

From: Jeff Brenner [jeff.brenner@gmail.com]
Sent: Wednesday, October 13, 2010 3:08 PM
To: !FHFA REG-COMMENTS
Subject: VOTE YES on Private Transfer Fee Covenants No. 2010-N-11 and say NO to flip taxes

General Counsel Pollard

There are some very well-managed and well-funded campaigns designed to persuade you that 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 reality is, that this is simply NOT TRUE.

My building is among many that DOES NOT have a flip tax because flip taxes are onerous, subject to abuse, and are an act of bad faith by one class of shareholders (longstanding) over another (shorter term).

Buildings who need funds for maintenance, improvements, etc. can raise those funds EXACTLY by raising maintenance. The use of a "FLIP TAX" just leaves this system ripe for abuse, which is precisely why the FHFA has guided as they have done.

I would urge you to KEEP the current proposal. Buildings with flip taxes can IMMEDIATELY ADJUST by changing their flip taxes to normal maintenance collection.

Sincerely,

Jeff Brenner

