

# New Homestead Legislation

Protecting your residence has become easier thanks to new homestead legislation which will go into effect on March 16th. Under the new statute, any single-family home, 2-4 family home, manufactured home, condominium unit, or residential cooperative housing unit will receive automatic protection of \$125,000 in value. If, however, you record a written homestead declaration in your county's registry of deeds, you can increase your level of protection to \$500,000.

Other significant changes to the homestead law include the ability to join co-owners within the declaration, the protection of funds related to the residence, such as sale proceeds, insurance proceeds, and eminent domain damages, and the application of a homestead's benefits to the beneficiaries of a trust.

If a homestead declaration has been recorded by an owner and that owner subsequently marries, the homestead protection will also automatically benefit the new spouse. Further, while a homestead is subordinate (i.e., does not protect against) a mortgage on the property, a lender cannot require you to release a homestead in order to obtain a loan. Additionally, the new legislation clarifies that the transfer of property between family members will not terminate the homestead protection.

As always, should you have any questions or comments concerning this or other matters, please feel free to contact us.

Sincerely,

A handwritten signature in black ink that reads "Michael S. Gove". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Michael S. Gove  
Cooley, Shrair P.C.

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