

Ralph M. Perrey, Executive Director



MEMORANDUM

DATE: December 1, 2020

TO: All Originating Agents

FROM: Rhonda Ronnow, Director of Single Family Loan Operations

SUBJECT: Information Regarding IRS Form 4506-C

In September 2020, the IRS released the new Form 4506-C IVES Request for Transcript of Tax Return. Beginning in March 2021, this form will be required for any third-party to order tax transcripts from the IRS.

According to the IRS, the Income Verification Express Service (IVES) is to be used by mortgage lenders and other entities when, as part of a mortgage loan transaction, tax transcripts are necessary to confirm the income of a borrower. The IRS stipulates that companies must use IVES whenever a borrower's tax transcript is requested for an audit.

The new Form 4506-C will replace both the September 2018 and the March 2019 versions of the IRS Form 4506-T that currently are accepted by IVES. Although the new Form 4506-C is substantially the same as the two versions of Form 4506-T, the IRS has specified that beginning on March 1, 2021 and thereafter, all tax transcript requests submitted through IVES must be made using only the new Form 4506-C. Failure to use that form will result in a denial of the tax transcript request.

Since the Form 4506-C is available and acceptable for use now, THDA strongly encourages all Originating Agents to begin using the new form immediately. The new Form 4506-C and instructions for use can be downloaded from the IRS website at: <https://www.irs.gov/pub/irs-pdf/f4506c.pdf>

Thank you again for your continued support and participation in the THDA mortgage program.

If you have any questions, please call 615-815-2100 or send an e-mail to SFask@thda.org.