IRM PROCEDURAL UPDATE

DATE: 05/11/2026

NUMBER: ts-21-0526-0517

SUBJECT: Various Changes to Refund Research

AFFECTED IRM(s)/SUBSECTION(s): 21.4.1

CHANGE(s):

IRM 21.4.1.4.1.1(1) box 3 - For accuracy of information removed "for prior year return" as all returns received certified mail take longer to appear in the system. SERP Feedback 39544.

(1) Review the following table to determine the required action for **paper returns**. See IRM 21.4.1.4 (3), Refund Inquiry Response Procedure, for normal processing time frames.

Note: If the taxpayer submitted their return with an ITIN application refer to IRM 3.21.263.8, Accounts Management (AM), for ITIN application inquiries.

If maximum normal processing time is:	Then
Not met	• Advise the taxpayer of the normal processing time, and to visit Where's My Refund at IRS.gov, or the IRS2Go (English and Spanish) phone application from a smart phone, for current refund information if the refund is not received within the time frame provided. Where's My Refund can inform the individual taxpayer if the IRS received the original return, and the projected date of the refund. Automated systems are not available for business taxpayers. **Note: DO NOT** offer the toll-free Refund Hotline, 800-829-1954, as an option unless the taxpayer says they do not have a computer or internet access. **Reminder:** Where's my Refund (WMR) provides refund information for the current processing year plus two prior year returns and cannot provide any information on Form 1040-X, Amended U.S. Individual Income Tax Return.
Met and the tax module indicates that a paper	• Apologize for the delay and advise the taxpayer that we are working returns in the order they were received.

return was **received**, but was **not processed**	• Advise the taxpayer: "In most instances, no further action is needed. Whether you filed electronically or by paper, we will contact you by mail if we need more information or if we made a change to your return." • Advise the taxpayer: To check the current operational status, go to IRS.gov web address and type "processing status" in the search bar, "processing status for tax forms" is the top choice listed in the results. **Note:** If the taxpayer received a CP 80, follow guidance above. For more information about CP 80, see IRM 21.2.4.3.44.2, CP80/CP080 Resolution, and AMRH12 Reply Received. **Reminder:** WMR provides refund information for the current processing year plus two prior year returns and cannot provide any information on Form 1040-X, Amended U.S. Individual Income Tax Return.
Met, but **no record** that a paper return was received	• If the taxpayer filed on paper more than six weeks ago, advise the taxpayer: To check the current operational status, go to IRS.gov web address and type "processing status" in the search bar, "processing status for tax forms" is the top choice listed in the results. Returns are processed in the order they are received, additional time may be required. • If the taxpayer is due a refund, and filed more than six weeks ago, but Where's My Refund does not have any information about the status of their return, advise them to resubmit the tax return, electronically if possible. **Exception:** If the taxpayer has sent the paper return by certified mail and their tracking information states the return was received do not ask the taxpayer to resubmit the return. If return filed was a prior year return, advise it can take up to 12 weeks to process. • If the taxpayer did not file a refund return and they mailed their return before the processing month indicated at Processing status for tax forms, advise them to resubmit the tax return, electronically if possible. • If resubmitting electronically, advise the taxpayer to ensure they receive a confirmation email from the e-file provider that the IRS accepted their return for filing.

	• If resubmitting by paper, advise the taxpayer to ensure the return includes an original signature and all documents submitted with the original return. If the taxpayer requests the mailing address to submit their return, advise the taxpayer: To obtain the correct address to send your return, go to IRS.gov web address and type "where to file" in the search bar, "Where to File Paper Tax Returns With or Without a Payment" is the top choice listed in the results. **Reminder:** WMR provides refund information for the current processing year plus two prior year returns and cannot provide any information on Form 1040-X, Amended U.S. Individual Income Tax Return.

IRM 21.4.1.4.1.2.5(2) - To remove duplicated information, deleted last sentence "If you receive the taxpayer's response and the case remains open in ERS, follow (13) below." as it appears in paragraph 14. SERP Feedback 39755.

(2) ERS will contact IMF taxpayers using one of the following letters:

a. Letter 0012C, Individual Return Incomplete for Processing: Forms 1040 and 1040-SR

b. Letter 4087C, International Return Incomplete for Processing: Form 1040-NR, 1040-NR-EZ, 1040, 1040-SR, 1040A, 1040EZ, for international taxpayers

c. Letter 2894C, Incomplete for Processing of Form 1040-SS

d. Letter 2894C -SP, Incomplete for Processing of Form 1040-PR - Spanish Version, for Form 1040-SS and 1040-PR.

See IRM 21.3.1.6.7, Submission Processing Missing Information 12-C Letter, for more information. The selective paragraphs and certain fill-ins used in these letters will identify the cause of the condition. Use CC ENMOD to research the selective paragraphs and/or certain fill-ins and advise the taxpayer of the requested information, except for selective paragraph "e" which is used for a narrative fill-in.

