

October 15, 2010

Alfred M. Pollard, General Counsel  
Federal Housing Finance Agency  
1700 G Street, NW. Washington, DC 20552

*Via E-mail*

Dear General Counsel Pollard:

I am writing on the behalf of many local residents concerning the FHFA notice of proposed guidelines concerning **private transfer fee covenants**. On behalf of local residents and cooperative housing shareholders, I ask that your guidelines include an **exemption** for cooperative housing. Cooperative housing is fundamentally different from other real-estate and it is because of these differences that a private transfer fee or “flip tax” is warranted.

Co-ops are a prevalent form of home ownership in New York City. Private transfer fees, in relation to co-ops, tend to designate the cooperative housing association as the beneficiary. Cooperative housing associations are not third-party developers. Co-op developments in fact depend on their cooperative housing associations to take charge of maintenance and engage in capital improvements to benefit all residents. Furthermore private transfer fees make sense in the co-op context. It is the cooperative housing association capital improvements that attract interested buyers, thereby generating purchases, creating a windfall that should be rightfully allocated to the cooperative housing association.

In light of these considerations, I hope you could strongly consider adding an exception in the guidelines on private transfer fees in the cooperative housing context. Thank you for your attention.

Sincerely,

A handwritten signature in black ink, reading "David I. Weprin". The signature is written in a cursive style and is placed on a light-colored rectangular background.

DAVID I. WEPRIN  
Member of New York State Assembly