



NHAR talking points on expansion of Real Estate Transfer Tax (RETT) to include refinancing activity

- Obstacle to recovery
 - A refinance tax would target many consumers at risk of going into foreclosure, those who might otherwise be able to stay in their homes by refinancing.
 - The real estate market must lead us out of the recession, as evidenced by federal government's infusion of hundreds of billions of dollars into the housing market.
 - President Obama's \$75 billion Home Affordable Modification plan designed to offer a lifeline to just the type of homeowner that the proposed mortgage tax would hurt.
 - At 1 percent: Family with \$200,000 mortgage would have to come up with additional \$2,000 at closing.
 - New York has a 1 percent tax on refinances and has one of the lowest levels of refinance activity in the country.
- Commercial real estate
 - Often refinanced multiple times in relatively short periods of time.
 - Would force already struggling commercial developers to delay or stop construction.
 - Such problems would increase layoffs, business closings, generally hurting an industry particularly critical to the state's economy.
- Current NH Real Estate Transfer Tax rate (residential and commercial properties)
 - The 1.5 percent tax on residential and commercial properties is highest in the nation.
 - Even if dropped to 1 percent, it would be fourth-highest in the nation.
- State refinance tax nationally
 - Only 10 other states have a tax on refinancing activity.
 - A 1 percent tax would take New Hampshire from lowest rate among states to second highest.