



The Bottom Line

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News You Can Use

IRS Speeds Lien Relief for Homeowners Trying to Refinance, Sell

Directly from an IRS article dated December 16, 2008:

Washington - The Internal Revenue Service today announced an expedited process that will make it easier for financially distressed homeowners to avoid having a federal tax lien block refinancing of mortgages or the sale of a home.

If taxpayers are looking to refinance or sell a home and there is a federal tax lien filed, there are options. Taxpayers or their representatives, such as their lenders, may request that the IRS make a tax lien secondary to the lien by the lending institution that is refinancing or restructuring a loan. Taxpayers or their representatives may request that the IRS discharge its claim if the home is being sold for less than the amount of the mortgage lien under certain circumstances. The process to request a discharge or a subordination of a tax lien takes approximately 30 days after the submission of the completed application, but the IRS will work to speed those requests in wake of the economic downturn.

"We don't want the IRS to be a barrier to people saving or selling their homes. We want to raise awareness of these lien options and to speed our decision-making process so people can refinance their mortgages or sell their homes," said Doug Shulman, IRS commissioner. "We realize these are difficult times for many Americans," Shulman said. "We will ensure we have the resources in place to resolve these issues quickly and homeowners can complete their transactions."

Filing a Notice of Federal Tax Lien is a formal process by which the government makes a legal claim to property as security or payment for a tax debt. It serves as a public notice to other creditors that the government has a claim on the property.

To read this article in its entirety visit:
<http://www.irs.gov/newsroom/article>

Next Issue Sneak Peek

Attorney Seymour explains the Freddie Mac and Fannie Mae mortgage modification plan, unveiled in December 2008; how it impacts consumers and what it means for realtors.

A Note From Attorney Seymour

How To Release an IRS Tax Lien:

1. Go to: <http://www.irs.gov>
2. Go to "search" & find Form 783, which has detailed instructions
3. The IRS requires the following forms:
 - The warranty deed
 - Recorded first and last pages of the mortgage(s) on the property
 - Payoff statements
 - Purchase and Sale agreement(s)
 - Estimated HUD statement
 - Two (2) opinions of appraised value
 - Fax all required information directly to the IRS @ 617.316.2616

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