

LENDERS UPDATE™

ALT & ASSOCIATES NEWSLETTER

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NEW CONSENT REQUIRED **FOR RELEASE OF TAX RETURNS** **TO THIRD PARTIES**

On July 1, 2019, H.R. 3151 became law (New Public Law No: 115-25). This is known as the “Taxpayer First Act”. The provisions discussed below become effective December 28, 2019.

Among the many provisions of the new law is the requirement that persons receiving tax return information must obtain the express permission of taxpayers prior to disclosing such information to any other person. If a lender or other party receives tax return information during origination or servicing, the person or entity receiving the information, must obtain express written consent to share that information with another party, including an actual or potential purchaser of the loan.

Neither the law nor the IRS has offered a sample consent document to be used.

Yesterday, Fannie Mae provided notice of this requirement and its applicability to its sellers and servicers. This notice may be found at:

<https://www.fanniemae.com/content/announcement/ntce110619.pdf>

The notice also provides a source for a form that could be used for the consent. Alternatively of course, the originator may draft one of its own .

ABOUT ALT & ASSOCIATES

Alt & Associates publishes the *Lenders Update* via e-mail as a complimentary service to our friends and clients in the financial industry in California and throughout the United States. Over the past three decades, members of the firm have represented Institutional Lenders and Mortgage Bankers and Brokers in all aspects of their business operations. Legal counsel provided to the mortgage industry includes, but is not limited to:

- ✚ Regulatory assistance, both state and federal
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You may direct any questions or comments directly to:

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