

Congress of the United States
Washington, DC 20515

December 17, 2019

The Honorable Steven T. Mnuchin
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

Dear Secretary Mnuchin

We write today regarding the effective date of a disclosure provision in the Taxpayer First Act (Public Law 116-25, the “Act”). Section 2202 of the Act limits the redisclosure and use of tax return information in the case of taxpayers who have consented to the disclosure of their tax return information by the Internal Revenue Service (“IRS”) to a third party under section 6103(c) of the Internal Revenue Code. The provision is effective for “disclosures made after the date which is 180 days after the date of the enactment of this Act.”

It has come to our attention that there may be some confusion with respect to the implementation of this provision within the mortgage industry. Certain mortgage industry members have taken the position that, as a result of Section 2202, borrowers would need to consent to redisclosure of their tax information if their loans were closed before, and are sold or securitized on or after, December 28, 2019.¹

Such a position is inconsistent with congressional intent regarding Section 2202. It also is inconsistent with the plain language and a reasonable reading of the statute. Consistent with congressional intent, Section 2202 is appropriately read to apply only to disclosures made by the IRS after December 28, 2019, and any subsequent redisclosure and use of such information disclosed by the IRS after December 28, 2019. Accordingly, we respectfully request that the Department of the Treasury take action to clarify that the provision is effective only for disclosures made by the IRS with the taxpayer’s consent after December 28, 2019, and any subsequent redisclosures and uses of such information.

¹ See, e.g., Fannie Mae, *Taxpayer First Act and Use of Tax Return Information*, Nov. 6, 2019, available at <https://www.fanniemae.com/content/announcement/ntce110619.pdf>; Freddie Mac, Bulletin 2019-25, Dec. 4, 2019, available at https://guide.freddiemac.com/app/guide/content/a_id/1003519.

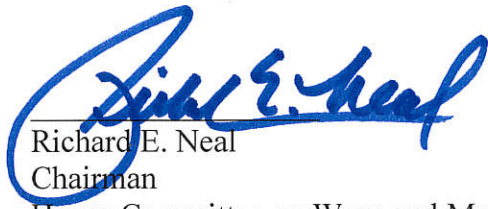
Thank you in advance for your prompt attention to this matter.



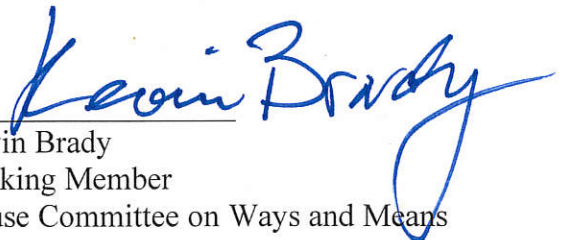
Chuck Grassley
Chairman
Senate Committee on Finance



Ron Wyden
Ranking Member
Senate Committee on Finance



Richard E. Neal
Chairman
House Committee on Ways and Means



Kevin Brady
Ranking Member
House Committee on Ways and Means