



Program Update

TO: Participating Lenders
FROM: NIFA Homeownership Team
DATE: April 13, 2020
SUBJECT: Update #20-14, Federal Tax Returns/Tax Transcripts

NIFA requires Participating Lenders to obtain the most recent three-year signed federal tax returns or IRS tax transcripts. This requirement applies to all occupying borrowers and non-borrowing spouses.

For non-borrowing occupants who are self-employed, NIFA only requires the most recent signed federal tax return or IRS tax transcript and a YTD profit and loss statement.

IRS Extension of Tax Filing Deadline: Due to the IRS extending the April 15, 2020 tax filing deadline, NIFA will require the following information for program compliance loan reviews:

	2019 Tax Return Completed	2019 Tax Return Not Completed
<i>Loan Reservation Date</i>	<i>Tax Filing Years</i>	<i>Tax Filing Years</i>
Prior to 7/15/20	2019, 2018, 2017	2018, 2017, 2016
7/15/20 and after	2019, 2018, 2017	2019, 2018, 2017

If the borrower or non-borrowing spouse has filed for an extension to the July 15, 2020 deadline, NIFA will require a copy of the extension in the loan file.

Missing Tax Returns: If an occupying borrower or non-borrowing spouse was not under an obligation to file a federal tax return for any of the years listed above, an acceptable explanation must be included on the Household Verification Affidavit (Form A).

Please do not hesitate to let us know if you have any questions. Thank you!

