# How-To: Line-by-Line 4506-T Instructions

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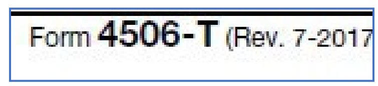
| **General 4506-T Form Completion Instructions** | These instructions have been developed to assist you with the proper completion of the 4506-T Request for Tax Transcript.<br><br>Refer to **Bulletin 18-03** dated January 29, 2018 to know under what circumstances that a 4506-T form is required at initial submission. When required, a properly completed 4506-T Form(s) should be included with the initial submission documents for underwriting.<br><br>Refer to the attached detailed instructions. You will find these instructions under Resources > Training Materials > How-To Job Aids on TPO Connect. |
| **Towne Orders Transcripts** | Once the loan has been conditionally approved, review the prior to approval ("PTA") conditions to determine whether you need to complete a request for transcripts on the TPO Connect portal.<br><br>Refer to the job aid Encompass How To: Request Transcripts posted on TPO Connect under Resources > Training Material > How-To Job Aids. |
| **Client Orders Transcripts** | Clients that order their own transcripts from a national reputable third party tax transcript provider, must comply with Towne's Vendor Management Program which is overseen by Towne's Quality Control Department. Please contact your Account Executive or Client Relations Representative if you have questions regarding acceptable providers.<br><br>If the transcripts were not provided with the initial documentation submission, please upload the appropriate transcripts to Wholesale Conditions document placeholder on TPO Connect. |
| **Borrower Provided Transcripts** | Transcripts obtained/provided by the borrower are **ineligible**, without prior approval from the underwriter. |
| **Valid 4506-T Form** | IRS Form 4506-T is valid for 120 days from the date the borrower signs and dates the form. The 4506-T form is required in order for the underwriter to validate and source the income listed on the supporting documentation. |

**Helpful tips to properly complete the 4506-T Form**

The IRS strictly enforces their requirements for the IRS Form 4506-T to be the most recent form available, completely legible, no strikethrough or erasures and that it is fully completed prior to borrower signature. To avoid delays in the loan process, we are providing these Line-by-Line Instructions to assist in successful first-time submission to IRS:

**Have the following on-hand:**

1. Have at your disposal the most recent of each individual or joint tax return(s) for which you will be requesting transcripts.
2. Most current version of IRS Form 4506-T published by IRS. Version is located in the bottom right corner of the form


Form **4506-T** (Rev. 7-2017

The most current version is posted here: https://www.irs.gov/pub/irs-pdf/f4506t.pdf

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**Scenarios to consider when completing the 4506-T**

1. Multiple Borrowers – Complete a 4506-T Form for each borrower filing tax returns.

2. Borrowers filing joint tax returns require only one IRS Form 4506-T form for years jointly filed. If verifying more than one year and borrower's filed differently from one year to another, i.e., filed individually 2 years ago and jointly for the past year, then you will need 1 IRS Form 4506-T per borrower for the year(s) filed separately AND 1 IRS Form for years filed Jointly.
3. Married Borrowers Filing Separately – Form for EACH borrower is required.
4. Self-Employed filing Personal and Business tax returns. Requires the borrower to sign 2 4506-T forms. One for Personal returns and one for Business Returns.

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# INSTRUCTIONS FOR COMPLETING THE 4506-T FORM

**Line 1a:** **Name-Complete exactly as shown on most recent tax return you are verifying. If a joint return was filed, complete the name of the first individual shown on the tax returns with no regard to borrower status.**

**Line 1b:** **Complete with first social security number, ITIN, or EID shown on the most recent return you are verifying.**

1a Name shown on tax return. If a joint return, enter the name shown first.

1b First social security number on tax return, individual taxpayer identification number, or employer identification number (see instructions)

**Line 2a:** **Joint Return – Enter spouse's name exactly as shown on the tax return with no regard to borrower status.**

**Line 2b:** **Joint Return – Enter spouse's SSN or ITIN**

2a If a joint return, enter spouse's name shown on tax return.