Note: If a Letter 0012C or Letter 4087C was sent and you can determine the cause for the condition, regardless if the taxpayer has received the letter, advise the taxpayer to provide the information using the ERS/Rejects address/fax number chart in (14) below.

Caution: If the Letter 0012C is about unreported estimated tax payments or credit elect, do not provide the payment amounts, dates, or a transcript of the account. See IRM 21.6.3.4.2.3, Estimated Tax (ES), for more information.

IRM 21.4.1.4.1.2.5(9) - Updated to correct paragraph to go to If the taxpayer calls back 30 days after the referral has been sent. SERP Feedback 38942.

(9) ERS Status Code **221/222/223/224**: correspondence has been sent to the taxpayer. The case is in unworkable suspense and waiting for the taxpayer's response. The case will remain in suspense, pending the taxpayer’s response for up to 85 workdays.

Note: Status 222 is international correspondence and has a suspense period of 90 days. For inquiries regarding Letter 4087C streamline processing, see IRM 21.8.1.28, Streamlined Filing Compliance Procedures.

Row	If	Then
1	The taxpayer received the correspondence	1. Ask if the taxpayer has responded to the correspondence, if not, advise the taxpayer to provide the requested information. **Note:** If invited on Letter 12C individuals and their representatives can use Taxpayer Digital Communications (TDC) to securely submit electronic documentation in response to the correspondence. For more information see IRM 3.12.37.14.5.3, Secure Messaging Replies. 2. If they have, advise to allow up to 60 days from the date they sent their reply for it to be worked. Include a history item on AMS with this information. 3. If the taxpayer calls back after allowing 60 days from the date they sent their reply prepare Form 4442 and fax to ERS/Rejects. See fax/EEFax numbers in (15) below. 4. If the taxpayer calls back 30 days after the referral has been sent refer to (16) and (17) below as appropriate.
2	The taxpayer indicates that the response must be delayed because of illness, the preparer is out of town, or other valid reason.	1. Advise the taxpayer to immediately fax a statement requesting an extension to the fax number on the letter, and include a copy of the letter.

		2. If unable to fax, they should immediately write to the address on the letter requesting an extension, and include a copy of the letter. 3. Advise the taxpayer to fax or mail the delayed information within 30 days of the current date. 4. Include a history item on AMS with this information. **Note:** If invited on Letter 12C individuals and their representatives can use Taxpayer Digital Communications (TDC) to securely submit electronic documentation in response to the correspondence. For more information see IRM 3.12.37.22.6.3, Secure Messaging Replies.
3	The taxpayer did not receive or misplaced the correspondence, and you **can** determine the cause for the condition	1. Advise the taxpayer to provide the information using the ERS/Rejects address/fax number chart in (15) below. 2. If the taxpayer would prefer to receive the letter in order to submit a response, advise that we are not reissuing letters at this time and apologize for the inconvenience.
4	The taxpayer did not receive, misplaced the correspondence or no letter was sent and you **cannot** determine the cause for the condition	1. If CC ERINV shows the remaining days in suspense is greater than 30 days and no letter was sent, DO NOT prepare a Form 4442/e-4442. Inform the taxpayer they will receive a letter within the next 6 weeks (from date of the call), if additional information is needed. 2. If CC ERINV shows the remaining days in suspense is 30 days or less, or it has been more than 4 weeks since the letter preparation, or no letter has been sent, prepare Form 4442 and fax to ERS/Rejects. See fax/EEFax numbers in (15) below. Advise taxpayer to expect a letter within 10 weeks.

		3. If the taxpayer calls back 30 days after the referral has been sent refer to (16) and (17) below as appropriate.
5	If the taxpayer's address has changed and you **can** determine the cause for the condition	1. Determine if the taxpayer meets oral statement authority for an address change. For complete guidelines about oral statement address changes, see IRM 21.1.3.20.1, IMF and BMF Oral Statement Address Changes. 2. If the taxpayer meets oral statement, update the address. 3. If the taxpayer does not meet oral statement, advise the taxpayer to complete Form 8822, Change of Address. If they request that you send the form, offer the alternate methods for getting the form located in IRM 21.3.6.4.1, Ordering Forms and Publications 4. Advise the taxpayer to provide the information using the ERS/Rejects address/fax number chart in (15) below.
6	If the taxpayer's address has changed and you **cannot** determine the cause for the condition	1. Determine if the taxpayer meets oral statement authority for an address change. For complete guidelines about oral statement address changes, see IRM 21.1.3.20.1, IMF and BMF Oral Statement Address Changes. 2. If the taxpayer meets oral statement, update the address. 3. If the taxpayer does not meet oral statement, advise the taxpayer to complete Form 8822. If they request that you send the form, offer the alternate methods for getting the form per IRM 21.3.6.4.1, Ordering Forms and Publications 4. Prepare Form 4442/e-4442 with the new address notated and fax to ERS/Rejects. See fax/EEFax numbers in (14) below. Advise taxpayer to expect a letter within 10 weeks.

