

## Certificate of Subordination of Federal Tax Lien

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Since there is no standard form available for an application for a Certificate of Subordination of Federal tax lien, a computer generated request will be considered as an application (*please, no handwritten request*). Submit your request and all accompanying documents in duplicate to:

IRS, Attn: Technical Services Group Manager

(Address to the IRS office in which the lien was filed. Use **Publication 4235, Technical Services Group Addresses**, to determine where to mail your request.)

### Information Required on Application

#### Give date of the application.

Please give the name and address of the person applying for the certificate of subordination under either **section 6325(d)(1)** or **6325(d)(2)** of the Internal Revenue Code. See the "Additional Information" section of this publication for applicable Internal Revenue Code sections. Give the name and address of the taxpayer, and describe the property as follows:

1. Give a detailed description, including the location of the property for which you are requesting the certificate of subordination. **If real property is involved**, give the description contained in the title or deed of the property and the complete address (*street, city, state, and ZIP code*).
2. **Attach a copy of each notice of Federal tax lien**, or furnish the following information as it appears on each filed notice of Federal tax lien:
  - a. The name of the Internal Revenue Office;
  - b. The name and address of the taxpayer against whom the notice was filed; and
  - c. The date and place the notice was filed.
3. Submit a copy of each instrument to which you believe an encumbrance exists or describe the encumbrance to which the Federal tax lien is to be subordinated, including:
  - a. The present amount of the encumbrance;
  - b. The nature of the encumbrance (*such as mortgage, assignment, etc.*); and
  - c. The date the transaction is to be completed.
4. List the encumbrances (*or attach a copy of the instrument that created each encumbrance*) on the property that you believe has priority over the Federal tax lien. For each encumbrance show:
  - a. The name and address of the holder;
  - b. A description of the encumbrance;
  - c. The date of the agreement;
  - d. The date and place of the recording, if any;
  - e. The original principal amount and the interest rate;
  - f. The amount due as of the date of the application, if known (*show costs and accrued interest separately*); and
  - g. Your family relationship, if any, to the taxpayer and to the holders of any other encumbrances on the property.
5. Furnish an estimate of the fair market value of the property for which you would like a certificate of subordination.
6. If you are submitting the application under **section 6325(d)(1)**, show the amount to be paid to the United States.
7. If you are submitting the application under **section 6325(d)(2)**, attach a complete statement showing how the amount the United States may realize will ultimately increase and how collection of the tax liability will be made easier.
8. Furnish any other information that might help the Technical Services Group Manager decide whether to issue a certificate of subordination.
9. The Technical Services Group Manager may request that you furnish additional information.
10. Give a daytime telephone number where you may be reached.
11. Give the name, address and telephone number of your attorney or other representative, if any.
12. **Write the following declaration over your signature and title:** "Under penalties of perjury, I declare that I have examined this application, including any accompanying schedules, exhibits, affidavits, and statements, and to the best of my knowledge and belief it is true, correct, and complete."

(over)

## Additional Information

Please follow the instructions in this publication when applying for a Certificate of Subordination of Federal Tax Lien.

The Technical Services Group Manager has the authority to issue a certificate of subordination of a lien that is filed on any part of a taxpayer's property subject to the lien. The following sections and provisions of the Internal Revenue Code apply:

**Section 6325(d)(1)** - If you pay an amount equal to the lien or interest to which the certificate subordinates the lien of the United States.

**Section 6325(d)(2)** - If the Technical Services Group Manager believes that issuance of the certificate will increase the amount the United States may realize, or the collection of the tax liability will be easier. This applies to the property that the certificate is for or any other property subject to the lien.

1. No payment is required for the issuance of a certificate under **section 6325(d)(2)** of the Code. Payment is required for certificates issued under **section 6325(d)(1)**. However, do not send the payment with your application. The Technical Services Group Manager will notify you after determining the amount due.
2. The Technical Services Group Manager will have your application investigated to determine whether to issue the certificate and will let you know the outcome.
3. A certificate of subordination under **section 6325(d)(1)** will be issued upon receipt of the amount determined to be the interest of the United States in the subject property under the Federal tax lien. Make payments in cash, or by a certified, cashier's, or treasurer's check. It must be drawn on any bank or trust company incorporated under the laws of the United States, or of any state, or possession of the United States. Payment can also be made by United States postal, bank, express, or telegraph money order. *(If you pay by personal check, issuance of the certificate of subordination will be delayed until the bank honors the check.)*
4. In certain cases the Technical Services Group Manager may require additional information such as written appraisals by disinterested third parties, a list of all the taxpayer's property, or other information needed to make a determination.

