

CAI Gathers Data to Fight FHFA Regulation

By now, many of you may have heard about a proposed regulation from the Federal Housing Finance Agency (FHFA) issued on August 13, 2010. CAI has prepared a survey to collect data on the use of these fees in the context of community associations. Your response to this survey will help us protect associations and gather information to use in our response to FHFA and in other mortgage market reform efforts in the months ahead.

Under the FHFA proposal, Fannie Mae, Freddie Mac and all federal home loan banks would be prohibited from purchasing mortgages for properties in communities with deed-based transfer fees. While the target of the regulation appears to be private deed-based transfer fees that require a payment to a third party each time a property is sold, the proposed rule would include deed-based transfer fees used by many community associations. If implemented as drafted, this means that associations with such fees may be locked out of the mortgage markets.

The definition of a deed-based transfer fee used by FHFA is fairly broad. For the purpose of this survey, we interpret this to mean the following:

Private Transfer Fee: Any fee or payment required at time of sale of a property by a deed or covenant restriction.

We recognize that there may be confusion in the interpretation of the “deed-based transfer fees” and that there is a possibility, albeit remote, that the current FHFA draft could be misinterpreted to apply to other fees important to community association operations. With that in mind, we are collecting data for private transfer fees and other community association related fees so that we may adequately and aggressively represent the interests of the community associations and community management professionals on this issue.

There are several ways you can help:

First, if applicable, please fill out the survey by clicking [here](#).

- If your community does not have a deed-based transfer fee, that is important for us to know as well.
- If you are a management company CEO, community manager, please fill out the survey and pass this on to your community association clients and encourage them to respond.
- If you are a business partner, please pass this on to your community association clients and encourage them to respond.

In the coming weeks, we will follow-up with additional information and action requests that will include:

- Information on how individual communities can file comments on the proposed regulation.

- Information and sample letters to send to your federal congressional representative and Senators.

We hope that you will take action to help us ensure that residents living in community associations can have access to mortgages for their properties. If you have any questions, please send them to government@caionline.org with the subject line “*FHFA Transfer Fee Regulation.*”

For an FAQ and more information on the FHFA regulation, please click [here](#).