



Announcement

Announcement # 19-70

Date: December 20, 2019

Topic: Updated Taxpayer First Act Consent Form

The IRS has released clarifications to the Taxpayer First Act, which can be found at <https://www.irs.gov/newsroom/taxpayer-first-act-cybersecurity-and-identity-protections>. Due to the clarification, PennyMac is updating the timing requirement for the consent language. Updates are in red.

Effective with ~~notes dated on or after December 28, 2019~~ **notes dated on or after December 16, 2019**, PennyMac is requiring all loans to include a consent form meeting the requirements of The Taxpayer First Act, Public Law 116-25. The Act, passed on July 1, 2019 and effective December 28, 2019, requires a taxpayer to provide consent for the express purpose for which their tax information will be used. Additionally, the taxpayer must provide consent for their tax information to be shared with other parties. Note, lenders are encouraged to include the consent form immediately.

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. The Mortgage Industry Standards Maintenance Organization (MISMO®) drafted a sample Taxpayer Consent Form (enclosed with this announcement) designed to allow lenders to share tax return information with other loan participants. Lenders may also prepare their own taxpayer consent form, as long as the form provides express permission from the taxpayer to share tax return information in accordance with the law; however, PennyMac highly recommends using the MISMO format and language. Using a custom form may result in delays in the loan purchasing processes as consent forms will be reviewed against the requirements of the rule.

Please contact your Sales Representative with any questions.