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# FEDERAL HOUSING FINANCE AGENCY



## NEWS RELEASE

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For Immediate Release  
March 15, 2012

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### **FHFA Publishes Final Rule on Private Transfer Fees**

**Washington, DC** – The Federal Housing Finance Agency (FHFA) has sent a final rule to the *Federal Register* on private transfer fees. The final rule limits Fannie Mae, Freddie Mac and the Federal Home Loan Banks from dealing in mortgages on properties encumbered by certain types of private transfer fee covenants and in certain related securities. Transfer fees are contractual arrangements where an owner pays a fixed amount or a percentage of the sales price at the time of transferring the property.

The final rule excludes private transfer fees paid to homeowner associations, condominiums, cooperatives, and certain tax-exempt organizations that use private transfer fee proceeds to benefit the property. Fees that do not directly benefit the property are subject to the rule, and would disqualify mortgages on the property from being sold to Fannie Mae or Freddie Mac, or used as collateral for Federal Home Loan Bank advances. With limited exceptions, the rule applies only prospectively to private transfer fee covenants created on or after the date of publication of the proposed rule, Feb. 8, 2011. Covenants created before that date, as well as covenants created after that date pursuant to certain agreements entered into before that date, would be excepted from the rule. The final rule addresses thousands of comments received on FHFA's proposed rule as well as on previously proposed guidance.

Regulated entities are required to comply with the final rule within 120 days after its publication in the *Federal Register* or by July 16, 2012. The regulated entities will provide implementation guidance through their standard procedures.

Link to Final Rule:

[http://www.fhfa.gov/webfiles/23519/PTF\\_Final\\_Rule\\_Published\\_77\\_FR\\_15566\\_\(3-16-12\).pdf](http://www.fhfa.gov/webfiles/23519/PTF_Final_Rule_Published_77_FR_15566_(3-16-12).pdf)

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*The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$5.7 trillion in funding for the U.S. mortgage markets and financial institutions.*