



OLG INFO 2022-09 (Amended)

May 17, 2022

Internal Revenue Service Tax Transcripts

Borrowers and HUD-approved Section 184 and Section 184A Lenders have reported to the Office of Native American Programs (ONAP) that the Internal Revenue Service (IRS) continues to experience delays in processing income tax return filings, resulting in an additional delay in the ability of the IRS to provide tax transcripts. ONAP understands this delay is beyond the control of the Borrower and Lender and could potentially jeopardize Borrower's ability to obtain a Section 184 or Section 184A loan. Accordingly, this OLG INFO provides guidance to Lenders regarding the current Section 184 and 184A IRS tax transcripts policy when IRS delay in processing tax returns and providing the IRS tax transcripts occurs.

When the Borrower has submitted to the Lender: (1) a signed copy of his and/or her complete tax returns for the most recent two years; (2) a signed version of IRS Form 4506 or IRS Form 8821, *Tax Information Authorization*; and the Lender has submitted the form to the IRS and has yet to receive the tax transcripts for the period requested the Lender shall take all the following actions:

- Through its HUD-approved Direct Guarantee underwriter, rely on Borrower's signed tax returns and other income verification documentation to determine whether his or her income level can be reasonably expected to continue and determine whether Borrower's income can support the loan payments.
- Document in the case binder the loan contains an underwriting exception for IRS tax transcripts and reference this OLG INFO.
- Identify the case binder as one requiring a quality control review upon Lender's receipt of the IRS tax transcripts.