



COMPLETING FORM 4506-T: GETTING IT RIGHT WHAT'S HOLDING UP THE SHOW?

SBA has issued Important Update: IRS 4506-T a guide to SBA lenders in processing tax return transcripts they get from the IRS. The message: SBA lenders, make sure your borrowers fill out the form correctly so the IRS can send the transcripts to SBA for you to verify. Sounds simple. Yet processing has been slow going.

What's holding up the show?

SBA tells you right out on Form [4506-T Request for Transcript of Tax Return](#): "Request may be rejected if the form is incomplete or illegible." So here's what's holding things up: When a borrower fills out a 4506-T they must include their correct title along with their signature. The IRS won't process the form unless the signer's title is correct, and they've received many forms with incorrect titles. They've also noted that they get many 4506-Ts that are illegible and the signers have neglected to initial any changes.

Any of these issues will prevent the IRS from processing the forms completely - and will hold up the show. As a guide, Update: IRS 4506-T provides a list of the signature titles the IRS requires. If you didn't get a copy of the title list, you can contact the SBA's marketing department. Or contact us at [JRB](#) and we'll send you a copy.

What else is holding things up?

Due to the recent hacking of 200,000 individual tax returns, accessing the information of more than 100,000 tax payers, the IRS has shut down its online [Get Transcript](#) service. As announced on the site, people will need to do it the old fashioned way: Use IRS Get Transcript to receive a mailed copy. And of course people needing a photocopy of their return must use Form 4506-T and mail or fax the form to the IRS. Mail and fax information is on page 2 of the form. After submitting the form, transcripts will arrive in 5-10 calendar days.

Get ready for the long haul. The IRS announced late last week that they're working with the software industry, tax preparation companies and state tax officials to install permanent safeguards against identity theft and refund fraud. They'll implement many safeguards over the summer, with reform of the whole system completed ahead of 2016 tax filing. In the meantime, the online Get Transcript service will remain disabled.

So here's the message for SBA lenders: Make sure all 4506-T forms are filled out correctly. And act quickly. After submission, it'll take longer to get transcripts over the next weeks and possibly months.

Joanna

Joanna Bruno
855.572.4722

J.R. Bruno & Associates
joanna@jrbrunoassoc.com