that my office spoke with you on October 14th and that this guidance is currently being reviewed. I have received feedback from many of my constituents about the guidance and it is apparent that this proposed effort could potentially disproportionately affect co-operative and condominium owners in New York City. While the reasons for the guidance are clear, at this stage the guidance carries serious indirect consequences for many affordable housing development groups and homeowners associations who depend on this transfer revenue as a vital resource for financial security. The transfer fee or "flip tax" has become a very popular mechanism for providing funds for building-wide repairs and avoiding assessments in private co-operatives and condominiums in New York City.

Please consider working to make this guidance more specific so that it will have the most effective impact on what you are trying to accomplish and limit the impact on the homeowners of my Congressional district. Thank you for your consideration to this important matter.

Sincerely,


Charles B. Rangel
Member of Congress

CBR/ml