		5. If the taxpayer calls back 30 days after the referral has been sent refer to (16) and (17) below as appropriate.

IRM 21.4.1.4.1.2.5(9) box 4 - To clarify information added "or no letter received" to highlight procedures to follow. SERP Feedback 39543.

(9) ERS Status Code **221/222/223/224**: correspondence has been sent to the taxpayer. The case is in unworkable suspense and waiting for the taxpayer's response. The case will remain in suspense, pending the taxpayer's response for up to 85 workdays.

Note: Status 222 is international correspondence and has a suspense period of 90 days. For inquiries regarding Letter 4087C streamline processing, see IRM 21.8.1.28, Streamlined Filing Compliance Procedures.

Row	If	Then
1	The taxpayer received the correspondence	1. Ask if the taxpayer has responded to the correspondence, if not, advise the taxpayer to provide the requested information. **Note:** If invited on Letter 12C individuals and their representatives can use Taxpayer Digital Communications (TDC) to securely submit electronic documentation in response to the correspondence. For more information see IRM 3.12.37.14.5.3, Secure Messaging Replies. 2. If they have, advise to allow up to 60 days from the date they sent their reply for it to be worked. Include a history item on AMS with this information. 3. If the taxpayer calls back after allowing 60 days from the date they sent their reply prepare Form 4442 and fax to ERS/Rejects. See fax/EEFax numbers in (15) below. 4. If the taxpayer calls back 30 days after the referral has been sent refer to (16) and (17) below as appropriate.
2	The taxpayer indicates that the response must be delayed	1. Advise the taxpayer to immediately fax a statement requesting an extension to the fax

	because of illness, the preparer is out of town, or other valid reason.	number on the letter, and include a copy of the letter. 2. If unable to fax, they should immediately write to the address on the letter requesting an extension, and include a copy of the letter. 3. Advise the taxpayer to fax or mail the delayed information within 30 days of the current date. 4. Include a history item on AMS with this information. **Note:** If invited on Letter 12C individuals and their representatives can use Taxpayer Digital Communications (TDC) to securely submit electronic documentation in response to the correspondence. For more information see IRM 3.12.37.22.6.3, Secure Messaging Replies.
3	The taxpayer did not receive or misplaced the correspondence, and you **can** determine the cause for the condition	1. Advise the taxpayer to provide the information using the ERS/Rejects address/fax number chart in (15) below. 2. If the taxpayer would prefer to receive the letter in order to submit a response, advise that we are not reissuing letters at this time and apologize for the inconvenience.
4	The taxpayer did not receive, misplaced the correspondence or no letter was sent and you **cannot** determine the cause for the condition	1. If CC ERINV shows the remaining days in suspense is greater than 30 days and no letter was sent, DO NOT prepare a Form 4442/e-4442. Inform the taxpayer they will receive a letter within the next 6 weeks (from date of the call), if additional information is needed. 2. If CC ERINV shows the remaining days in suspense is 30 days or less, or it has been more than 4 weeks since the letter preparation, or no letter has been sent, prepare Form 4442 and fax to ERS/Rejects. See fax/EEFax numbers in (15) below.

		Advise taxpayer to expect a letter within 10 weeks. 3. If the taxpayer calls back 30 days after the referral has been sent refer to (16) and (17) below as appropriate.
5	If the taxpayer's address has changed and you **can** determine the cause for the condition	1. Determine if the taxpayer meets oral statement authority for an address change. For complete guidelines about oral statement address changes, see IRM 21.1.3.20.1, IMF and BMF Oral Statement Address Changes. 2. If the taxpayer meets oral statement, update the address. 3. If the taxpayer does not meet oral statement, advise the taxpayer to complete Form 8822, Change of Address. If they request that you send the form, offer the alternate methods for getting the form located in IRM 21.3.6.4.1, Ordering Forms and Publications 4. Advise the taxpayer to provide the information using the ERS/Rejects address/fax number chart in (15) below.
6	If the taxpayer's address has changed and you **cannot** determine the cause for the condition	1. Determine if the taxpayer meets oral statement authority for an address change. For complete guidelines about oral statement address changes, see IRM 21.1.3.20.1, IMF and BMF Oral Statement Address Changes. 2. If the taxpayer meets oral statement, update the address. 3. If the taxpayer does not meet oral statement, advise the taxpayer to complete Form 8822. If they request that you send the form, offer the alternate methods for getting the form per IRM 21.3.6.4.1, Ordering Forms and Publications 4. Prepare Form 4442/e-4442 with the new address notated and fax to ERS/Rejects. See fax/EEFax numbers in (14) below.

