

26 CFR 1.6050H-1: Information reporting of mortgage interest received in a trade or business from an individual.

(Also: Part 1, §§ 6721, 6722.)

Rev. Proc. 2011-55

SECTION 1. PURPOSE

This revenue procedure specifies the Internal Revenue Service (IRS) office to which state housing finance agencies (State HFAs) and the Department of Housing and Urban Development (HUD) should send the statements described in Notice 2011-14, 2011-11 I.R.B. 544. This revenue procedure also advises State HFAs and HUD of Form 1098-MA, *Mortgage Assistance Payments*, which they may, at their option, use as a statement that satisfies the requirements of Notice 2011-14.

SECTION 2. BACKGROUND

.01 Notice 2011-14 provides guidance on the federal tax consequences of payments made to or on behalf of financially distressed homeowners under (1) programs designed by State HFAs with funds allocated from the Housing Finance Agency Innovation Fund for the Hardest-Hit Housing Markets (State Programs), and (2) HUD's Emergency Homeowners' Loan Program (EHLPP) and any existing state program receiving funding from the EHLPP (the substantially similar state programs, or SSSPs). Notice 2011-14 also provides guidance on the information reporting obligations for these payments.

.02 Section 6050H of the Internal Revenue Code requires every person engaged in a trade or business (including governments and their agencies) to (1) file an information return for each calendar year in which the person receives in the course of its trade or business payments from an individual of interest on a mortgage aggregating \$600 or more, and (2) furnish a copy of the information return to that individual. See § 6050H(a) and (d) and § 1.6050H-1(a) of the Income Tax Regulations.

.03 Section 6721 of the Code imposes penalties on a person for failing to include all required information or including incorrect information on an information return. Section 6722 imposes penalties on a per-

son for failing to include all required information or including incorrect information on a payee statement.

.04 Notice 2011-14 provides that the IRS will not assert penalties under §§ 6721 and 6722 of the Code against any State HFA for failing to file and furnish correct Forms 1098, *Mortgage Interest Statement*, for calendar years 2011 and 2012 if the State HFA provides each homeowner and the IRS a statement setting forth (1) the homeowner's name and TIN, and (2) the amount of payments that the State HFA made to a mortgage servicer under the State Program or the SSSP during that year (separately stating the amount the State HFA paid and the amount the homeowner paid).

.05 Notice 2011-14 provides that, for calendar years 2011 and 2012, HUD should provide each homeowner and the IRS a statement setting forth (1) the homeowner's name and TIN, and (2) the amount of payments HUD made to the mortgage servicer under the EHLPP during that year (separately stating the amount HUD paid and the amount the homeowner paid).

.06 Notice 2011-14 advises State HFAs and HUD to use a single statement to provide the required names, TINs, and payment amounts of each homeowner to the IRS.

.07 Notice 2011-14 provides that the IRS intends to issue future guidance specifying the IRS office where the State HFAs and HUD should send the single statements.

SECTION 3. SCOPE

This revenue procedure applies to State HFAs that make payments to mortgage servicers under a State Program or an SSSP, and applies to HUD for payments made to mortgage servicers under the EHLPP, during calendar years 2011 and 2012.

SECTION 4. APPLICATION

.01 *Filing address.* State HFAs and HUD (collectively, Filers) should send the statement described in Notice 2011-14 to the IRS at the following address:

Department of the Treasury
Internal Revenue Service Center
Stop 6728AUSC
Austin, TX 73301

.02 *Filers using Form 1098-MA.* Filers may, at their option, use Copy A of Form 1098-MA to provide to the IRS the information required by Notice 2011-14. Filers file Copy A of Form 1098-MA with the IRS at the address listed in section 4.01 of this revenue procedure. Copy A of Form 1098-MA may not be filed electronically. Filing Copy A of Form 1098-MA for all homeowners satisfies the requirement in Notice 2011-14 to file a single statement with the IRS.

Filers may, at their option, use Copy B of Form 1098-MA to provide homeowners the information required by Notice 2011-14. See section 2.04 of this revenue procedure for the information required by Notice 2011-14.

.03 *Filers not using Form 1098-MA.* Filers who choose not to use Form 1098-MA should provide each homeowner with a statement setting forth the information required by Notice 2011-14, and provide the IRS with a single statement that lists the information for each homeowner required by Notice 2011-14. See section 2.04 of this revenue procedure for the information required by Notice 2011-14.

.04 *Due dates.* Filers must file the single statement (or Copy A of Form 1098-MA) with the IRS by February 28, and furnish the homeowner's statement (or Copy B of Form 1098-MA) to homeowners by January 31, of the year following the calendar year in which the Filer made payments to a mortgage servicer on a homeowner's mortgage.

SECTION 5. EFFECT ON OTHER DOCUMENTS

Notice 2011-14 is modified to (1) specify the IRS office to which State HFAs and HUD should send the statements required by Notice 2011-14, and (2) provide that State HFAs and HUD may, at their option, use IRS Form 1098-MA to satisfy the requirements of Notice 2011-14.

SECTION 6. EFFECTIVE DATE

This revenue procedure is effective for calendar years 2011 and 2012.

SECTION 7. DRAFTING INFORMATION

The principal author of this revenue procedure is Shareen S. Pflanz of the Of-

Office of Associate Chief Counsel (Income Tax & Accounting). For further information regarding this revenue procedure, please contact Shareen S. Pflanz at (202) 622-4920 (not a toll-free call).