

Announcement # 23-37

Date: May 23, 2023

Navigating Form 4506-C: Insights and Tips for Completing

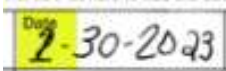
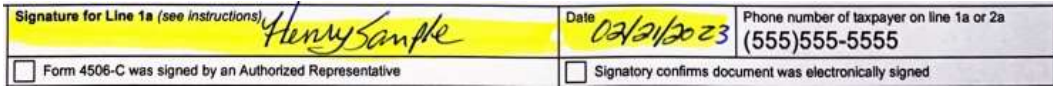


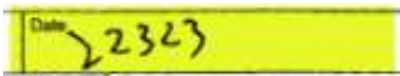
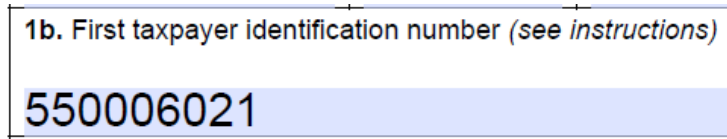

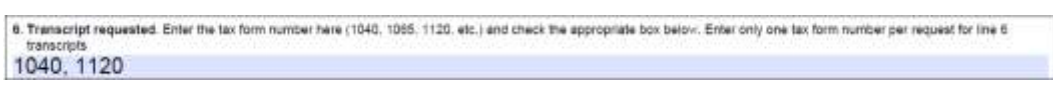
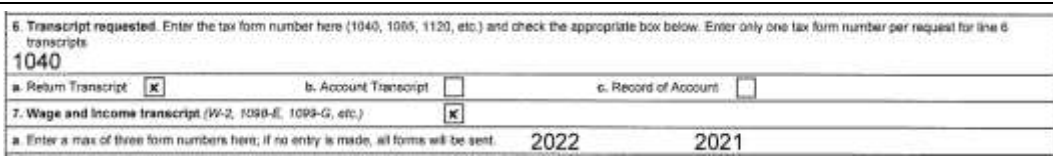
Since the implementation of the revised IRS Form 4506-C (October 22), Pennymac has experienced an increase in 4506-C IRS related defects. To assist our correspondents in navigating Form 4506-C, Pennymac has compiled a list of the most common IRS reject reasons, reject examples, acceptable business titles, along with a reference guide for successfully completing the form.

Form 4506-C	Common Reject Reasons
Lines 1A-2B	<ul style="list-style-type: none"> The name of the borrower was provided in the wrong field The SSN of the borrower was provided in the wrong field The SSN of the borrower was not submitted in XXX-XX-XXXX format (hyphens are required) There is more than one borrower (other than spouse) listed on the form
Line 1A.III	<ul style="list-style-type: none"> Field contains more than 22 characters of the business name (if filing for a business)
Lines 3 & 4	<ul style="list-style-type: none"> The street, city, state, and/or zip code were not provided in their designated fields
Line 5d	<ul style="list-style-type: none"> The client information section was left blank The client name, phone number, street, city, state, and/or zip code were not provided in their designated fields "N/A" or "not available" was provided for a filed in the client company information section. All fields in this section must be complete
Line 6 (1040)	<ul style="list-style-type: none"> More than one form type was listed W2/1099 was listed More than one checkbox was selected (6a. 6b. 6c.) No checkbox was selected (6a. 6b. 6c.) Line 7 was selected when line 6 was already populated (do not additionally select line 7 when line 6 has already been selected)
Line 7 (1099 / W-2)	<ul style="list-style-type: none"> "N/A" or "not available" was provided in any field in this section The checkbox for the requested borrower was not checked An invalid form type was listed for line 7a 1040, 1120, or 1065 was listed on line 7a Line 6 was selected when line 7 was already populated (do not additionally select line 6 when line 7 has already been selected)
Line 8 (Years)	<ul style="list-style-type: none"> The format was not in MM/DD/YYYY format
Signature	<ul style="list-style-type: none"> The form was signed by an authorized representative and the authorized representative box was not checked The form includes more than one signature when only one individual was listed in section 1a
E-Signatures	<ul style="list-style-type: none"> The form was electronically signed and the electronic signature box was not checked The date must separately be included in the designated date field even if a date is included in the e-signature stamp
Form	<ul style="list-style-type: none"> The form was altered (includes the use of white-out, crossing out dates, changes made by the borrower and initialed, writing over information causing the information to be illegible or invalid, etc.) The information for Lines 1-8 was handwritten Information was entered in the incorrect field Information entered spilled over into a connecting field (most common spill overs appear in borrower signature, signature date, and borrower last name fields) Information entered on the form, or the barcode spilled over the borders of the form (this includes DocuSign) Fields where a highlighter was used (do not use a highlighter anywhere on the form as it may trigger issues through the IRS OCR system)
Married Filing Separate	<ul style="list-style-type: none"> For married couples who have filed separately, a separate 4506-C Form was not provided for each borrower

