



- Correspondent Lending
- Housing Finance Agency (HFA)

### Background

In **SEL-2022-075** published in December 30, 2022, U.S. Bank communicated that we would soon require use of updated Form 4506-C Request for Tax Transcripts **for all closed loan packages delivered on and after February 1, 2023**. Given the substantial size of this change, and the trending issues being seen as the IRS actively begins to absorb new form submissions, we would like to issue the following clarifications, helpful information and best practices for completing the updated form.

### Original Instruction

#### Original instruction from SEL-2022-075:

Section	Instruction
Line 5a	<p>Now includes a new section for the IVES participant ID number, in addition to the IVES participant name, address, and SOR mailbox ID. This is a required field where you can <u>either</u> enter your IVES vendor information, <u>or</u> you may enter our U.S. Bank vendor information as outlined.</p> <ul style="list-style-type: none"> <li>i. IVES Participating name: CoreLogic Credco</li> <li>ii. Participating ID Number: 302617</li> <li>iii. SOR mailbox ID: CLGX4506T</li> <li>iv. Street Address: 40 Pacifica #900</li> <li>v. City: Irvine</li> <li>vi. State: CA</li> <li>vii. Zip Code: 92618</li> </ul>
Line 5d	<p>Includes the client’s name, address, and telephone number. The form and instructions state that this section cannot be left blank or marked as not applicable (NA).</p> <p>The instructions for Line 5d. notes that the client company is the party that receives the requested tax transcripts from the IVES participant.</p> <p>If the IVES participant is also the client company, the IVES participant information will be the same on lines 5a. and 5d. Lenders <u>may</u> include your Client name and information, or you may also enter the following U.S. Bank information.</p> <ul style="list-style-type: none"> <li>i. Client name: U.S. Bank</li> <li>ii. Telephone number: 800-200-5881</li> <li>iii. Street address: 2800 Tamarack Road</li> <li>iv. City: Owensboro</li> <li>v. State: KY</li> <li>vi. Zip Code: 42301</li> </ul>

- **Utilizing your own IVES Vendor information:** It is recommended that you ensure that in addition to a completed Form 4506-C, please also include completed Tax Transcripts.
- **Utilizing U.S. Bank’s IVES Vendor information:** If U.S. Bank’s IVES vendor information is used, lenders must use U.S. Bank’s lender information as shown above.

Please refer to **SEL-2022-075** for complete instruction details.



## Common IRS Rejection Items

Please refer to the following common IRS rejections, helpful hints and possible alternatives specific to providing an accurately completed Form 4506-C:

Section/Scenario	Common IRS Rejections
Lines 1A-2B	<ul style="list-style-type: none"> <li>The name of the borrower was provided in the wrong field.</li> <li>The SSN of the borrower was provided in the wrong field.</li> <li>The SSN of the borrower was not submitted in XXX-XX-XXXX format (hyphens are required).</li> <li>There is more than one borrower (other than spouse) listed on the form.</li> </ul>
Line 1A.III	<ul style="list-style-type: none"> <li>Field contains more than 22 characters of the business name (if filing for a business).</li> </ul>
Line 3 and 4	<ul style="list-style-type: none"> <li>Street, city, state, and zip code not provided in their designated fields.</li> <li>Enter the address shown on the last return filed if different from the address entered on line 3.</li> <li>Note: If the addresses on lines 3 and 4 are different and the borrower has not changed their address with the IRS, file Form 8822, Change of Address, or Form 8822-B, Change of Address or Responsible Party — Business, with Form 4506-C.</li> </ul>
Line 5d	<ul style="list-style-type: none"> <li>The client information section was left blank.</li> <li>The client name, phone number, street, city, state, and/or zip code were not provided in their designated fields.</li> <li>“N/A” or “not available” was provided for a filed in the client company information section; all fields must be complete.</li> </ul>
Line 6 (1040)	<ul style="list-style-type: none"> <li>More than one form type was listed; use one 4506-C form for each type of tax form number (1040, 1065, 1120).</li> <li>W2/1099 was listed.</li> <li>More than one checkbox was selected (6a. 6b. 6c.).</li> <li>No checkbox was selected (6a. 6b. 6c.).</li> <li>Line 7 was selected when line 6 was already populated (<u>do not</u> additionally select line 7 when line 6 has already been selected).</li> </ul>
Line 7 (1099-W-2)	<ul style="list-style-type: none"> <li>“N/A” or “not available” was provided in any field in this section.</li> <li>The checkbox for the requested borrower was not checked.</li> <li>An invalid form type was listed for line 7a.</li> <li>1040, 1120, or 1065 was listed on line 7a.</li> <li>Line 6 was selected when line 7 was already populated (<u>do not</u> select line 6 when line 7 has already been selected).</li> </ul>
Line 7a	<ul style="list-style-type: none"> <li>Enter Form number (W-2, 1099, 1098, or 5498) requested. Enter only <u>one</u> form number per 4506-C form. Note that only one borrower should be listed on the 4506-C form for W-2, 1099, 1098 or 5498 requests.</li> </ul>
Line 7b	<ul style="list-style-type: none"> <li>This field can be left blank if <u>only</u> one borrower is listed on the form. If you choose to use a 4506-C form listing more than one borrower, mark only one (1) box on Line 7b to indicate for which borrower the form is being requested.</li> </ul>
Line 8 (Years)	<ul style="list-style-type: none"> <li>The format was not in MM/DD/YYYY format.</li> </ul>