		Advise taxpayer to expect a letter within 10 weeks. 5. If the taxpayer calls back 30 days after the referral has been sent refer to (16) and (17) below as appropriate.

IRM 21.4.1.4.1.2.5(15) - For inclusion updated to add information for FLC 39 to Kansas City paper returns. SERP Feedback 39644.

(15) Use the following chart when advising the taxpayer to send/re-send the requested information to ERS/Rejects. For any ERS/Reject status requiring a fax/EEFax, use the numbers below. Use CC ERINV to determine the correct FLC to match up with the fax number. MeF returns may be worked at any site depending on workflow, generally the FLC is covered as stated in the chart. If the FLC is not listed below, refer to Document 6209, to determine the appropriate ERS/Reject Unit.

Note: Advise the taxpayer to include a copy of the letter. If the letter was not received or lost, advise the taxpayer to provide a letter of explanation and include their TIN.

Reminder: If the taxpayer has a copy of their letter, advise the taxpayer they can safely upload and submit requested forms, schedules, or other information required by visiting IRS.gov/connect and to include the reference control number found in their letter.

ERS/Rejects File Location Codes Addresses and Fax Numbers

Common FLC	Address	Fax Number
18, 20, 21, 53, 71 **Paper Returns**	Internal Revenue Service 3651 South Interregional Highway 35 Stop 6126 Austin, TX 78741 Attn: SP Rejects Team	855-204-5020
73,75, 76 **MeF Returns**	Internal Revenue Service 3651 South Interregional Highway 35 Stop 6126 Austin, TX 78741 Attn: SP Rejects Team	844-254-2836
07, 09, 10, 36, 39,43, 89, 99 **Paper Returns**	Internal Revenue Service 333 West Pershing Road	855-892-7588

	Stop 6120 N-1 Kansas City, MO 64108-4302 Attn: SP Rejects Team	
14, 16, 70,79 **MeF Returns**	Internal Revenue Service 333 West Pershing Road Stop 6120 N-1 Kansas City, MO 64108-4302 Attn: SP Rejects Team	844-254-2834
11, 17, 29, 49, 86, 94 **Paper Returns**	Internal Revenue Service 1973 N Rulon White Boulevard Stop 6121 Ogden, UT 84404 (For certified mail, use 84201) Attn: SP Rejects Team	855-309-9361
30, 32, 80, 90 **MeF Returns**	Internal Revenue Service 1973 N Rulon White Boulevard Stop 6121 Ogden, UT 84404 (For certified mail, use 84201) Attn: SP Rejects Team	844-254-2835

IRM 21.4.1.4.4(2) - For clarity added a reminder to say reject reason code indicators are found on IDRS under CC TXMOD, CC BMFOBT and CC IMFOBT see IRM 21.4.1.5.8.1 Direct Deposit Reject Reason Code. SERP Feedback 38891.

(2) If research shows a refund has been generated and the taxpayer says they did not receive the check or direct deposit, use the following "If–And–Then" table to assist in resolving the issue:

Caution: Do not initiate a refund trace over the phone if there is IDT involvement on the account. See IRM 25.23.12.4.1, Telephone Inquiries Regarding Identity Theft Victim Assistance (IDTVA)Tax-Related Cases, for additional information.

Caution: Do not initiate a refund trace over the phone if there is RIVO involvement on the module. When providing a pre-populated Form 3911, verify all information is for the correct taxpayer. See IRM 21.5.6.4.35.3, -R freeze Overview For Accounts With Return Integrity Verification Operations (RIVO) Involvement, for additional information.

Note: Many U.S. Post Offices will forward the refund check if the taxpayer has a forwarding address on file with the local post office. If this is the case, advise the taxpayer to allow up to 6 weeks from the IDRS refund payment date for receipt of the check. If the check is not received by the end of those 6 weeks, follow normal refund trace procedures.

Reminder: Reject reason code Indicators are found on IDRS under CC TXMOD, CC BMFOBT and CC IMFOBT. See IRM 21.4.1.5.8.1 , Direct Deposit Reject Reason Code.

