

Dear Santa,

All I want for Christmas is a home in the Hamptons. Yes, I know that the recession even hit the North Pole, but the economy is starting to pick up and prices may never be this low again. Also, there are three other reasons that make this the right season to fulfill my Christmas wish, including: (1) Taxes; (2) Mortgage Rates; and (3) Legislation.

Santa, did you know that when home prices decline, property taxes may be reduced as well. It's true. All I will need to do after I find a Deed in my Christmas Stocking is to file a Tax Grievance. While I'm sure that you have heard the term Tax Grievance before, I want to explain it further so that you can see why now is the perfect time to save. While property taxes are not actually determined by home values, the amount that a homeowner pays is greatly impacted thereby. In fact, the most common reason that property taxes are too high is that a given home's value hasn't been reassessed by the government since its price declined. Consequently, a Tax Grievance can lower a homeowner's tax assessment. More importantly, filing a Tax Grievance based upon a depreciated value is really simple where a home was recently the subject of a transaction. In fact, a homeowner does not even need to pay for an appraisal in this situation because their purchase price is generally the best evidence to show the home's true market value. Just to illustrate this concept to you Santa, if a home's most recent assessed value was \$600,000, but it was recently sold for \$370,000, taxes should be lowered to reflect the reduction in value. While it's difficult to let one savings be a predictor of another, it's very possible that the homeowner in the above illustration saved approximately 15% on their property taxes. That's a lot of savings and a grievance can be filed every year. More importantly, all a grievance takes is filling out a simple form, which is available at: www.orps.state.ny.us/ref/forms/pdf/rp524.pdf.

But it doesn't stop there Santa, a home's taxes can also be lowered by filing a Star Exemption. The Basic Star Exemption is available for owner-occupied, primary residences; and you know that I intend to move right in after I finish some painting and sprucing. Did you know that the Basic Star Exemption exempts the first \$30,000 of a home's value from school taxes? No Santa, the rumors that the Star Exemption has been cancelled are not true. People spreading that rubbish should be put on your naughty list.

Santa, let's quickly shift gears so that I can show you even more reasons that you should fulfill my Christmas wish. Did you know that current mortgage rates are the lowest in a generation? This means that a home purchaser can pay less to borrow more. It simply doesn't get any better Santa. In fact, the average rate on a 30-year fixed rate mortgage is now just above 5%. That's a discount of approximately 1.18% from the same loan made just last year. In real money, this means a savings of approximately \$75 per month on every \$100,000 borrowed. That money adds up quickly and produces real savings, which will let you even get the tax assessor a present this year.

Lastly Santa, I am sure that you have heard about the First Time Homebuyer's Tax Credit. You know the one that saves up to \$8,000 for purchases before December 1, 2009. Well, that Tax Credit is about to be extended and it looks like it won't just be available to first time purchasers anymore. In fact, the extended tax credit will likely now be available through April 30, 2010 and will offer a credit of up to \$6,500 for current homeowners. So don't give me any of that you already have a house nonsense.

Come on Santa, I have never written you before and have been a good boy this year. In fact, I already wrote Hanukkah Harry and he offered to split it with you. Now that's a deal.



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