**Common IRS  
Rejection  
Items,  
continued**

Section/Scenario	Common IRS Rejections
If you do not know what investor you will sell to:	<ul style="list-style-type: none"> <li>It is recommended that you ensure that in addition to a completed Form 4506-C, please also include completed Tax Transcripts in the file.</li> </ul>
Post-Funding QC Audit and/or Form 4506-C Rejected by the IRS:	<ul style="list-style-type: none"> <li>As was originally communicated, if a loan is selected for a post-funding QC audit and the Form 4506-C in the loan file is not on the most recent form dated 10-2022, or it is completed incorrectly and subsequently rejected by the IRS, the lender will need to provide an updated borrower-executed 4506-C form or the Tax transcripts.</li> <li><b>Proactively including Tax Transcripts and Form 4506-C in the loan file will substantially minimize delays in resolution.</b></li> </ul>
Pound '#' Sign	<ul style="list-style-type: none"> <li><u>Do not use</u> the pound '#' sign on the form as it will be rejected.</li> </ul>
"its successors and/or assigns"	<ul style="list-style-type: none"> <li><u>Do not use</u> "its successors and/or assigns" on the form as it will be rejected.</li> </ul>
Care Of (c/o) or Doing Business As (DBA)	<ul style="list-style-type: none"> <li><u>Do not use</u> Care Of (c/o) or Doing Business As (DBA) on the new form; it will be rejected if more than one company is present on line 5a or 5d.</li> </ul>
Handwriting	<ul style="list-style-type: none"> <li>Must be a clean, typed copy of the Form 4506-C. Handwriting is unacceptable, except for the Signature and/or Sign Date and/or Title. The form <u>cannot</u> be a combination of handwritten and typed.</li> </ul>
Optical Character Recognition ("OCR") Modernization	<ul style="list-style-type: none"> <li>Form includes many changes to make the form better suited for optical character recognition ("OCR") modernization efforts which will enhance the automated process of the form.</li> <li>New form no longer permits <u>any</u> editing of the form.</li> </ul>
Signature Section	<ul style="list-style-type: none"> <li>Form was signed by an authorized representative and the authorized representative box was not checked.</li> <li>Form includes more than one signature when only one individual was listed in section 1a.</li> <li>The typed name below the signature was left blank.</li> </ul>
E-Signatures	<ul style="list-style-type: none"> <li>Electronic signature box was not checked, and the form was electronically signed.</li> <li>Signature date must separately be included in the designated date field even if a date is included in the e-signature stamp.</li> <li>Only authorized IVES participants are allowed to submit requests with electronic signatures.</li> </ul>
Married Filing Joint	<ul style="list-style-type: none"> <li>If both married couples are listed on the form, both must sign.</li> </ul>
Married Filing Separate	<ul style="list-style-type: none"> <li>For married couples who have filed separately, a separate 4506-C Form was not provided for each borrower.</li> </ul>
Overall Form Use	<ul style="list-style-type: none"> <li>Form was altered (includes the use of white-out, crossing out dates, changes made by the borrower and initialed, writing over information causing the information to be illegible or invalid, etc.).</li> <li>The information on Lines 1-8 was handwritten.</li> <li>Information was entered in the incorrect field.</li> <li>Information spilled over into a connecting field (most common spill overs appear in borrower signature, date, and borrower last name).</li> <li>Information entered on the form, or the barcode spilled over the borders of the form.</li> <li>Fields where a highlighter was used (highlighting anywhere on the form may trigger issues through the IRS OCR system).</li> </ul>

**Business 4506C  
- Acceptable  
Business Titles**

Business 4506C - Acceptable Business Titles:

Form Field	Signature Requirement
<p><b>Form 1065, US Return of Partnership Income</b></p>	<p><b>One of the following:</b></p> <ul style="list-style-type: none"> <li>• Partner</li> <li>• Limited Partner</li> </ul>
<p><b>Form 1120, US Corporation Income Tax Return or Form 1120S (small business), US Income Tax Return for an “S” Corporation</b></p>	<p><b>One of the following:</b></p> <ul style="list-style-type: none"> <li>• President</li> <li>• Vice President</li> <li>• Secretary</li> <li>• Treasurer</li> <li>• Assistant Treasurer</li> <li>• Chief Accounting Officer</li> <li>• Chief Executive Officer</li> <li>• Any Tax Officer, including controller</li> <li>• 1% shareholder (for corporations)</li> <li>• Shareholder (for S-corporations)</li> </ul>
<p><b>Form 1120 LLC, US Corporation Income Tax Return or Form 1120S LLC, US Income Tax Return for an “S” Corporation</b></p>	<p><b>Including:</b></p> <ul style="list-style-type: none"> <li>• Signature of the Managing Member</li> <li>• Exception: if a Form 8832, Entity Classification Election, has been filed, then signature can be               <ul style="list-style-type: none"> <li>○ President</li> <li>○ Vice President</li> <li>○ Secretary</li> <li>○ Treasurer</li> </ul> </li> </ul>

**Questions**



**Correspondent:** Please contact your Account Executive or the Client Support Area at 800.200.5881, option 1.

**HFA:** Please contact the Housing Finance Agency Hotline at 800.562.5165, option 1 for the HFA Customer Care Team.