Business 4506C - Acceptable Business Titles

Forms Field	Signature Requirement
Form 1065, US Return of Partnership Income	One of the following <ul style="list-style-type: none"> • Partner • Limited Partner
Form 1120, US Corporation Income Tax Return or Form 1120S (small business), US Income Tax Return for an "S" Corporation	One of the following <ul style="list-style-type: none"> • President • Vice President • Secretary • Treasurer • Assistant Treasurer • Chief Accounting Officer • Any Tax Officer, including controller • 1% shareholder (for corporations) • Shareholder (for S-corporations)
Form 1120 LLC, US Corporation Income Tax Return or Form 1120S LLC, US Income Tax Return for an "S" Corporation	<ul style="list-style-type: none"> • Signature of the Managing Member • Exception: if a Form 8832, Entity Classification Election, has been filed, then signature can be <ul style="list-style-type: none"> ○ President ○ Vice President ○ Secretary ○ Treasurer

Common Reject Reason Examples

Reject Reason	Example
The form was altered	
Fields on the form were highlighted	
Information spills over into a connecting field	
E-sign box not checked when electronically signed	
Not in MM/DD/YYYY Format	
Borrower's SSN not submitted in XXX-XX-XXXX format	
More than one checkbox was selected (6a. 6b. 6c.)	
More than one form type was listed	
Over populated form: Both lines 6 and 7 were selected	

Please contact your Sales Representative with any questions.

Completing the 4506-C: Reference Guide

LINE 1a (REQUIRED): Enter name of the borrower as it appears on the most recent tax return

LINE 1b (REQUIRED): Enter the SSN of the borrower

LINE 3 (REQUIRED): Enter current address, including unit, or suite number

LINE 4: Enter address as it appears on the most recent tax return if different from the address on line 3. This line can contain multiple previous addresses

LINE 5a (REQUIRED): Limited to one company. Cannot use c/o or DBA. **Cannot be left blank.**

LINE 5b: May be left blank

LINE 5d: Limited to one company. Cannot use c/o or DBA. **Cannot be left blank.** When the client company is also the IVES participant, both line 5a and 5d should include the IVES participant's information.

LINE 6: Enter return type requested (1040, 1120, 1120S, or 1065). Do not select if selecting line 7.

LINE 6a-c: Only check box 6a. Leave 6b and 6c blank

LINE 7: Check the box if you desire form W-2, 1098-E, 1099-G or 5498 series etc. Do not select if selecting line 6.

REQUIRED: Check signatory box

SIGNATURE: Primary taxpayer and/or spouse (if joint return) **must sign the form exactly as it appears on the tax return** for the most recent tax year requested. If the name changed, sign both the current name and former name

