

LAWYERS LINK



PRIVATE TRANSFER AND DEVELOPMENT IMPACT FEES

Source: **National Association of Realtors** - www.nar.realtor/private-transfer-development-impact-fees

Private transfer fees, also known as reconveyance fees, recovery fees, capital recovery fees, or resale fees, is a charge that is required to be paid to a developer, HOA, or individual at closing each time a property is sold. The transfer fee is attached to the property as a covenant and usually runs for a set period, often 20 or 99 years. While developers say it is a way to spread improvement costs over a longer period, opponents believe private transfer fees decrease affordability, increase potential liability, and provide no benefit to property purchasers of the community in which the property is located. In 2012, the Federal Housing Finance Agency (FHFA) issued a rule prohibiting the fees on mortgages handled by Fannie Mae, Freddie Mac, and the Federal Home Loan Banks. As of 2014, 43 states explicitly prohibit private transfer fees in most situations.

Private transfer fees are different from impact fees, or development fees, which are expenditures that developers are required to make as a precondition to approval of their projects. Impact fees are generally used to finance roads, schools, affordable housing, transit systems, and other projects and services in municipalities throughout the United States. The fees are frequently passed on by developers to purchasers in the price of a new property and, therefore, increase the cost of housing and decrease the profitability of a particular project.

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LawyersAgent ONE

POWERFUL NET SHEET APP

Use it once and it will become a necessity to your business.

QUICK-GUIDE FOR WORKING WITH SELLERS:

Below is a small sample of the things you can do with LawyersAgent ONE when working with sellers. Quick Text allows you to immediately send estimate results to your clients.

Seller Net Sheet

"How much money will I walk with after you sell my home?"

1. Click on the SELLER tab
2. Choose loan type in top left (defaults to conventional)
3. Enter house price, loan balance, etc.
4. Click COMPUTE
5. Click the share icon (📄) to send the net sheet to client

Sell to Net

"How much do we need to list my home for in order for me to walk away with \$X?"

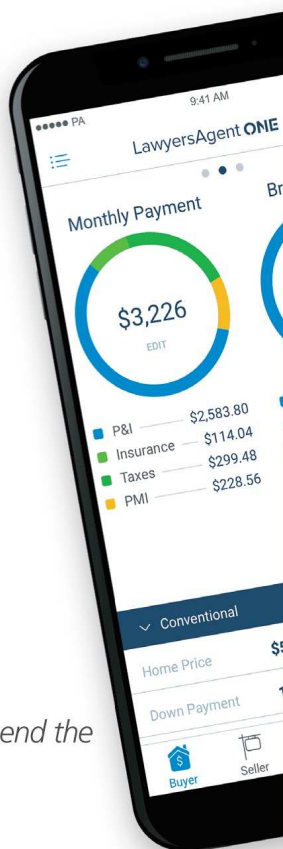
1. Click on the CALCULATORS tab
2. Click SELL TO NET
3. Choose loan type in top left (defaults to conventional)
4. Enter in the seller's goal
5. Enter loan balance, etc.
6. Click COMPUTE
7. Click the share icon (📄) to send the net sheet to client

Multiple Offers

**Your Listing has multiple buyers interested and you want to send the report to your client*

1. Click on the CALCULATORS tab
2. Click on MULTIPLE OFFERS
3. Enter the Listing info and press NEXT
4. Enter details for Offer 1, press ADD OFFER to continue
5. Add any additional offers with ADD NEW OFFER button
6. When finished adding all offers, click the share icon (📄) to send the full report to your client

Contact us for immediate set-up.



MONTHLY INDUSTRY TERMS

Realtor®

A real estate broker or an associate holding active membership in a local real estate board affiliated with the National Association of Realtors.

Trust Account

An account separate and apart and physically segregated from the broker's own, in which the broker is required by law to deposit all funds collected for clients.

Trustor

The borrower, owner and guarantor of the property conveyed in a deed of trust.



Lawyers Title®