

MPF Announcement:

2020-81

Date:

December 8, 2020

Alert:

Clarification
New Policy
Policy Update
Reminder
Training Information

Audience:

Compliance/Legal
Program Management
Origination
Quality Control
Servicing
Underwriting

Product:

MPF Direct
MPF Government MBS
MPF Traditional
MPF Xtra[®]

Effective Date:

February 1, 2021

New IRS Form 4506-C replacing Form 4506-T

The Internal Revenue Services (IRS) has released Form 4506-C, this will be the only form accepted through the Income Verification Express Service (IVES) to provide tax transcripts to third parties as of February 1, 2021. This means PFIs will need to have Borrowers sign the 4506-C form, instead of the Form 4506-T, to give permission for obtaining their tax transcripts.

In order for the MPF Program to obtain transcripts, PFIs must use the 4506-C (Version Dated September 2020) form in Exhibit T-X, which reflects the MPF Program vendor Covius Real Estate Services, LLC in Section 5a.

PFIs delivering mortgage loans under the MPF Traditional and the MPF Xtra product are required to complete a 4506-C regardless of income type, unless all of the Borrower's income has been validated by the Desktop Underwriter (DU) validation service.

As a reminder, the MPF Xtra product requires tax transcripts for all files chosen for quality control review. If the mortgage loan file does not contain transcripts, PFIs must ensure the file has a completed 4506-C with our vendor's name as provided for in Exhibit T-X.

The 4506-C is ready for immediate use and PFIs are strongly encouraged to implement these changes as soon as possible to mitigate potential issues.

Reference

Please note you can access the [MPF Guides](#) and [MPF Announcements](#) on our [MPF Website](#).

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While PFIs are currently able to submit either a Form 4506-T or a Form 4506-C, **effective February 1, 2021, the Form 4506-T will no longer be acceptable and PFIs must ensure the 4506-C is in every mortgage loan file delivered into the program.** Any mortgage loan delivered on and after such date with the incorrect form that is reviewed by QC will be sited for an exception and the correct form will need to be provided. Any tax transcript requests submitted not using a correctly completed 4506-C form will be rejected.

The applicable Guides and Forms have been updated to align with this requirement.