



NEW YORK STATE SENATOR

Pete Harckham

Harckham, Rosenthal Bill Would Trim Taxes for First-Time Homebuyers

PETE HARCKHAM February 21, 2025

| ISSUE: **SENATOR HARCKHAM. SD40, MORTGAGE RECORDING TAX, HOME AFFORDABILITY, FIRST-TIME HOMEBUYERS**



House for Sale

Albany, NY – New York State Senator Pete Harckham and Assemblymember Linda Rosenthal announced today that they have introduced legislation that will exempt first-time homebuyers from paying the mortgage recording tax that municipalities impose for legally recording a deed, mortgage or other documents related to a loan for a home purchase.

With the first-time homebuyer market share falling sharply in recent years because of high real estate prices and other factors, the new legislation ([S.4488](#) / [A.5350](#)) addresses the significant financial impacts on first-time homebuyers, and an exemption on the mortgage recording tax promises substantial savings.

According to the latest data, the median sale price of a home in New York in 2024 was \$642,500, and with a typical 10% down payment, that would result in a \$578,000 mortgage. Harckham and Rosenthal's bill, if enacted, would save a first-time homebuyer \$5,780 in costs for a one percent mortgage recording tax, paid typically at the closing.

"Homeownership is a big part of the American Dream, but for many New Yorkers the high upfront costs in these tough times have pushed the dream farther out of reach," said Senator Harckham. "By exempting first-time homebuyers from paying their mortgage tax, we'll be making this milestone achievement more affordable while also re-energizing our communities."

"New York State's homeownership rate falls far below the national average and with home costs soaring around the nation, many New Yorkers fear that owning their own home may simply be unattainable," said **Assemblymember Rosenthal, chair of the Assembly Committee on Housing**. "Our new legislation to create a mortgage recording tax exemption will provide first-time homebuyers with relief on their closing costs, helping to put homeownership back within reach for many households. The sense of pride, community and stability that people feel when buying their first home should be accessible to all and passing this legislation will be a great step in achieving this."

Mortgage recording tax rates vary statewide, with most municipalities charging about one percent of the mortgage. However, the mortgage recording tax in the 40th Senate District, which Harckham represents, is currently between 1.05% (Putnam County) and 1.3% (both

Rockland and Westchester counties, excluding Yonkers, which charges 1.8%.) In New York City, the mortgage tax is 2.05% for mortgages less than \$500,000 and 2.175% for mortgages more than \$500,000. A portion of the mortgage recording tax collected in New York City and seven neighboring counties goes to the Metropolitan Transportation Authority.

According to the State Comptroller's office, New York has the lowest homeownership rate in the U.S., with only 53.6% of the population owning a home in mid-2022 versus 65.8% nationally. Meanwhile, the National Association of Realtors (NAR) reported in November 2024 that first-time homebuyers decreased to a historic low of 24% in 2023, dropping from 32% in the previous year. The first-time homebuyers were older as well, and their median household income was \$97,000, an increase of \$26,000 from 2021.

Some of the factors that are making first-time homeownership less attainable include a shortfall in housing inventory, stagnant wages and high mortgage rates. The average interest rate of a 30-year mortgage was 6.87%, as of February 13, 2025.

Tim Foley, Chief Executive Officer and Executive Vice President of the Building & Realty Institute (BRI) of Westchester and the Mid-Hudson Region, said, "This new bill addresses a significant financial barrier, making homeownership more attainable for many New Yorkers. By reducing upfront costs, it encourages individuals to invest in their future and strengthens our communities. We commend Senator Harckham and Assemblymember Rosenthal for introducing this bill and urge its swift passage to promote economic growth and housing stability in our region."

Karen Benven Ransom, a Licensed Real Estate Associate Broker with Houlihan Lawrence in Katonah, said, "Anything that helps buyers with some relief at a closing on their first home would be welcome."

Vlora Sejdi, 2025 President of the Hudson Gateway Association of REALTORS®, said, “First time homebuyers in New York today face a housing inventory shortage and significant financial hurdles, not the least of which is New York’s nation leading closing costs. A large part of these upfront costs are real estate transaction taxes, including the mortgage recording tax. The Hudson Gateway Association of REALTORS® and the New York State Association of REALTORS® strongly support Senator Harckham and Assemblymember Rosenthal’s legislation that will enable more first-time homebuyers the opportunity to achieve the American dream of homeownership.”