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Public Comments on Proposed Guidance; Request for Comments: Private Transfer Fee Covenants:=====

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

As you know, the proposed regulation issued by the Federal Housing Finance Agency (FHFA) would prohibit Fannie Mae, Freddie Mac and the Federal Home Loan Banks from buying mortgages in community associations with deed-based transfer fees. This would mean that most, if not all, banks would stop issuing mortgages for properties in community associations with such provisions. If enacted, this rule would immediately render such properties unmarketable.

Because the regulation would effectively render up to a quarter of properties within community associations unmarketable, the impact on home prices would not be limited to just these communities. Additionally, the resulting confusion for consumers may make them hesitant to purchase property in any community association.

Please do not continue with this short-sighted proposal. The impact to homesellers and homebuyers will be devastating. This is not the economic atmosphere to enact rules that will severely limit mortgage money that is available to future buyers.