



First American Title Insurance Company of New York CURRENT DEVELOPMENTS

ACRIS - Since January 2, 2003 the City Register has accepted for recording only documents submitted using its new Internet based Automated City Register Information System, commonly referred to by its acronym of ACRIS. This requires the on-line preparation of and a Cover Page and Payment Sheet for documents being submitted for recording in New York, Bronx, Kings, and Queens counties.

The Department of Finance has advised that certain forms submitted to the Register's Office in connection with a transfer of an interest in real property will, as of a date to be determined in March 2004, have to be prepared on-line in ACRIS's new E-Tax Forms module. The forms are the City of New York's Real Property Transfer Tax Return ("RPT"), New York State's Real Estate Transfer Tax Return ("RETT"), New York State's Real Property Transfer Report ("RP-5217NYC"), the Affidavit of Compliance with the Smoke Detector Requirement, the Customer Registration Form for Water and Sewer Billing, and the Property Owner's Registration Form. When the required fields are completed, each of these forms, except for the Property Owner's Registration Form, are to be printed, signed and submitted to the recording office with the related document. The Property Owner's Registration Form will not need to be printed; once completed ACRIS will electronically file this form.

Once all the required fields are completed, the User can print a final version of the forms for submission to the recording office. A Tax Transaction Identification Number will be imprinted on each form. Among the forms' required fields is the Social Security or Tax Identification Numbers of the parties to the transfer on the RPT and RETT. The Department of Finance has advised that entering "pending" or "applied for" in lieu of this information will not be accepted under E-Tax Forms.

ACRIS will generate signature lines for each transferor and transferee. While the intention is not to change current practices, it remains to be resolved whether the Register's offices will require the signature of each party or only one signature, as has been the minimum requirement. It is also not yet determined whether a Social Security Number or Tax Identification Number will be required on a Referee's deed.

The person using ACRIS will be able to print drafts of the forms before they are final. Drafts will be watermarked with the word "DRAFT" if all required fields are

not completed. The Social Security or Tax Identification Numbers of the parties to the transfer will not be on a form printed in DRAFT.

By entering the ACRIS generated User ID and Password for a transaction the User, or any other person having the same User ID and Password, will be able to complete or modify the forms. In addition, fields on the Cover Page will be populated with information from the forms module when the Tax Transaction Identification Number is entered in the Cover Page segment of ACRIS.

For each form, ACRIS will generate a separate, supplemental additional signature page that can be printed when the Forms are in DRAFT. This additional signature page can be annexed to the forms when they are Final for submission. The bottom of the usual signature page must only have noted "see Signature Page annexed" This will enable signatures to be obtained prior to closing and the signature pages later included with each completed, printed form.

Mortgage Recording Tax and Real Estate Transfer Tax – The New York State Department of Taxation and Finance has reported that the interest rate to be charged for the first quarter of calendar year 2004 on late payments and assessments of mortgage recording tax and real estate transfer tax will be 6% per annum compounded daily. The interest rate to be paid on refunds of these taxes will be 3% per annum compounded daily. The interest rates are published on the Internet at <http://www.tax.state.ny.us/taxnews/2003/int1103.htm>.

"The Stoler Report" – New York's only television talk show on real estate trends in the tri-state region, hosted by First American Vice President Michael Stoler, is on CUNY TV, Channel 75. The program, first broadcast at 10 AM on December 29, will be on "Commercial Office Buildings in New York City". It will be re-broadcast on December 29 at 4 PM and 10 PM, on January 4 at 8:30 AM, on January 7 at 11 PM, on January 10 at 5 PM, on January 13 at midnight, and on January 20 at 5 AM. Michael Stoler's guests for this program will be William Macklowe, President, Macklowe Properties, Jonathan Mechanic, Chair, Real Estate Practice, Fried, Frank, Harris, Shriver & Jacobson, Norman Sturner, Founder and Principal, Murray Hill Properties, Kent Swig, Principal, Swig Burris Equities LLC, and Robert Verone, Managing Director, Wachovia Securities. Live broadcasts and later Webcasts of programs can be viewed at www.stolerreport.com. Information can be obtained at the site, or by e-mail to mstoler@firstam.com.

The officers and employees of First American wish you a joyous holiday season and health and prosperity in the New Year.

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