

Date: February 13, 2004
To: All Clients & Closers
From: David Gorenstein
Re: Mortgage Recording Tax.- Westchester County

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Legislation has been passed by the New York State Legislature (Assembly Bill A9712A) and has been submitted to the Governor for his signature. The legislation authorizes Westchester County to enact legislation increasing the mortgage recording tax by 1/4 % (25 cents per \$100).

Under the legislation, Westchester County may be able to impose the increased mortgage tax on mortgages recorded as early as March 1, 2004.

Effective immediately, at all closings involving a mortgage affecting property located in whole or in part in Westchester County, mortgage tax at the following rates must be collected:

If the property is located wholly or partially in the City of Yonkers, at the rate of 1 and 3/4 %.

For property located in all other parts of Westchester County, at the rate of 1 and 1/4 %.

In the event that the mortgage gets recorded without the payment of the increased 1/4 % mortgage recording tax, we will return the excess mortgage recording tax collected.

As to all mortgages that have already closed, you must process those mortgages and submit them for recording immediately so as to avoid the payment of the increase mortgage tax. We know that the Westchester County Clerk has a backlog of documents waiting to be recorded. However, if the mortgage is received by the County Clerk before the effective date of the increase mortgage recording tax, we believe that it will be recorded at the current rate.

We will advise you of any further developments. If you have any questions, please call me at you earliest convenience.