Row	If taxpayer says they did not receive a refund	And the date is	Then
1	TC 846 is present on the module and a paper check was issued	Less than **four weeks (or nine weeks if it's a foreign address)** from the mailing date. For current and all prior year IMF returns, the issue/mailing date is found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>". For Business Master File (BMF), the issue/mailing date is one day after the TC 846 date.	• Advise the taxpayer that the most reliable way to get the most current information about their refund or begin a refund trace is by using the self-service tools, Where's My Refund (WMR) on IRS.gov or the Refund Hotline. IRS2GO for smartphones can provide current refund information however, it cannot initiate a refund trace. **Exception:** Self-service trace option is not available if filing status is Married Filing Joint. • Advise the taxpayer to call back when **four weeks (nine weeks if it's a foreign address)** from the issue/mailing date have passed if a trace cannot be started on one of the self service platforms. • For BMF accounts advise the taxpayer to call back if **four weeks**

			(nine weeks if it's a foreign address) from the issue/mailing date have passed if check was not received.
2	TC 846 is present on an IMF module and a paper check was issued	Four or more weeks (or nine or more weeks if it's a foreign address) since the issue/mailing date. For current and all prior year IMF returns, the issue/mailing date is found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>".	See IRM 21.4.2.3, Refund Trace Process.
3	TC 846 is present on a BMF module and a paper check was issued	Four or more weeks (or nine or more weeks if it's a foreign address) since the issue/mailing date. For Business Master File (BMF), the issue/mailing date is one day after the TC 846 date.	Advise the taxpayer to file Form 3911, Taxpayer Statement Regarding Refund. See IRM 21.4.2.4.1, Form 3911, Taxpayer Statement Regarding Refund.
4	TC 846 is present on the module and the refund is a DD	The caller says they have been told by their bank that their refund was returned to the IRS. The caller may use terms such as, the bank returned the refund as a bank lead (External lead) **OR** I have a lead number (XXXXXX XX) **OR** the bank received an indemnification letter from IRS or the funds were requested/returned. **Note:** Due to timing, the account may not reflect the external lead process is in	• Follow the IF and THEN chart in IRM 25.25.8.7, Responding to Taxpayer Inquiries, or • If the conditions in IRM 25.25.8.7, do not exist, follow IRM 21.4.1.5.7.1, Direct Deposit of Refunds.

		progress. Do NOT refer the taxpayer back to the financial institution unless the External Lead IRM instructs you to do so.	
5	TC 846 is present on the module and the refund is a direct deposit (DD), a split refund or a Refund Advance Product (RAL/RAC)	Five or more calendar days since **scheduled** DD date **Note:** The scheduled date of a DD is found on CC IMFOLT or CC BMFOLT on the line below the TC 846 as **RFND-PAY-DATE**, and on CC TXMOD on the line below the TC 846 as **RFND-PYMT-DT>**	• Verify the direct deposit bank by providing the taxpayer with the routing transit number (RTN) from CC IMFOBT or CC BMFOBT. If necessary, also provide the bank name using the link in the note below this chart. • Ask the taxpayer if they have contacted the financial institution. If the answer is **NO**, advise to do so and give the account number and type indicated on CC IMFOBT or CC BMFOBT. If the answer is **YES**, initiate refund trace per IRM 21.4.2, Refund Trace and Limited Payability, if appropriate. **Caution:** If the deposit is a split refund or if a Refund Advance Product (RAL/RAC), review IRM 21.4.1.5.7.1, Direct Deposit of Refunds, for additional information first.
6	TC 840 manual refund	10 calendar days (30 calendar days if it’s a foreign address) from the "RFND-PAY-DATE"	Advise the taxpayer to file Form 3911, Taxpayer Statement Regarding Refund.

	Note: If TC 840 carries a blocking series and serial number 9XXXX series with a Julian date less than 400, it is a "Dummy TC 840" and no actual check has been issued. Research for the SSN where the refund was issued.	on CC IMFOLT or the "RFND-PYMT-DT" on CC TXMOD, either of which is located below the TC 840	See IRM 21.4.2.4.1, Form 3911, Taxpayer Statement Regarding Refund, for additional guidance about Form 3911. See exception below for taxpayers located in a disaster area.
7	TC 740 Undelivered Refund	no content	See IRM 21.4.3, Returned Refunds/Releases, for resolving undelivered refunds.
8	TC 841 Returned/Stopped Refund	no content	1. Determine cause of the refund stop 2. Attempt to resolve issue 3. See IRM 21.5.6, Freeze Codes, for resolving freeze releases. **Note:** Refer to Exhibit 21.4.2-3, Reason for Cancellation Codes and Generated Account Information, to determine the cause of refund cancellation.
9	TC 898/899 TOP Offset	no content	See IRM 21.4.6.6.1, Taxpayer Inquiries on TOP Offset.
10	TC 960 is posted and a refund has been issued	no content	• Research CC CFINK for receipt code "R" and advise the taxpayer to check with the POA of record for receipt of the refund check. • If the taxpayer has already asked the POA, follow the appropriate guidance above.

Note: If during the conversation it is determined the taxpayer did not request a direct deposit, refer to IRM 21.4.1.5.9.5, Taxpayer Expecting a Paper Check But Refund Issued as Direct Deposit.

