



AUTHORIZATION DOCUMENTS

Q. Can the transcript authorization be e-signed?

A. Yes

Q. Which sections of Form 8821 do we, as the lender, need to populate?

A. Section 1 – with the borrower’s information and Section 6 with the borrower’s name, signature, and date.

Q. What information goes in the name and email of recipient section on the second page of the transcript authorization form?

A. The lender’s information

Q. Who is listed on the 8821 section 2 as Designee(s)?

A. Elizabeth Boonin and Jim McGowan are Halcyon’s principals who are officers of the corporation. They are both authorized agents of the IRS, who play a crucial role in ensuring your information is complete and accurate. As an IRS Authorized Agent firm with extensive experience, they are qualified professionals trusted to validate your tax data. Their presence on the form helps guide you through the verification process efficiently.

Q. How will the transcript authorization form fit into our workflow?

A. Most of our lenders choose to include the transcript authorization form in their initial disclosure package to simplify the process when it is time to order transcripts.

Q. How long do we have access to pull transcripts without borrower having to resign a form?

A. The form needs to be processed within 120 days from signature and is valid 3 years into the future.

PLACING ORDERS

Q. I chose the 'Yes' option for Borrower Has IRS Account, but the borrower has not received an authorization request. Did something go wrong?

A. The most likely cause is that the borrower's address and/or name is not identical to their most recent tax return. To check, have the borrower/coborrower check their transcript on the IRS site. The IRS address match is very specific and must be a literal match of the exact address. The borrower/coborrower should check against their previous tax return. To prevent fraud, the IRS does not provide feedback to the borrower/coborrower or Halcyon that an authorization request cannot be sent. This is the number one cause of rejected 4506-C applications. Although Halcyon corrects improperly formatted addresses, the request will still fail if an incorrect address is provided.

Q. A status has stalled longer than usual. What can I do?

A. Halcyon actively monitors all requests to ensure timely delivery. If something is unusual, let us know! See **Contact & Support** below.

Q. I submitted a signed 8821, but now I need to expedite things. What can I do?

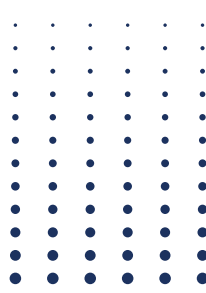
A: Have the borrower/coborrower create an IRS account and approve the authorization request. Once approved, transcripts are typically available in moments. There is no need to cancel the pending 8821.

Q: A transcript states that the account is on hold due to a taxpayer lock. What does that mean? How do I get the transcript?

A. The borrower/coborrower has placed a lock on their IRS account, like a credit lock on their credit report. This may affect one year and not another, or one spouse and not the other, even on joint returns. The borrower/coborrower may be unaware of the lock but can resolve this by contacting the IRS. Contact Support when the lock is lifted, and we can resubmit the request with no further action from the borrower/coborrower, and typically within minutes. professionals trusted to validate your tax data. Their presence on the form helps guide you through the verification process efficiently.

Q. Can users order additional transcripts after the initial order is placed for the borrower?

A. Yes! After we get the initial tax information authorization for the borrower, we can pull additional transcripts in a matter of minutes.



Q. Do you need a transcript authorization form signed by co-borrowers if they are married – filing jointly?

A. We only require one transcript authorization from one of the co-borrowers if you are ordering a 1040. If you are ordering wage and income documents for both borrowers, two transcript authorization forms must be signed.

Q. What happens if a borrower with an IRS Account does not approve the online tax information authorization request?

A. We suggest having every borrower/coborrower sign the first page of the transcript authorization form for this exact reason. If the borrower/coborrower does not approve the online request within 24 hours, we will submit the signed backup Form 8821 to the IRS to continue processing the order.

Q. How many years of transcripts can we pull?

A. Three in the past, current year and three in the future.

Q. Why would I care about the future?

A. If you originate a loan today, next year you can request the most recent forms. This can alert you to life events that could impact the loan – did someone’s wages go up by 40%? Do they know they could afford a larger loan and could upgrade to a bigger/nicer home generating you a new lead? Did someone receive unemployment money? You should put an extra pair of eyes on this loan in case the borrower needs loss mitigation assistance in the future etc.

Q. If we request a transcript document that the borrower does not have, what happens?

A. Halcyon will return the IRS form that states there is no form on record.

Q. If I request a W2 today and need a 1040 tomorrow on the same loan, will I get charged again?

A. No, you can re-order/re-request forms any time you need them for no additional cost. When you request an additional form, we can turn that around in minutes because we already have authorization for that borrower/coborrower.

ENCOMPASS SPECIFICS

Q. Can the documents be stored somewhere else besides the Encompass eFolder?

A. Yes, there is configuration where your admin can decide where the docs are stored within Encompass.

FREDDIE MAC INTEGRATION

Q. Tell me more about the Freddie Mac integration.

A. Our integration is live with Freddie Mac where we are feeding them a subset of the transcript data to be consumed in their LPA AIM system for rep and warrants for income verification on self-employed and rental income as phase 1. Later phases will expand the income types.

Q. Reps and warrants on transcripts are only for self-employed borrowers?

A. As of today, yes, we are working with Freddie on a roadmap for additional income types.

SECONDARY MARKET

Q. Is Form 8821 accepted by investors?

A. Most investors accept the 8821, including the GSEs. Halcyon can reach out to the investors who are unwilling to accept form 8821. For such investors the lenders can continue to use form 4506 in their closing packages in the interim period.

CONTACT & SUPPORT

Q. How do I contact Halcyon's support team?

A. Please reach out to us with questions or concerns about your order by emailing us at support@halcyonsw.com.

