

SUBJECT: IRS tax delays in 2013

Each New Year brings a new tax year. Transitioning from one tax year to the next usually results in a delay for income verifications.

This year, the delays are significant. The IRS typically begins processing returns in the beginning of January, but because Congress made tax changes late in 2012, the IRS did not begin processing tax returns until January 30<sup>th</sup>. It usually takes the IRS about eight weeks to process returns and make them available through the Income Verification Service (IVES).

Note that the Social Security Administration's deadline for providing W2s and 1099s to the IRS is in July or August. And self employed borrowers can file extensions, which have a deadline in October.

**What does this mean to you?**

- The 2012 returns filed at the end of January won't be available through 4506T processing until around April 15<sup>th</sup>
- W2 and 1099 income could be available as early as the end of April, but as late as July or August
- Self-employed income may not be available until November

**What can you do?**

- Have borrowers provide the filing date of their tax returns to better assess when tax transcripts will be available through the IRS
- Delay requests to obtain W2 or 1099 verification until after May
- Determine if self employed borrowers filed extensions, have them provide a copy of their extension and cancelled check or other evidence that they paid taxes owed

Platinum Data helps make the verification process as fast and painless as possible. Our **Income Check—4506T** verifies borrower income with IRS-provided tax transcript information in 3-4 days. It offers an easy system-to-system and a web-based user interface. **Direct Check** verifies borrower identity with information directly from the Social Security Administration, in real-time. It's compliant with FACTA and ID Theft red flag rules, and provides status updates when necessary.

For more information on the IRS delay, or to find out more about IncomeCheck and DirectCheck, please contact me at (877) 711-1200 or support@PlatData.com.