

Lender Best Practice: IRS Form 4506-T / Tax Transcripts

January 22, 2019

Comm19-002



It can be confusing to know when tax transcripts are required and we want to make sure our clients know SunTrust's guidelines.

Please note: lenders should have each borrower (regardless of income source) complete and sign a separate IRS Form 4506-T at closing.

Agency and Government Loans:

The IRS Form 4506-T does NOT need to be processed for tax transcripts for any income type on Agency or Government loans.

KEY Jumbo Loans:

The IRS Form 4506-T must be executed AND processed on KEY Jumbo loans if the income used to qualify for the mortgage is derived from one of the following:

- Self-employment income (personal and business returns)
- Investment income (rental income, interest and dividend income, etc.)

Note: For both sources - if the recent tax returns have not been filed - we need evidence of the extension and transcript showing "no record found." For borrowers who indicate they do not file tax returns, i.e. due to non-taxable income, we need the transcript to reflect "no record found"

We do not require tax transcripts for a salary borrower on KEY Jumbo, but filed tax returns are required. In lieu of providing the tax returns the borrower can provide the W2 transcripts along with the W2s.

Thank you for your business!
Your SunTrust Correspondent Lending Team

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