

Mike & Jennifer Rigley

From: Sean Barrow [s.b.barrow@gmail.com]
Sent: Wednesday, April 13, 2011 1:21 PM
To: Mike & Jennifer Rigley
Subject: Federal Tax Lien Discharge Paperwork
Attachments: Form 12277 - App. for Withdrawl of Form 668(Y).pdf; Form 783 and 14135 - Discharge of Fed. Tax Lien.pdf; Form 8821 - Tax Info Authorization.pdf; Tax Lien Removal Letter.docx; Form 8821 - Example.pdf

Hi Mike,

I've attached the forms that your seller will likely need to fill out to start the Lien Discharge.

-Form 8821: Authorizes you, and if you include them, your Escrow Officer to receive information about the Lien Discharge process.

Fax this form to - Internal Revenue Service - 801-620-4249. This is the IRS office in Ogden, Utah. They say this is the office that uploads these forms to their central processing system, so that any IRS agent you deal with will be able to look and see that you are authorized to receive information about this Tax Lien. Of course, when I sent this in to the Ogden office, it took them too long to get this paper into their system so I also included in the packet that I sent to the Northern California IRS office. You'll want to include your Escrow Officer under Section 2, and if you'd also like to be authorized to receive information on the process have the seller(s) type a brief note to this effect, include all your contact information, and have the seller(s) sign it. I've attached what I used.

-Form 12277: This is something that the seller for Tortola was able to file, and she was told this would be helpful in removing the Tax Liens from her credit history. Seems like it would be worth the sellers time to call the IRS & ask whether this is something they could submit. It gets faxed &/or mailed to the same place as Form 14135.

-Form 783: Is an explanation of how to fill out form 14135

-Form 14135: Application for Certificate of Discharge of Property from Federal Tax Lien - to be filled out according to instructions in form 783.

Other documents the IRS will require to be submitted along with Form 14135 are:

- HUD-1 (They want to see how much the seller will net, and what the final payoff amount will be). They asked that this be labeled 'Closing Statement').
- Most recent Mortgage Statement(s), showing the remaining amount due on the mortgage(s)
- Appraisal
- County Valuation (I got this from the Counties Assessors website)
- Copy of Deed or Title
- Copy of Sales Contract & Purchase Agreement (including Hardship Letter, approval letter)
- Current Title Report
- Letter detailing, briefly, why this discharge is being requested. Include that the escrow officer will want the original release to record through escrow (so that escrow doesn't have to wait to be notified of the lien discharge). I've attached a copy of the letter we submitted.

I found that the final three on this list were satisfied by including the Prelim., and detailing where each one of these could be found in the report. If you have anything more detail to send them though, couldn't hurt.

-Submitting Forms 12277 & 14135: I was given multiple, conflicting answers about the whether they accept these forms by fax, and in the end I also had mail the package in. I'd suggest doing both. I'd also suggest calling the Oakland office to verify their latest address, as it had already changed once since Form 4235 (list of IRS office addresses) was put online. The latest address I have for the 'local' IRS office (slightly different from the one listed online) is:

IRS Advisory Group

4/14/2011

1301 Clay St, Stop 1410
Oakland, CA 94612

Fax: 510-637-2500

Phone: 510-637-4660 - Leave a message, she'll call back within 24 hours, usually. If not, call again.

If your seller has been speaking with a certain person in the Oakland office, or they know they have already been assigned a certain processor, you might want to include this processor as an Attn: _____. Again, I'd call them and ask how they'd like this submitted.

I was asked to Fax pieces of the packet for Form 14135 multiple times, so seller should be prepared for this. Form 783 says to give them 45 days to discharge the loan, last I spoke with them I was told 60-90 because of a lack of staff and an increase in filings. The seller was considerate of the processor (sounds like there are only a couple of them now days), but tenacious, and managed to get on the phone with the processor she was assigned, told him her story, and although he told her then there was nothing he could do to speed up the process, we had approval from the IRS a few days after that.

I think that's everything. Let me know if I can clarify any of that further.

--

Sean Barrow

Keller Williams Realty

DRE# 01887019

4180 Truxel Rd Ste 150

Sacramento, CA 95834

Phone: 916-779-6115

Fax: 916-283-7501

sbarrow@kw.com

www.BarrowRealEstateOnline.com