

# Tax credit deadline jams some law offices today

By Malcolm Carter



(Courtesy of Architect of the Capitol)

“It’s been a whirlwind week,” Brooklyn lawyer Rashidah Siddiqui of Serpico, Serpico & Siddiqui told me this morning.

She’s not alone, though the half dozen or so lawyers I interviewed recounted a variety of responses to the April 30 deadline for buyers to qualify for the \$8,000 (for first-time homebuyers) or \$6,500 tax credits that the federal government is offering to boost the housing market. There is a requirement for contracts to be signed today.

Ron Gitter, a lawyer whose [Web site](#) is especially helpful to apartment buyers, has had the opposite experience, saying that his clients tend to be above the measure’s income limits – \$125,000 for single homeowners and \$225,000 for married ones.

Two of the lawyers I called were actually taking time off for all or part of the week.

Yet Jerry Feeney, who on Wednesday stopped accepting new transactions that would qualify after an unaccustomed flurry of activity, said that he had a second full-time messenger today to rush contracts across the city for signatures. “They are running around like crazy,” he related. “And everyone in the office is loaded up.”

Said another lawyer, Jesse Gordon of Costello & Gordon in Manhattan: “All the parties are scrambling.” His office had “a lot more activity” in the last couple of weeks, mostly from first-time buyers.

Both Gordon and Siddiqui mentioned that they have resorted to accepting counterparts, a rarely used technique for times when buyers, sellers or both are hard to reach, for example in a foreign country. Then, the sides agree that each can sign faxes and e-mails on separate copies, have them essentially stapled together and follow them with signed originals.

“Everybody wants to get in to make the deadline,” Siddiqui said.

Manhattan lawyer Tracy Almazan laughingly reported that, to save a sale of under \$500,000, one seller dropped off a Scotch-taped shopping bag herself with an offering plan, financial statements, contract and handwritten notes.

One of Siddiqui’s buyers threatened to pull out of a \$705,000 transaction if the contract is not signed today. “All the parties are basically cooperating,” the lawyer recounted, saying that was true of property managers of both condos and co-ops. “We were able to get everybody to work pretty quickly.”

Not for attribution, I asked the lawyers whether they were hearing about backdating contracts to comply with the requirement, though each said they wouldn’t engage in the practice. The consensus was that there is considerable likelihood of backdating, yet also a question of how the government would detect the practice.

It ain't gonna happen to cheats. (Flickr photo by abardwell)

“It’s clearly going to happen,” one commented. “But how will it be enforced?”

One of the lawyers confided that a seller, a developer, already had indicated that the contract might not get executed until tomorrow.

Often lawyers and their clients fail to date a contract until some time after they sign one because of an oversight. And contracts don’t always get delivered when they are signed, so who is to know?

Beyond that issue, it is fair question why it even matters when the contract is signed. That’s because there is a second requirement: the closing must take place by June 30.

That week, too, will prove to be interesting, as three or four lawyers, lenders and others try to schedule closings that occur without a hitch.