Form 4506-C (October 2022)		Department of the Treasury - Internal Revenue Service IVES Request for Transcript of Tax Return		OMB Number: 1545-1872
Do not sign this form unless all applicable lines have been completed. Request may be rejected if the form is incomplete or illegible. For more information about Form 4506-C, visit www.irs.gov and search IVES.				
1a. Current name i. First name ii. Middle initial iii. Last name/BMF company name			2a. Spouse's current name (if joint return and transcripts are requested for both taxpayers) i. Spouse's first name ii. Middle initial iii. Spouse's last name	
1b. First taxpayer identification number (see instructions)			2b. Spouse's taxpayer identification number (if joint return and transcripts are requested for both taxpayers)	
1c. Previous name shown on the last return filed if different from line 1a i. First name ii. Middle initial iii. Last name			2c. Spouse's previous name shown on the last return filed if different from line 2a i. First name ii. Middle initial iii. Last name	
3. Current address (including apt., room, or suite no.), city, state, and ZIP code (see instructions)				
a. Street address (including apt., room, or suite no.)		b. City	c. State	d. ZIP code
4. Previous address shown on the last return filed if different from line 3 (see instructions)				
a. Street address (including apt., room, or suite no.)		b. City	c. State	d. ZIP code
5a. IVES participant name, ID number, SOR mailbox ID, and address				
i. IVES participant name		ii. IVES participant ID number	iii. SOR mailbox ID	
iv. Street address (including apt., room, or suite no.)		v. City	vi. State	vii. ZIP code
5b. Customer file number (if applicable) (see instructions)			5c. Unique identifier (if applicable) (see instructions)	
5d. Client name, telephone number, and address (this field cannot be blank or not applicable (NA))				
i. Client name			ii. Telephone number	
iii. Street address (including apt., room, or suite no.)		iv. City	v. State	vi. ZIP code
Caution: This tax transcript is being sent to the third party entered on Line 5a and/or 5d. Ensure that lines 5 through 8 are completed before signing. (see instructions)				
6. Transcript requested. Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request for line 6 transcripts				
a. Return Transcript <input type="checkbox"/>		b. Account Transcript <input type="checkbox"/>		c. Record of Account <input type="checkbox"/>
7. Wage and Income transcript (W-2, 1098-E, 1099-G, etc.) <input type="checkbox"/>				
a. Enter a max of three form numbers here; if no entry is made, all forms will be sent.				
b. Mark the checkbox for taxpayer(s) requesting the wage and income transcripts. If no box is checked, transcripts will be provided for all listed taxpayers				
Line 1a <input type="checkbox"/>		Line 2a <input type="checkbox"/>		
8. Year or period requested. Enter the ending date of the tax year or period using the mm dd yyyy format (see instructions)				
/ /		/ /		
Caution: Do not sign this form unless all applicable lines have been completed.				
Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or, if applicable, line 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, at least one spouse must sign; however, if both spouses' names and TINs are listed in lines 1a-1b and 2a-2b, both spouses must sign the request. If signed by a corporate officer, partner, managing member, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-C on behalf of the taxpayer. Note: This form must be received by IRS within 120 days of the signature date.				
<input type="checkbox"/> Signatory attests that he/she has read the above attestation clause and upon so reading declares that he/she has the authority to sign the Form 4506-C. See instructions.				
Signature for Line 1a (see instructions)		Date		Line number of taxpayer on line 1a or 2a
<input type="checkbox"/> Form 4506-C was signed by an Authorized Representative		<input type="checkbox"/> Signatory confirms document was electronically signed		
Sign Here				
Print/Type name				
Title (if line 1a above is a corporation, partnership, estate, or trust)				
Spouse's signature (required if listed on Line 2a)			Date	
<input type="checkbox"/> Form 4506-C was signed by an Authorized Representative		<input type="checkbox"/> Signatory confirms document was electronically signed		
Print/Type name				

LINE 1a.iii: Field is limited to a maximum of 22 characters

LINES 2a: Enter the name of the spouse as it appears on the most recent tax return

LINES 2b: Enter the spouse's SSN

IMPORTANT REMINDERS

- **IRS Form dated October 2022 is required**
- Form content **must be legible**
- Alterations to the form information **cannot be made by any party**
- Dates must be in MM/DD/YYYY format
- Date **must fall within 120 days** of IRS receipt

LINE 8 (REQUIRED): Enter the fiscal tax year(s) requested in MM/DD/YYYY format

DATE: Enter the signature date in MM/DD/YYYY format. The form will be rejected if the date is past 120 calendar days from the signing date to the date processed by the IRS

PRINT/TYPE NAME: The signatory name must be printed/typed below the respective signature

TITLE: Title of signatory must be found in the acceptable business / trust title section above.