

AQUEBOGUE ABSTRACT CORP.

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As Agent for:

First American Title Insurance Company of New York

Fidelity National Title Insurance Company

Urgent Memo:

To: All Our Valued Clients

From: Aquebogue Abstract Corp.

Dated: April 1, 2005 (Updated - 4/18/2005)

Re: Pending Mortgage Recording Tax Increase

The New York State Land Title Association advises that Governor Pataki signed legislation amending Article 11 of the Tax Law, which increased the additional mortgage recording tax for mortgages secured by property located in counties within the Metropolitan Commuter Transportation District. Impacted by the change would be the City of New York and Dutchess, Franklin, Nassau, Oneida, Orange, Putnam, Rockland, Suffolk and Westchester counties. The portion of the mortgage tax impacted is the so-called "Additional Tax".

Initially, the legislation was effective immediately. However, subsequent amendments have been enacted making the effective date **Wednesday, June 1, 2005**.

The new mortgage tax rates, if so increased, will be as follows:

	Current Rate	Proposed Rate
	Per \$100.00 Secured	
New York City		
All mortgages securing less than \$500,000	\$2.00	\$2.05
One-to-three family dwellings \$500,000 or more	\$2.125	\$2.175
All other mortgages \$500,000 or more	\$2.75	\$2.80
Westchester (excepting City of Yonkers) and Rockland	\$1.25	\$1.30
City of Yonkers	\$1.75	\$1.80
Dutchess, Nassau, Orange, Putnam & Suffolk	\$1.00	\$1.05
Franklin & Oneida	\$0.75	\$1.00

FOR FRANKLIN & ONEIDA COUNTIES ONLY: If the mortgage creates a lien on real property principally improved or to be improved by a one-family or two-family residence or dwelling, the first \$10,000.00 of the principal amount secured by the mortgage is not subject to the additional mortgage recording tax.

Please be advised that in residential situations where there is mortgage tax coming from both the mortgagor and the lender, the tax increases the mortgagors' portion ONLY, not the lenders'.

In Nassau and Suffolk Counties that change is from .75% to .80%.