



March 28, 2011

Alfred M. Pollard, Esq.  
General Council, Federal Housing Finance Agency  
Fourth Floor  
1700 G Street NW  
Washington, DC 20552

**Attention:** Public Comments; **Re:** Regulatory Identification Number (“RIN”) 2590-AA41

**Exemption Allowing the Processing of Transfer Fees by Regulated Entities for Charitable Purposes**

Dear Mr. Pollard:

The following comments are submitted to the Federal Housing Finance Agency (“FHFA”) pursuant to the now proposed regulation to restrict from transacting in encumbered properties those “regulated agencies” as outlined in the “Notice of Proposed Rulemaking”, 12 CFR Part 1228, RIN 2590-AA41.

**De minimis transfer fees neither affect the liquidity of the housing nor housing finance markets:** Contrary to the argument as purported therein, nominal or de minimis transfer fees, as is the case of Lennar Charitable Housing Foundation’s (“LCHF”) 0.05% encumbrance (e.g. \$75 on a \$150,000 home), does NOT adversely affect materially the liquidity of the housing market and further said obligation is subordinate to lenders first rights and thus does NOT adversely affect materially the housing finance market, or specifically the ability of creditors to recoup assets in instances in which foreclosure is sought. FHFA should exempt from its Rule private transfer fees which are below a certain percentage or dollar amount.

**Transfer Fees in accordance with state legislation:** LCHF complies with California Civil Code Section 1098.5 which requires full disclosure to all parties privy to the payment of all transfer fees associated with the encumbered asset.

**Payments are used to support charities adjacent to encumbered properties:** LCHF utilizes payments received via transfer fees to support charities that are within the general community and considered to be adjacent or contiguous to encumbered properties, taking into consideration, amongst other things, the potential lack of credible services in the aforementioned areas.

**Many thousands of homeless persons will suffer should FHFA restrict regulated agencies from dealing in encumbered transactions:** Upward Bound House, as a beneficiary of charitable donations that originate from transfer fees, stands to suffer greatly from the potential loss of invaluable support that such “rulemaking” might have. LCHF alone has benevolently helped Upward Bound House to provide in the past:

- o 60 emergency shelter beds; and
- o Over 3,000 Meals.

**In summation, we support solely the responsible use of transfer fees to better surrounding communities in a charitable manner consistent with that as described above.**

Best regards,

David Snow

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