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From: Real Estate Board of New York (REBNY)

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REBNY Succeeds in Flip Tax Effort

Buildings with flip tax exempt from proposed FHFA ruling that would have restricted financing

Sigh of relief for NYC's residential real estate industry; REBNY members warned legislators of proposed ruling's crippling impact

NEW YORK, Feb. 2, 2011 – With the help of hundreds of its members who delivered 629 letters to the Federal Housing Finance Agency – more than a quarter of the total responses received – [The Real Estate Board of New York](#) (REBNY), the city's leading real estate trade association, has succeeded in its effort to fight a proposed ruling that would have barred lending in buildings with a flip tax. The proposed ruling could have had a crippling impact on property sales throughout New York City.

Addressing the concerns raised by REBNY and its members, the proposed FHFA rule announced Feb. 1, 2011 now 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.

“Barring lending in buildings with a flip tax would have had devastating consequences for New York City’s residential sales market,” said Steven Spinola, REBNY President. “We’re thrilled that as a result of our efforts, buildings with a flip tax are now exempt from the FHFA’s proposed ruling.”

Mr. Spinola added, “The vocal support by our representatives in Washington was critical, and we owe thanks to our New York City Congressional Delegation, including Senators Schumer and Gillibrand, with particular acknowledgement of Congressman Anthony Weiner who led the delegation effort on this issue.”

When the ruling was first proposed last fall, REBNY and its membership launched the initiative through the [REBNY Action Center](#). Members were encouraged to contact the FHFA and key officials to advocate for exempting the flip tax and acknowledging the long-standing beneficial practice in New York City housing.

Led by Congressman Anthony Weiner, the entire New York City House delegation

supported the New York City housing industry and swiftly signed and submitted a letter requesting that federal funds should continue to be available when transfer fees are paid to a cooperative or management to the benefit of a building.

“The REBNY Action Center provides a forum for members to act quickly on issues of importance to our industry. Without our members’ letters and without the swift action by our legislators, the residential sales market would have been severely impacted. We’re grateful to all who participated in the effort and we anticipate that the city’s residential real estate market will continue its road to recovery in the coming months.”

The Real Estate Board of New York is the city’s leading real estate trade association with more than 12,000 members. REBNY represents major commercial and residential property owners and builders, brokers and managers, banks, financial service companies, utilities, attorneys, architects, contractors and other individuals and institutions professionally interested in the city’s real estate. REBNY is involved in crucial municipal matters including tax policy, city planning and zoning, rental conditions, land use policy, building codes and legislation. In addition, REBNY publishes reports providing indicators of market prices for both the residential and commercial sectors. Please visit us online at www.REBNY.com.

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