2b Second social security number or individual taxpayer identification number if joint tax return

**Line 3** **Current name, address, city, state and zip of borrower regardless of what is shown on the tax return.**

3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code (see instructions)

**Line 4** **If borrower's current address is different from the address shown on the tax return, complete Line 4 with the previous address, city, state and zip of the borrower exactly as shown on the tax return.**

4 Previous address shown on the last return filed if different from line 3 (see instructions)

**Line 5** **If Towne orders the tax transcripts, the address shown above should be entered. Otherwise, the name, address and telephone number of your third party verification service provider will be shown.**

5 If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number.

Credit Plus, Inc.
31550 Winterplace Pkwy, Salisbury, MD 21804
(800)258-3488

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| **Line 6**<br>**Transcript Requested** | **Enter the tax form number of the return to be verified. Only one form number per IRS Form 4506-T can be requested (you can obtain multiple years of the same form number, but you cannot obtain different IRS forms on the same request. If you are requesting multiple form numbers, then complete Form 4506-T for each form / borrower.** |

**Caution:** If the tax transcript is being mailed to a third party, ensure that you have filled in lines 6 through 9 before signing. Sign and date the form once you have filled in these lines. Completing these steps helps to protect your privacy. Once the IRS discloses your tax transcript to the third party listed on line 5, the IRS has no control over what the third party does with the information. If you would like to limit the third party's authority to disclose your transcript information, you can specify this limitation in your written agreement with the third party.

**6 Transcript requested.** Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ▶ ____________________

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| **Line 6a**<br>**Return Transcript** | **Always check this box to request transcript of tax return type request in Line 6 above.** |

**a Return Transcript,** which includes most of the line items of a tax return as filed with the IRS. A tax return transcript does not reflect changes made to the account after the return is processed. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120-A, Form 1120-H, Form 1120-L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days . . . . . . ☑

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| **Line 6b**<br>**Account Transcript** | **Leave blank** |

**b Account Transcript,** which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 10 business days . ☐

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| **Line 6c**<br>**Record of Account** | **Always check this box to request most detailed information as it is a combination of the return transcript and the account transcript.** |

**c Record of Account,** which provides the most detailed information as it is a combination of the Return Transcript and the Account Transcript. Available for current year and 3 prior tax years. Most requests will be processed within 10 business days............................................ ☐

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| **Line 7**<br>**Verification of Nonfiling** | **By checking this box, IRS will provide a "verification of non-filing" in the event the borrower did not file a tax return for a specific year.** |

**7 Verification of Nonfiling,** which is proof from the IRS that you **did not** file a return for the year. Current year requests are only available after June 15th. There are no availability restrictions on prior year requests. Most requests will be processed within 10 business days . ☐

| Line 8<br>Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript | Always check this box to obtain data from Form W-2, Form 1099 Series, Form 1098 Series, Form 5498 Series tax transcripts |
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8 **Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript.** The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2011, filed in 2012, will likely not be available from the IRS until 2013. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 10 business days. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . ☐

| Line 9<br>Year or period requested | Enter most recent year(s) Tax Returns for which you need Transcripts. Enter the ending date using the mm/dd/yyyy format, for example 12/31/2016. If ordering business returns with a tax year end other than fiscal (12/31) year end, enter that date. Maximum of 4 years may be requested. |
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**Caution:** If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

9 **Year or period requested.** Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately. / / / / / / / /

| Signature of taxpayer(s) | All of the following must be completed:<br>1 Borrower must "X" the attestation checkbox<br>2 Signature<br>3 Date of signature<br>4 Phone number of the borrower on line 1a or 2a, as applicable.<br>5 Title, if line 1a is a corporation, partnership, estate or trust<br>6 If filed jointly, spouse's signature is optional |
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**Caution:** Do not sign this form unless all applicable lines have been completed.

**Signature of taxpayer(s).** I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, at least one spouse must sign. If signed by a corporate officer, 1 percent or more shareholder, partner, managing member, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer. **Note:** For transcripts being sent to a third party, this form must be received within 120 days of the signature date.

☐ **Signatory attests that he/she has read the attestation clause and upon so reading declares that he/she has the authority to sign the Form 4506-T.** See instructions.

Phone number of taxpayer on line 1a or 2a

**Sign Here**

**Signature** (see instructions) Date

**Title** (if line 1a above is a corporation, partnership, estate, or trust)

**Spouse's signature** Date