Note: If the taxpayer alleges preparer misconduct as the reason for non-receipt of the refund, see IRM 25.24.1.3, Identifying Potential RPM Issues For Telephone Assistors/Taxpayer Assistance Center (TAC) Assistors. In some situations, you may need to advise the taxpayer that the restoration of the refund to the taxpayer may become a civil matter between the taxpayer and the preparer.

Note: When sending a Form 3911 to the taxpayer, input the following history item on CC TXMODA:

Example: H,39112TP

Exception: If the taxpayer is located in a Presidentially-Declared Disaster area and the check is issued between 10 days before the disaster and 30 days after the disaster, a Form 3911 is not required. Oral authority should be taken from all taxpayers including those who filed a joint return.

Note: To find the financial institutions for specific routing numbers, use the link at Financial Institution Routing Numbers. If the number isn't found, advise the taxpayer to contact their return preparer.

IRM 21.4.1.4.6(4) - For accuracy of information updated to include direction if External Lead control is closed to follow normal procedures. SERP Feedback 39091.

(4) If Refund Inquiry determines a refund trace has been started and either the account meets the criteria described in IRM 25.25.8-2, External Lead Involvement Indicators, or the taxpayer stated their refund was returned to the IRS by their bank, even if the account doesn't meet the criteria, then update AMS Notes with the following information (if known):

- name and contact information of the taxpayer
- name of the financial institution
- signature date of Form 3911

Allow the trace to continue, when either the TC 720 or TC 841 is posted, a Claims Disposition Notice (CDN) is received or Form 150.1 information is posted to TCIS, if the External Lead control is still open, send the taxpayer a Letter 86C, refer to IRM 21.3.3.4.2.1, Use of 86C Letter- Referring Taxpayer Inquiry/Forms to Another Office.
Advise the taxpayer: "The return or refund for which you requested a refund trace is currently under review. It may take up to 10 weeks to complete the review and for you to

receive your refund or a letter about the review."
Use CC ACTON to update the activity field of the control base with **CLS2BNKLD**.
Close the CII case or the control base of a physical paper case if CDN or From 150.1 was received, retain as a source document on CII or with your physical paper case.
If the External Lead control has been closed, follow normal case resolution procedures in IRM 21.4.2-2 , Disposition Code Chart - Refund Inquiry Employee Actions.

Note: A refund trace cannot be interrupted if the campus deadline to "DQ" the trace has passed. Per IRM 2.4.23.2 (5), General Overview for Command Code CHKCL/CHKCLR, CC TERUPC can only be done on the same day of input. If the CC CHKCL was input today and the TERUP can be completed (this action requires same day contact with the site that completed the input of CC CHKCL), then request they input the CC TERUPC. Once TERUPC is confirmed, contact the open Bank Lead control to advise that the trace was stopped. If trace was started over the phone, then close the trace control base, use **CLS2BNKLD** in the activity field.

Reminder: When sending letters to the taxpayer follow IRM 21.5.1.5.1(8), CII General Guidelines, and capture the "request completed" screen of the CC LETER request.

IRM 21.4.1.5.6.1(1) - For clarity reworded Note to clarify procedures to follow if prior direct deposit waiver was request to take necessary steps to avoid direct deposit of credit elect reversal. SERP Feedback 39531.

(1) In order to process a credit elect reversal for IMF accounts, the request must be received:

- Before the tax return has posted for the year where the credit elect was applied, AND
- Before March 1, of the year following the year to which the credit was applied

  Example: A request to reverse a credit elect from a 2020 account back to the 2019 account must be received before the 2020 return has posted and before March 1, 2021.

Note: When reversing credit elects, the refund will be issued as a direct deposit if the taxpayer requested direct deposit on his original return and the reversal occurs in the same processing year. If the account shows a prior direct deposit waiver was requested, input TC 971 AC 850 on the account when inputting the credit elect reversal (TC 832), to prevent direct deposit of the subsequent refund. For direct deposit waiver criteria and See IRM 21.4.1.5.7 , Direct Deposits — General Information.

IRM 21.4.1.5.7(2) - Updated to include provide guidance when the taxpayer accesses IOLA and doesn't have the link "how to receive your refund" located under notifications, and the account shows CP53E, and has a credit to be refunded to TP. SERP Feedback 39192. Also updated to include direction for instructions for CII cases where the taxpayer has responded in writing to the CP53E notice instead of updating their IOLA. SERP Feedback 39779.

