

## PREP MEETING

Date: May 28, 2008

Held at: Pope County Courthouse, Glenwood, MN

Hosted by: Darby Bowen and Virginia Mahoney

Note Taker: Karrie Bahr

Ann Makres, IRS, Senior Stakeholder Liaison, discussed liens. She also gave out a packet of information containing publications and specific lien forms.

A lien secures the government interest in a taxpayer's assets. A lien is attached to personal property or real property.

### **Liens – Collection Process**

IRS or taxpayer must assess a liability by filing a tax return.

Notice & Demand for payment is sent.

If the payment is not paid in 10 days, a lien is attached.

In Time of Filing is relevant to liens. Example: If a mortgage on real property is recorded on Monday and a lien is recorded on Thursday, the mortgage has priority.

### **First in Time, First in Right**

The balance on a lien is not likely the actual amount owed by the taxpayer. The actual amount could include penalties and interest or the taxpayer may be making payments to the IRS.

When the IRS does an offer and compromise with a taxpayer, the lien will be released but if the taxpayer defaults, the lien will be reinstated.

### **Lien Releases**

A lien will be released 30 days after payment has been made. The taxpayer will get a copy of the lien release.

Liens can self-release. If after 10 years, the lien is still active, it will self release. The taxpayer will not get a copy of a lien release. The Notice of Federal Tax Lien (form 668 (Y)) will operate as a certificate of release.

Liens can be extended by the IRS but only if the taxpayer agrees to the extension.

### **Lien Payoff Requests**

Lien payoff requests can be faxed or mailed.

To fax payoff requests, fax form 8821 to the Cincinnati Campus at 1-859-669-3805.

To mail requests, Send form 8821 along with your name, phone number, a copy of the lien and a payoff date to:

Lien Processing Unit  
P.O. Box 45595  
Stop 8420G  
Cincinnati, OH 45250-5595

When mailing requests, mail certified mail.

However, faxing a request is much quicker.

If a Recorder's Office is changing fees, contact the Cincinnati Campus at least 30 days prior to the change to ensure that the correct amount is charged.

Liens can be filed, released, withdrawn, discharged and subordinated.

Requesting the U.S. to Release its Right to Redeem Property secured by a Federal Tax Lien – See Publication 487

To ask for a lien to be withdrawn, include a copy of the original lien with form 12277. A withdrawal is rarely granted unless the IRS has made an error.

Certificate of Discharge of Property from Federal Tax Lien – See Publication 783

This removes the lien from a particular property.

Certificate of Subordination of Federal Tax Lien – See Publication 784

This will move an encumbrance into priority position ahead of the federal tax lien.

### **Foreclosures**

The IRS website has a special section on foreclosures. To find this section, go to [www.irs.gov](http://www.irs.gov) and type in foreclosure in the dialog box.

Notice of Nonjudicial Sale of Property and Application for Consent to Sale – See Publication 786.

The IRS must be notified that a NFTL is filed.

The owner has 180 days to redeem the property as does the IRS.

To send a Notice of Nonjudicial Sale of Property and Application for Consent of Sale, send to:

Collection Technical Issues  
30 E 7<sup>th</sup> St. Suite 1222  
Stop 5900  
St. Paul, MN 56101

### **The Forgiveness Debt Relief Act of 2007**

This allows the exclusion of certain cancellation of debt on principal residence from income taxation.

The taxpayer will receive a 1099C – Cancellation of Debt.

The taxpayer will then file form 982 – Reduction of Tax Attributes Due to Discharge of Indebtedness.

Please consult the following with any questions:

IRS Website – [www.irs.gov](http://www.irs.gov)

Lien questions, phone 1-800-913-4170

1-800-913-6050 for the general public

### **IVES (Income Verification Express Service)**

To receive tax returns using this method, have the taxpayer complete and sign form 4506.

Fax the form into the IRS and the transcripts will be e-mailed back within 2 business days for a fee of \$4.50 payable by credit card or paygov.

To get setup on this method, one person will need to be the principal user. All other users will also need to be identified individually. Each person will need to register on the website. The principal user will be able to view and print reports. All other users will not be able to do so.

The returns will stay in a secure mailbox for 3 days. They will then be gone for security reasons. The user will receive an e-mail stating that there is mail in the secure mailbox.

### **Legislative Updates**

The well certificate fee will increase from \$40 to \$45 effective July 1, 2008.

SSN will no longer be required on CRV for grantors not in title effective July 1, 2008.

E-recording is still moving forward. It will be moved from the Secretary of State's Office to a commission by June 30, 2009.

Torrens Fees have not changed but have been revisited to ensure that all County Recorder Offices are consistent. Torrens Fees are \$46.00 for the 1<sup>st</sup> certificate and \$40.00 for additional certificates.

### **Mortgage Foreclosures**

Discussion of which counties have seen an increase in foreclosures

Morrison County has seen an increase in 2008.

Chippewa County has seen an increase in 2008.

Pope County has not seen an increase in 2008.

### **E-CRV – Dakota County – Pilot County**

Dakota County began filing CRV's online May 1, 2008. Other larger counties and metro counties will probably be doing the same by the end of the year.

### **Other Items**

County Recorders have seen an increase in volume of documents being recorded.

### **Next Meeting – Co Chairs**

Topics needed to discuss?

The next meeting to be held in September or October.

Tina Peterson and Bunny Johnston will Co-Chair the next meeting.