

FHA Responds to CAI on Transfer Fees

In October, CAI called on the Federal Housing Administration (FHA) to take action and address the issue of deed-based transfer fees in community associations. Early this year FHA issued an “interpretation” of its regulations which concluded that it cannot underwrite mortgages in community associations with deed-based transfer fees, which exist in close to half of all community associations. CAI called on FHA to address the issue through a waiver or other regulatory means. You can read the October letter [here](#).

On November 23, 2011, FHA responded. In a short letter FHA indicated it recognizes such fees have value to homeowners and community associations and it was working to take action in the coming months to address the issue. CAI will continue to pressure FHA to take quick action on this matter. You can read the response from FHA [here](#).