(2) Beginning January 2026, the following direct deposit changes will be implemented due to the Executive Order 14247, Modernizing Payments to and From America's Bank Account. These changes will apply to returns filed in 2026 and direct deposit rejects beginning in January 2026:

- When addressing CP53E inquires, use AMS Category Refund Inquiry and select issue REFUND (Direct Deposit) to update AMS history.
- For individual REFUND Form 1040 series tax returns for which the taxpayers refund was frozen or rejected, a CP 53E notice will be issued to the taxpayer requesting they provide a new or updated direct deposit account using their IRS online account (IOLA). The letter provides the taxpayer a 30-day time frame to add the bank account information. For more information refer to IRM 21.2.1.62, Individual Online Account (IOLA).
- Individual REFUND Form 1040 series tax returns filed with no direct deposit account information will be processed but the refund will be frozen with a 1- freeze (new numeric freeze).
- All direct deposits that are rejected back to IRS (except for reject codes 07,17, 18, 19 & 23) will be posted to the account with a P- freeze with TC 841 DLN block and serial number 77716 (IMF) or 77777 (BMF).
- IDRS will show a TC 971 AC 804 MISC CP053E.
- Taxpayers will see the CP53E within their online account and can take immediate action if the CP53E has been issued. The notice will be received sooner than the notice date in most cases to allow taxpayers the 30 days to update their direct deposit information online.
- The CP53E notice will only be issued once, ex. if TP updates bank account and that refund gets rejected, they will not receive a second chance to update the bank account and a paper refund check will be issued.
- When the taxpayer accesses IOLA and inputs the direct deposit information in the “how to receive your refund” link or “link to add your bank account” located under notifications, it will go through verification, and if it is successfully verified, the TP will receive a message advising the update was successful. The taxpayer can expect the direct deposit within 3 weeks from a successful IOLA update. The direct deposit

update will post to their account as TC 970 AC 001 MISC direct deposit account type code with a subsequent direct deposit TC 846 DD: 9 within 1-2 weeks. For Married Filing Joint accounts, the TC 970 AC 001 with bank account field showing RTN/Bank account # will post on primary and secondary accounts.

Note: Remind taxpayers they can use the IRS automated systems to check their federal refund status after they update their information in IOLA.

- The valid values for direct deposit will be:
  "C" for checking account
  "S" for Saving account
  "D" for Debit Bank card (IMF only)
  "M" for Mobile account (IMF only)

- When the return posts with either invalid or no direct deposit account information, under limited circumstances taxpayers may be allowed to receive a paper check. When the taxpayer accesses IOLA, if they have no direct deposit information to provide, they will select the appropriate reason from the waiver list. Once they successfully submit the waiver request online, a TC 971 AC 850 with a transaction source code 1 or 3 (on CC IMFOBT)and MISC 1-9 (will show waiver reason number) will post on the tax module and taking into account the mail delivery time, the taxpayer should receive their paper check within 4 weeks from the RFND-PAY-DATE of the TC 846. For Married Filing Joint accounts, the TC 971 AC 850 with source code 1 or 3 and MISC 1-9 will post on primary and secondary accounts. The waiver list is as follows:
  1- Taxpayer has a disability
  2- Taxpayer does not have a bank account due to the costs associated with an account
  3- Taxpayer does not have a bank account due to religious beliefs
  4- Taxpayer has limited or no access to a bank account
  5- Taxpayer does not have a bank account due to taxpayer's age
  6- Taxpayer does not have a digital or mobile payment application
  7- Taxpayer has an ITIN
  8- Taxpayer has an international bank account
  9- Taxpayer is incarcerated

- If the taxpayer states they are unable to access IOLA or meets one of the waiver conditions above, follow procedures in IRM 21.5.6.4.31, P- Freeze, or IRM 21.5.6.4.53, 1- Freeze, to release the refund as a paper check.

- If no action is taken to update the direct deposit account information or request a waiver online, the 1- and P- freeze will auto-release at 6 weeks and a paper check will be issued.

- If the taxpayer responds to the CP53E in writing, take steps to release the taxpayers refund as a paper check. If provided by the taxpayer, update AMS with the taxpayers reason for not using IOLA.

IRM 21.4.1.5.7(4) - For clarity of information updated how RAC/RAL are identified on CC TRDBV and MeF/RRD. SERP Feedback 38991.

(4) The Refund Product Code indicators, which include other Refund Advance Products (RAC/RAL), can be found on MeF Return Request Display (RRD) under Additional Data titled Refund Product Code. They can also be found on CC TRDBV under the attribute of **Refund Anticipation Loan Code** and a **Refund Product Elect Indicator** of Y. Treat Refund Product Codes 1-4 as a Refund Advance Product (RAL/RAC) and refer taxpayers to their tax return preparer or the financial institution.
If there is **no** RAL/RAC code 1-4 present on CC TRDBV, the refund **should not** be considered a Refund Advance Product.

