

ENDANGERED HABITATS LEAGUE

DEDICATED TO ECOSYSTEM PROTECTION AND SUSTAINABLE LAND USE



March 23, 2011

Alfred M. Pollard
General Counsel, Federal Housing Finance Agency
4th Floor
1700 G Street, NW
Washington, DC 20552



RE: Proposed Rule on Private Transfer Fees (RIN 2590-AA41)

Dear Mr. Pollard:

The Endangered Habitats League (EHL) appreciates the opportunity to comment on this proposed rule. For your reference, EHL is Southern California's only regional conservation group. Through this letter, we endorse the comments and analysis provided by the Coalition to Save Community Benefits (letter of March 15, 2011).

In summary, the proposed rule should be revised in the following ways:

- Recording and notice requirements to ensure home buyers and title companies are aware of the presence of a transfer fee encumbrance;
- Express statements in the transfer fee covenant that fees are not payable upon foreclosure to protect the financial market, Fannie Mae, Freddie Mac, and taxpayers; and
- Clearly exempting from the Proposed Rule community benefit transfer fees paid to certain categories of entities (e.g. all nonprofit organizations including IRC section 528 community associations).

These approaches, rather than the new "direct benefit" test with respect to nonprofit organizations including IRC section 528 community associations, would achieve the Proposed Rule's policy goals in an administratively workable manner and in a way that preserves the rights of individuals to enhance the value of their respective homes and communities through the use of community benefits fees.

Thank you for considering our views.

Sincerely,



Dan Silver
Executive Director