

From: Charles Castor <charlescastor@hotmail.com>
Sent: Tuesday, March 29, 2011 12:39 PM
To: !FHFA REG-COMMENTS
Subject: Private Transfer Fees

SUBJECT:
Proposed Rule on Private Transfer Fee Covenants, (No. 2590-AA41) - Please
Reject As Written

Mr. Pollard:

I am writing to urge you to REJECT the proposed rule No. 2590-AA41
relating to private transfer fees as it is currently written.

The abusive practice of using transfer fees for purely private gain can
be curtailed without disturbing the legitimate use of transfer fees for
homeowner or community benefits. As proposed, this rule is too broad, at
times inconsistent, and would have a severe negative impact on the
operations of homeowners associations, environmental groups and
affordable housing programs that rely on these disclosed fees for their
operations. A transfer fee has a real value to a community when used in
specific circumstances that benefit the homeowner or community, such as
used by homeowners associations (HOAs), non-profit organizations, or
governmental agencies to build and maintain community enhancements
including community parks and emergency services facilities or to promote
important community benefits such as open space, affordable housing, and
transit improvements.

With a high percentage of mortgages (by some estimates 90 percent)
insured or backed by Freddie Mac or Fannie Mae, this proposal would
effectively preclude the use of transfer fees for community benefits,
removing a critical tool for building strong communities and dealing
another blow to homeowners at a time when the markets are struggling to
recover. Further, while we understand the desire on the part of the FHFA
to limit the abusive use of impact fees, the regulation would have the
unintended affect of chilling the already weakened housing finance market
and, without articulation the presence of an existing problem, the
Proposed Rule takes away the right of home buyers to pay for the
resources and services they believe best serve them and their community.

Approval of this rule as written is ill-advised and should be REJECTED.
The FHFA should instead adopt transfer fee standards that protect
community benefits while prohibiting abusive fees that are used solely
for private gain.

Sincerely,

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