



## Federal Credit Union Mortgages

This TSB-M explains that the recording of residential mortgages given to federal credit unions is subject to all mortgage recording taxes, except the special additional tax imposed by Tax Law, section 253.1-a(a).

On October 18, 2012, the Court of Appeals held in *Hudson Valley Federal Credit Union v. New York State Department of Taxation and Finance* that the recording of mortgages securing loans made by federal credit unions is not exempt from the mortgage recording tax.

In light of the Court's decision, the Tax Department's tax treatment of the recording of mortgages of real property given to federal credit unions remains unchanged:

- Except as provided below, the recording of mortgages given to federal credit unions is subject to all mortgage recording taxes imposed by and pursuant to Article 11 of the Tax Law, including the basic tax, additional tax, special additional tax, city taxes, and all county taxes. (For a list of taxes and tax rates, see [Form MT-15](#), *Mortgage Recording Tax Return*.)
- The recording of mortgages given to federal credit unions on real property principally improved or to be improved by one or more structures containing in the aggregate not more than six residential dwelling units, each having its own separate cooking facilities, is not subject to the special additional tax imposed by Tax Law, section 253.1-a(a).

NOTE: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.