



State of New York Mortgage Agency

641 Lexington Avenue, New York, NY 10022
(212) 688-4000 • Fax: (212) 872-0789

JOSEPH STRASBURG
Chairman

STEPHEN J. HUNT
President/CEO

By E-mail Only

April 2, 2004

RE: Recording Mortgages with a Closing Cost Assistance Loan

Dear Participating Lender:

Over the past month, we have learned that some county clerk offices have been refusing to record mortgages with a Closing Cost Assistance Loan (CCAL) Rider unless the documents are modified to their satisfaction. Last May, we instructed lenders to submit a cover page when recording mortgages with a CCAL to assist county clerks in calculating the mortgage tax (the tax is based on the combination of the first mortgage and CCAL amounts). The cover page was intended to be for informational purposes only and was not meant to be recorded. However, some clerks insist that the cover page also be recorded with the mortgage. Other county clerks are requiring that language be added directly on the mortgage. Some counties are requiring the Assignment of Mortgage to be altered as well.

Since we were advised of this matter, we have been working with the New York State Association of County Clerks to formulate a standard policy to be used statewide. A resolution has not been reached in this regard. As soon as a final determination has been made, we will advise you. In the interim, to ensure that mortgages and assignments are being recorded on a timely basis, SONYMA will accept instruments with a CCAL to be recorded with one of the following variations:

1. The attached cover page (completed in its entirety) and recorded with the mortgage;
2. Language added to item (D) "Note" in the "WORDS OFTEN USED IN THIS DOCUMENT" section of the mortgage with the following or similar language:

"* together with Closing Cost Assistance Loan amount of \$_____,
making a total of \$_____ for mortgage tax purposes."

If this method is used, an asterisk (*) must be placed after the mortgage amount in Item (D).

Lenders are reminded that in item (H) "Riders", the "Other Riders" box of the mortgage must be checked and labeled as "SONYMA Rider" and "CCAL Rider" (Forms 230 and C1, respectively).

Regarding the assignment, we will accept language similar to 2. above to be added to the form.

If you have any questions, please feel free to contact Susan Pline at extension 391 or the undersigned at extension 392.

Sincerely,

A handwritten signature in black ink, appearing to read "George M. Leocata". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

George M. Leocata
Vice President

Enclosure

MORTGAGE AND CLOSING COST ASSISTANCE LOAN COVER PAGE

The mortgage dated _____, 200__ between _____
_____ (Lender) and
_____ (Borrowers) has a
principal amount of \$_____. In addition there is a SONYMA Closing Cost
Assistance Loan in the amount of \$_____ (see page 3 of the SONYMA CCAL
Rider to New York – Single Family Fannie Mae/ Freddie Mac Mortgage).

The total maximum amount secured by this Mortgage **for mortgage tax purposes** is
\$_____.