

**Internal Revenue Service**

**Department of the Treasury**

Property Location (purchased at foreclosure sale):

Date:

Foreclosure Sale Date:

Contact Person:

Contact Person's Telephone Number:

Contact Person's Address:

Dear

We have received information that you purchased the property identified above at a foreclosure sale. The Internal Revenue Service has the right to redeem this property from you because the property is subject to a federal tax lien junior to the foreclosing lien.

We are considering redeeming this property and have until \_\_\_\_\_ to take action. We may release our right to redemption if you pay an amount determined to be equal to our redemption right. We have enclosed Publication 487, How to Prepare Application to Release Property Secured by Federal Tax Lien, which describes how to apply for a release. If the right of redemption is determined to be without value, you will not be required to pay to obtain a release.

If we redeem the property, we will pay the sum of:

- The amount you paid for the property at the foreclosure sale, including the amount of the obligation secured by the foreclosing lien to the extent satisfied by the sale if you were the holder of that lien
- The amount of interest paid at the rate of six percent a year for the period from the date of the sale to the date of redemption
- An amount equal to the expenses you incurred to maintain the property less any income received from the property. Income includes a reasonable rental value of the property but this rental value is limited to use of the property by you, use with your consent, or rental use at less than the property's reasonable rental value
- Payments you made to any senior lien holders on the property after the foreclosure sale, if you provide the us with a timely reimbursement request and we approve that request

## Requests for Maintenance Expenses and/or Payments to Senior Lien Holders

If you plan to request reimbursement for maintenance expenses or payments made to a senior lien holder, you have 15 days from the date of this letter to do so. For your request, we need your signed statement itemizing any amounts claimed. Your statement must include the following as well as any supporting evidence:

- Maintenance expense: Include documentation of any income or fair rental value received for the property
- Reimbursement for payments made to senior lien holder: Include a waiver or other document that will be effective, upon redemption by the United States, to discharge the property from, or transfer to the United States, any interest in or lien on the property that may have arisen under local law from payment made to a senior lien holder.

If your request for reimbursement for payments to a senior lien holder is denied, you will receive a notice of denial within 30 days of the receipt of your request, or 15 days before expiration of the period for redemption, whichever is later.

No amount may be reimbursed to you for maintenance expenses or payments made to a senior lien holder unless we redeem the property and you file a timely request for reimbursement. If you need more time to prepare your request, we may be able to give you an extension.

### Redemption Payment

If we redeem the property, we will issue our check to the individual identified on Form 15597, Foreclosure Sale Purchaser Contact Information Request, before the redemption period expires. Please complete the attached Form 15597 and return it to us in the enclosed envelope within 15 days from the date of this letter.

If you have any questions, please contact me at

Sincerely,

Enclosures:  
Form 15597  
Publication 487  
Envelope

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#### Privacy Act and Paperwork Reduction Act Notice

Judicial and Non-Judicial foreclosure sale purchasers of real estate are asked to provide the information requested on Form 15597. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Under the provisions of 28 USC 2410(c) and 26 USC 7425(d), where a sale of real estate is made to satisfy a lien prior to that of the United States' lien under the internal revenue laws, the United States shall have the right to redeem the real estate within a period of 120 days from the date of such sale or the period allowable for redemption under State law, whichever is longer. Routine uses of this information include contacting the foreclosure sale purchaser to proffer the amount to be paid for the United States to redeem the property, giving it to the Department of Justice for civil litigation, to Registrars where the United States redemption documents will be filed. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103. The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: Recordkeeping 2 hrs., 0 min., Learning about the law or the form, 2 hrs., 0 min., Preparing and sending the form to the IRS, 5 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, IR-6526, 1111 Constitution Ave. NW, Washington, DC 20224. Do not send this form to this address. Instead, return the Form 15597 in the envelope enclosed with this letter.

**Letter 5597 (1-2011)**  
Catalog Number 55716V



# Requesting the United States to Release Its Right to Redeem Property Secured by a Federal Tax Lien

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**There is no standard form available for an application for Requesting the United States to Release Its Right to Redeem Property Secured by a 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 Advisory Group Manager

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

## General Information

Section 7425(d) of the Internal Revenue Code provides that the United States may redeem real property sold in a nonjudicial proceeding when the sale is made to satisfy a lien prior to that of the government. The Technical Services Advisory Group Manager for the Internal Revenue Area in which the property is located has been delegated authority to release any right to redeem property.

The government may release its right of redemption if you pay the Internal Revenue Service an amount equal to the value of that right; or if the IRS determines that the right of redemption is valueless.

Please follow all applicable instructions in this publication when you apply for a release by the United States of its right to redeem property under IRC Section 7425(d).

## General Instructions

1. Do not send any payment with your application. The Technical Services Advisory Group Manager will notify you of any amount due after your application is investigated and approved. When your payment (*if required*) is received, the Technical Services Advisory Group Manager will issue you a release of the right to redeem property.
2. Please send payment in cash, or by United States postal or bank money order, or a certified, cashier's or treasurer's check. Any payment made with uncertified funds will delay issuance of the release of the right to redeem until the funds are validated and honored. NOTE: Any questions regarding payment can be addressed with the Technical Services advisor assigned to handle the investigation.
3. JUDICIAL PROCEEDINGS – You can get an application for a release of right to redeem property from the United States Attorney's office for the judicial district in which the property subject to the right of redemption is located, if the United States has been properly named a party defendant in a judicial proceeding under Section 2410 of Title 28, United States Code.

## Specific Instructions

**Important:** You **must** include the date of your application.

1. Please give the name and address of the person requesting the United States to release its right to redeem property under Internal Revenue Code (IRC) section 7425(d).
2. Describe the property for which you are requesting the United States to release its right of redemption. Use the description in the title or deed to the property, or attach a certified copy of the title or deed. Include street address, city and state. Indicate whether it is a personal residence, rental property, commercial property, unimproved property, etc., at the time of the nonjudicial sale.
3. Furnish the following information about the nonjudicial sale (*such as a foreclosure, execution, state or local tax sale*):
  - Date sale was held.
  - Name and address of the Technical Services Advisory Group Manager to whom the notice of sale was sent (*if known*).
  - Name and address of purchaser.
  - Purchase price.
4. If the property owner at the date of this application was not the purchaser at the nonjudicial sale, give the owner's name and address.

5. List the encumbrances you want to have considered. For each encumbrance show:
  - Name and address of holder.
  - Description of the encumbrance.
  - Date it arose.
  - If the encumbrance was recorded, give the date and place.
  - The original principal amount of the encumbrance and the interest rate.
  - The principal amount due as of the date of the application, if known. (*Show costs and accrued interest separately.*)
  - Your family relationship, if any, to the holder of any other encumbrance on the property.
6. Attach a copy of each Notice of Federal Tax Lien affecting the property, or furnish the following information as it appears on each filed Notice of Federal Tax Lien:
  - Name of the Internal Revenue Area Office.
  - Name and address of the taxpayer.
  - Date and place each notice was filed.
7. Give your estimate of the fair market value of the real property with a detailed explanation of how you arrived at the estimate.
8. The Technical Services Advisory Group Manager may request you to furnish additional information.
9. Provide a daytime telephone number and E-mail address (*if available*) where you may be reached.
10. Provide the name, address, telephone number and E-mail address of your attorney or representative, if you have retained one.
11. You must make the following declaration over your signature and title. "Under the 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."

