

April 7, 2011

The Honorable Alfred M. Pollard
General Counsel
Federal Housing Finance Administration
Fourth Floor
1700 G Street
Washington, DC 20552

RE: Proposed Rule on Private Transfer Fee Covenants, (RIN) 2590-AA41

Dear Mr. Pollard,

I am a homeowner in an age restricted community and a past trustee of the association. In my opinion the new proposed rule on private transfer fees has one beneficial provision and two detrimental provisions.

Stopping private transfer sale fees from going to builders and developers has merit since this was simply a profit generating mechanism.

Requiring that fees must be used for a direct benefit such as maintenance, improvements, and amenities benefiting the association is an undesirable intrusion on the internal management of homeowner association finances. Homeowner associations have the best understanding of their needs not a remote federal agency.

Requiring that to qualify as a direct benefit the general public must be able to use the facilities funded by the transfer fees for a fee and that minimal usage may be provided free of charge for use by a charitable or other not-for-profit group is a gross intervention on the private nature of these communities. There is no basis for requiring homeowner associations to let the general public have access to their amenities that have been underwritten by the dues of their members. Private means private, not open to all.

Sincerely,

Leonard Capuano

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