



TIB The Independent BankersBank, N.A.

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November 12, 2019  
**Effective date: 11-15-2019**

## Taxpayer First Act and Use of Tax Return Information

The Taxpayer First Act was signed into law on July 1, 2019. It includes a provision that persons receiving return information must obtain the express permission of taxpayers prior to disclosing that return information to any other person. "Tax return information" is defined under the IRS Code, 26 U.S.C. § 6103.

Therefore, if a lender or servicer obtains tax return information during the origination or servicing of a mortgage loan, the lender or servicer must obtain express consent from the taxpayer to be able to share the tax information with another party. Such sharing would extend to actual or potential owners of the loan, such as Fannie Mae or any other loan participant. This component of the law goes into effect December 28, 2019.

The IRS has indicated that it has no plans at this time to provide a standard form related to disclosing or sharing tax return information with other parties. However, the Mortgage Industry Standards Maintenance Organization (MISMO®) drafted a sample Taxpayer Consent Form designed to allow sellers/servicers to share tax return information with other loan participants. (is available to MISMO members). Sellers/servicers may also prepare their own taxpayer consent form, as long as the form provides the seller/servicer with express permission to share tax return information in accordance with the law.

This Notice is being provided as a courtesy to our customers. As a reminder, the Selling Guide requires compliance with all federal, state, and local laws. We are not imposing any new requirements over and above the sellers/servicers' existing requirement to comply with the A32-01, Compliance with Laws. Because the law becomes effective on December 28, 2019, sellers should obtain signed taxpayer consent forms from borrowers in connection with all loans that are sold to or securitized by Fannie Mae on or after that date. Servicers must also obtain consent on or after December 28, 2019 when tax return information is obtained as part of the servicing function (for example, when processing a loan modification).

As with all other origination and servicing records, a copy of the signed consent must be maintained in the loan file.

If customers have any questions or concerns regarding their compliance with the new law, they should contact their legal counsel or compliance department.

A form document has been included, *"Borrower's Consent to the use of Tax Return Information"*. All loan files received on or after 11-15-19, must contain this form, or a similar taxpayer consent form, executed by all persons named on the tax return(s) supplied for review.

If you have questions please contact Tracy Hanson

Lender Name: \_\_\_\_\_

Borrower Name: \_\_\_\_\_

Property Address: \_\_\_\_\_

Date: \_\_\_\_\_

## BORROWER'S CONSENT TO THE USE OF TAX RETURN INFORMATION

I/We understand, acknowledge, and agree that the Lender and Other Loan Participants can obtain, use and share tax return information for purposes of: (i) providing an offer; (ii) originating, maintaining, managing, monitoring, servicing, selling, insuring, and securitizing a loan; (iii) marketing; or (iv) as otherwise permitted by applicable laws, including state and federal privacy and data security laws. The term Lender as used herein includes the Lender's affiliates, agents, service providers, and any of the aforementioned parties' successors and assigns. The term Other Loan Participants as used herein includes any actual or potential owners of a loan resulting from your loan application, or acquirers of any beneficial or other interest in the loan, any mortgage insurer, guarantor, any servicers or service providers for these parties, and any of the aforementioned parties' successors and assigns.

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_