Refund Anticipation Loan Code	DEFINITION
0	NO FINANCIAL PRODUCT
1	PRE-REFUND ADVANCE PRODUCT - TAXPAYER CHARGED AN ADVANCE FEE - Refund Anticipation Loan (RAL)
2	POST-REFUND FINANCIAL PRODUCT (REFUND TRANSFER) - Refund Anticipation Check (RAC)
3	PRE-REFUND ADVANCE PRODUCT - TAXPAYER NOT CHARGED AN ADVANCE FEE
4	OTHER/NEW PRODUCT - Not meeting any of the above criteria
5	TEXT FIELD TO EXPLAIN OTHER/NEW PRODUCT #4

Note: Refund Product Elect Indicator: Identifies whether the taxpayer elected a Refund Product or not. Refund Product refers to a Refund Transfer or an Early Access Product that is obtained through the tax return provider at the time of tax preparation or filing.

Caution: # [redacted]

[redacted]#

Exhibit 21.4.1-2 - Updated to include Cross River Bank as a RAC/RAL processor, information provided by Bureau of the Fiscal Service. Also added Civista bank as the bank for SBTPG and additional RTN for Green Dot bank. Also added note to include information when taxpayer selects certain options from Intuit/TurboTax tax preparation software which may aid CSR to advise tax payer who to contact when direct deposit has not bee received, but was deposited to a third -party provider.

The most common banks that offer Refund Transfer Products are listed below. For prepaid cards, taxpayers must provide the routing number off the return or assistor can obtain the routing number from CC IMFOBT. If the routing number is not listed below, use the link at Financial Institution Routing Numbers to find the financial institutions for specific routing numbers. If the number still isn't found, advise the taxpayer to contact their return preparer.

Note: Taxpayers who chose “Up to 5 days early refund”, “Refund Advance” or “Pay with My Refund” option from Intuit/TurboTax tax preparation software will see that their refund is with a third-party bank like Cross River Bank, Green Dot or Santa Barbara Tax Products Group on Where's My Refund at IRS.gov.
Cross River Bank handles the advance on a taxpayers refund when they pay for “Up to 5 days early refund” delivery.
Credit Karma Money handles the advance on a taxpayers refund when they chose the free version of up to 5 days early refund delivery or Refund Advance.
Santa Barbara Tax Products Group (SBTPG) takes the tax preparation fees from the taxpayers refund and forwards the rest to the taxpayers bank account when they chose Pay with my Refund. Green Dot is the parent company of SBTPG.

Bank and Address	**RTN**
Bank of America Direct Deposit Coordinator PO Box 27025 Richmond, VA 23261 (800) 446–0135	121000358
Bank of New York Mellon Mellon Client Support Rm 154-0960 Pittsburgh, PA 15259-0001 (412) 236-3338	031100047 043000261

Cross River Bank Teaneck, NJ (877) 552-7255 Third Party Processor used when taxpayer chose to pay tax preparation fees with their tax refund. Advise taxpayer to contact Intuit/TurboTax when refund assistance is not provided by Cross River Bank.	021214891
Discover Bank 502 E. Market Street Greenwood, DE 19950 (302) 349-4512 English speaking assistance only	031100649
Green Dot Provo, UT 84604 (866)795-7597	124303120 096017418
Santa Barbara Tax Products Group (SBTPG) San Diego, CA (877) 908-7228 Third Party Processor used when taxpayer chose to pay tax preparation fees with their tax refund. Refer taxpayer to SBTPG when refund assistance is not provided by Green Dot Corp.	Subsidiary of the Green Dot Corporation
Civista Bank Sandusky, OH 800-604-9368	041201635 041210781 044111191 Subsidiary of the Santa Barbara Tax Products Group
HR Block Emerald Card Kansas City, MO 64171 (866) 353-1266	Prepaid Card
HSBC Bank USA One HSBC Center 14 Floor Buffalo, NY 14203 (877) 472-2249	071002053
HSBC Trust Co. Delaware NA 1201 N. Market Street	031101208

Suite 1001 Wilmington, DE 19801 (877) 472–2249	
JP Morgan Chase Bank 10430 Highland Manor Drive Tampa, FL 33610 (800) 935-9935	031100267
JP Morgan Chase Bank, NA ACH Dept, Attn: S. Sell 9000 Haggerty - MI 1-8205 Belleville, MI 48111 (800) 677-7477	044000037
Credit Karma Account Support (888) 236-5798	Finance Company
Netspend Austin, TX 78768 (866) 387-7363	Prepaid Card
Pathward, National Association (formerly MetaBank) Sioux Falls, SD (605) 782–0740 RAL loans to Military Personnel	073972181 273970116
Republic Bank Trust 601 West Market Street Louisville, KY 40202-2700 (502) 584-3600	083001314
Zions First National Bank PO Box 25837 Salt Lake City, UT 84125 (801) 974-8800 English speaking assistance only - Spanish assistance not available	124000054

IRM 21.4.1 - Editorial changes have been made throughout the IRM for clarity and to include Live Chat as a form of communication to align with IMF International Live Chat Expansion. Reviewed and updated plain language, grammar, web addresses, IRM references, and legal references.