

Certificate of Subordination of Federal Tax Lien

There is no standard form available for an application for a Certificate of Subordination of Federal tax lien. Prepare your request in the form of a typed letter and submit it with all accompanying documents to:

IRS, Attn: Technical Services Group Manager

(Address to the IRS office that filed the lien. Use Publication 4235, Technical Services Group Addresses, to determine where to mail your request.)

Information Required on Application

Give date of the application.

Give the name and address of the person applying for the certificate of subordination under either **section 6325(d)(1) or 6325(d)(2)** of the Internal Revenue Code. See the “Additional Information” section of this publication for applicable Internal Revenue Code sections. Give the name and address of the taxpayer, and describe the property as follows:

1. Give a detailed description, including the location of the property for which you are requesting the certificate of subordination. **If real property is involved**, submit a legible copy of the title or deed to the property and the complete address (*street, city, state, and ZIP code*).
2. **Attach a copy of each notice of Federal tax lien**, or furnish the following information as it appears on each filed notice of Federal tax lien:
 - a. The location of the Internal Revenue Office that filed the lien
 - b. The name and address of the taxpayer against whom the notice was filed
 - c. The date and place the notice was filed
 - d. The taxpayer social security number or employer identification number shown on the lien
3. Submit a copy of each instrument to which you believe an encumbrance exists or describe the encumbrance to which the Federal tax lien is to be subordinated, including:
 - a. The present amount of the encumbrance
 - b. The nature of the encumbrance (*such as mortgage, assignment, etc.*)
 - c. The date the transaction is to be completed
4. List or attach a copy of the liens, mortgages or other encumbrances against the property that you believe have priority over the Federal tax lien. For each encumbrance show:
 - a. The name and address of the holder
 - b. A description of the encumbrance
 - c. The date of the agreement to the encumbrance
 - d. The date and place of the recording, if any
 - e. The original principal amount and the interest rate
 - f. The amount due as of the date of the application, if known (*show costs and accrued interest separately*)
 - g. Your family relationship, if any, to the taxpayer and to the holders of any other encumbrances on the property
5. Instead of the information in 4a through f above, you may substitute a preliminary title report listing the required information.
6. The name and address of any new mortgage holder to which you are requesting the federal tax lien be subordinated, the amount of the proposed loan, and a schedule showing all fees and expenses related to obtaining the loan.
7. Furnish an estimate of the fair market value of the property for which you would like a certificate of subordination.
8. If you are submitting the application under **section 6325(d)(1)**, show the amount to be paid to the United States.
9. If you are submitting the application under **section 6325(d)(2)**, attach a complete statement showing how the amount the United States may realize will ultimately increase and how collection of the tax liability will be made easier.
10. Furnish any other information that might help the Technical Services Group Manager decide whether to issue a certificate of subordination.
11. The Technical Services Group Manager may request that you furnish additional information.
12. Give a daytime telephone number where you may be reached.

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13. Give the name, address and telephone number of your attorney or other representative, if any.
14. **Write the following declaration over your signature and title:** "Under penalties of perjury, I declare that I have examined this application, including any accompanying schedules, exhibits, affidavits, and statements, and to the best of my knowledge and belief it is true, correct, and complete."

Additional Information

Before applying for a certificate of subordination, determine how much you owe in order to pay the lien(s) in full. You may obtain a payoff by calling 1-800-913-6050 or by visiting the nearest IRS Taxpayer Assistance Center. If you have the ability to borrow enough to full pay the amount you owe, we will usually not issue a certificate of subordination.

The Technical Services Group Manager has the authority to issue a certificate of subordination of a lien that is filed on any part of a taxpayer's property subject to the lien. The following sections and provisions of the Internal Revenue Code apply:

Section 6325(d)(1) - If you pay an amount equal to the lien or interest to which the certificate subordinates the lien of the United States.

Section 6325(d)(2) - If the Technical Services Group Manager believes that issuance of the certificate will increase the government's interest, and make collection of the tax liability easier. This applies to the property that the certificate is for or any other property subject to the lien.

1. No payment is required for the issuance of a certificate under **section 6325(d)(2)** of the Code. Payment is required for certificates issued under **section 6325(d)(1)**. However, do not send the payment with your application. The Technical Services Group Manager will notify you after determining the amount due.
2. The Technical Services Group Manager will have your application investigated to determine whether to issue the certificate and will let you know the outcome.
3. A certificate of subordination under **section 6325(d)(1)** will be issued upon receipt of the amount determined to be the interest of the United States in the subject property under the Federal tax lien. Make payments in cash, or by a certified, cashier's, or treasurer's check. It must be drawn on any bank or trust company incorporated under the laws of the United States, or of any state, or possession of the United States. Payment can also be made by United States postal, bank, express, or telegraph money order. ***(If you pay by personal check, issuance of the certificate of subordination will be delayed until the bank honors the check.)***
4. In certain cases the Technical Services Group Manager may require additional information such as written appraisals by disinterested third parties, a list of all the taxpayer's property, or other information needed to make a determination.

