

NYC Real Estate Lawyer Natalia Sishodia Explains How to Avoid Mortgage Recording Tax in New York

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NYC real estate lawyer Natalia Sishodia (<https://sishodia.com/how-do-i-avoid-mortgage-recording-tax-in-ny/>) releases a new article explaining how to avoid mortgage recording tax in New York. The lawyer explains that if a person is purchasing property in New York City, they must be aware of what a costly venture it is going to be. The buyer is not only looking at the cost of the property itself but also the closing costs.

In the state of New York, if you obtain mortgage financing, both state and local governments will collect a mortgage recording tax that documents the mortgage transaction. This is separate from the other costs associated with the mortgage that you will need to pay at closing, the NYC real estate lawyer says.

The lawyer mentions that condos and one to three-family homes have a mortgage recording tax of 1.80% of the loan amount if the mortgage is less than \$500,000. If the mortgage is more than \$500,000 the mortgage tax is calculated at 1.825% of the loan amount. The lender will also be responsible for 0.025% of the loan amount.

Attorney Natalia Sishodia adds that if an individual is purchasing and financing a co-op, it is not subject to the mortgage recording tax. The tax is only imposed on the financing of real property and a co-op is not considered one. By purchasing a co-op, a buyer will not have to worry about paying the mortgage tax at closing. A buyer may also be able to avoid or reduce the mortgage recording tax by using a CEMA or Consolidated Extension and Modification Agreement.

In the article, the lawyer says, In a refinance situation, the mortgage recording tax can be greatly reduced or avoided when the original lender agrees to assign the existing mortgage to the new lender and the new lender agrees. The mortgage recording tax will only be calculated based on the difference between the old loan and the new money. This process can even be more streamlined when a borrower refinances with their original lender.

Lastly, the real estate attorney emphasizes the importance of having a skilled attorney when it comes to dealing with matters such as investing in properties. An experienced lawyer may be able to help the client understand their rights and make guided decisions about their purchase.

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Sishodia PLLC

Sishodia PLLC is a boutique New York real estate law firm offering experienced, individualized legal solutions to clients ranging from first-time homebuyers to seasoned real estate investors.

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