

# SUPPORTING STATEMENT

## Form 1098-MA

OMB 1545-2221

### 1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The Form 1098-MA, Mortgage Assistance Payments, is used by State Housing Financial Agencies (HFAs) or the Department of Housing and Urban Development (HUD) to provide information to the IRS and to the homeowner. The information on this statements reports 1) payments made by either HUD under the Emergency Homeowners' Loan Program (EHLA) or a State HFA under the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (HFA Hardest Hit Fund) or the EHLA (State HFA/HUD mortgage assistance payments); and (2) payments made by the homeowner under these programs.

The requirement for the form is authorized by Pub L. 111-203, sec. 1496, and Pub L. 110-343, Division A, sec. 109, with guidance provided in Notice 2011-14 and Rev. Proc. 2011-55, as amplified by Notice 2013-7.

### 2. USE OF DATA

Information is used to identify taxpayers who may not be taking a correct mortgage interest deduction, since mortgage servicers processing mortgage payments may not be able to segregate payments received from government funds versus payments made by individual mortgagees.

### 3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans at this time to offer electronic filing because of the low volume compared to the cost of electronic enabling.

### 4. EFFORTS TO IDENTIFY DUPLICATION

We have attempted to eliminate duplication within the agency whenever possible.

### 5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

The entities required to file Form 1098-MA are State HFAs and HUD. There are no small businesses or entities required to file this form.

### 6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

Less than annual collection would reduce efficiencies, accuracies, and compliance in identifying taxpayers who may not be taking the correct mortgage interest deduction.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

There are no special circumstances requiring data collection to be inconsistent with guidelines in 5 CFR 1320.5(d)(2).

8. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

Counsel has consulted with State HFAs and HUD to determine availability of the data required to be reported. For ease in reporting and to ensure compliance, the IRS has developed this form to be used by all filers, in lieu of their needing to develop their own reporting statement. In filing and furnishing this form, the IRS will not assert any penalties under section 6721 and section 6722 for failure to file a Form 1098.

In response to the Federal Register notice (80 FR 20297), dated April 15, 2015, we received no comments related to the burden during the comment period regarding this form. However, we received one request for a copy of form. A current draft was sent to the taxpayer.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No payment or gift has been provided to any respondents.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and tax return information are confidential as required by 26 USC 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Business Master File (BMF)" system and a Privacy Act Statement of Records notice (SORN) has been issued for for this system under IRS 24.046-Customer Account Data Engine Business Master File. The Internal Revenue Service PIA's can be found at <http://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>.

Title 26 USC 6109 requires inclusion of identifying numbers in returns, statements, or other documents for securing proper identification or persons required to make such returns, statements, or documents and is the authority for social security numbers (SSNs) in IRS systems

## 12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The burden estimate is as follows:

Type of Burden	No. Responses	Time Per Response	Total Burden
Reporting		0.22	13,200
Third-party Disclosure		0.22	13,200
Recordkeeping		2.40	144,000
<b>TOTAL</b>	<b>60,000</b>	<b>2.84</b>	<b>170,400</b>

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time

## 13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There is no start-up costs associated with this collection.

## 14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, distribution and overhead for the form is \$7,500.

## 15. REASONS FOR CHANGE IN BURDEN

There were no changes made to the document that resulted in any change to the burden previously reported to OMB.

We are making this submission to renew the OMB approval.

## 16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no plans for tabulation, statistical analysis and publication

## 17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

See attachment

## 18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement.