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After more than a decade of use, capital recovery fees show no negative impact on closings

Capital Recovery Fees, in widespread use over a decade, caused concerns of potential negative impact on closings. These concerns have failed to materialize.

AUSTIN, TEXAS, UNITED STATES, December 28, 2018 /EINPresswire.com/ -- When Capital Recovery Fees began to see widespread use over a decade ago, some market participants expressed concerns regarding the potential negative impact on closings. Fortunately, these concerns have failed to materialize.

The largest originator of Capital Recovery Fees, Freehold Capital Partners, reports that over the past decade real estate closings nationwide involving private transfer fees have largely been "routine". Freehold attributes this to the public disclosure that occurs from filing the assessment instrument in the deed records, together with additional public notices filed at periodic intervals.

Covenant Clearinghouse, http://www.covenantclearinghouse.com (the servicing agent for an estimated 350,000 planned and existing real estate projects nationwide that are subject to a Capital Recovery Fee) notes that "[a]s an Instrument filed in the public records, a [Capital Recovery Fee covenant] should appear on a properly prepared title commitment, just like other covenants, restrictions and similar encumbrances." See http://www.covenantclearinghouse.com/faq at 3.

A decade of real estate closings across the United States has shown that Capital Recovery Fees are just a routine part of the real estate closing process.

About Freehold Capital Partners: Beginning over a decade ago, Freehold Capital Partners originated a portfolio of Capital Recovery Fees that covers hundreds of thousands of planned and existing real estate parcels in 34 states, including office buildings, retail centers, industrial space, apartment complexes, and hundreds of thousands of residential homes.

Source: Freehold Capital Partners http://www.freeholdcapitalpartners.com

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Megan Lee media@freeholdcapitalpartners.com (T:212.755.0070)

John Martinson
Freehold Capital Partners
+1 7132527561
email us here
