



EFFECTIVE DATE

(07-11-2018)

PURPOSE

- (1) This transmits the revised IRM 5.12.1, *Federal Tax Liens, Lien Program Overview*.

MATERIAL CHANGES

- (1) Editorial changes made throughout to update terminology and links; remove duplicate or unnecessary verbiage; and rearrange or combine information to facilitate understanding. Significant changes in each subsection are specifically noted below.
- (2) IRM 5.12.1.1. Revised title. Added internal control section, which incorporates information from various subsections of previous revision.
- (3) IRM 5.12.1.2. Moved legal citations to subsection 5.12.1. Split paragraph about lien terms. Added Caution regarding use of generic terms. Information from the former subsection was incorporated into the internal controls.
- (4) IRM 5.12.1.3. Restructured paragraphs.
- (5) IRM 5.12.1.4. Restructured paragraphs and clarified references.
- (6) IRM 5.12.1.4.1. Restructured paragraphs and removed Note regarding cost of living adjustments.
- (7) IRM 5.12.1.4.2. Revised title. Changed wording to make more consistent with other documents.
- (8) IRM 5.12.1.5. Modified table and updated functional titles. Incorporated guidance in former subsection 5.12.1.5.1.
- (9) Information in former subsection 5.12.1.5.1 moved to 5.12.1.5.
- (10) IRM 5.12.1.5.1. Renumbered from 5.12.1.5.2.
- (11) IRM 5.12.1.5.2. Renumbered from 5.12.1.5.3. Restructured paragraphs.
- (12) IRM 5.12.1.6. Revised title. Rearranged table.
- (13) IRM 5.12.1.7. Revised title. Alphabetized table topics.
- (14) IRM 5.12.1.8. Revised title. Replaced table with paragraphs.
- (15) IRM 5.12.1.9. Revised title. Clarified authorities of CLO.
- (16) IRM 5.12.1.10. Revised title. Updated references and inserted summary chart of payoff letters.
- (17) IRM 5.12.1.10.1. Revised title. Revised and restructured paragraphs to make consistent with other IRM subsections and added references.
- (18) IRM 5.12.1.11. Revised title.
- (19) IRM 5.12.1.11.1. Clarified document descriptions in table and updated references. Combined information from former paragraph 3 with paragraph 1. Changed column for ALS generation to note.

- (20) IRM 5.12.1.11.2. Added separate paragraph about self-release lien. Changed column for ALS generation to note.
- (21) IRM 5.12.1.11.3. Revised title. Modified opening paragraph and added request form to table. Moved information about ALS generation to paragraph.
- (22) IRM 5.12.1.11.4. Inserted paragraph on lien certificates. Replaced reference to obsolete Letter 1628 with current Form 669-N. Moved foreclosure forms to separate table.
- (23) IRM 5.12.1.12. Revised title.
- (24) Information in former subsection 5.12.1.12.1 moved to 5.12.1.12.3.
- (25) IRM 5.12.1.12.1 5.12.1.12.1. New subsection combined former subsections 5.12.1.12.2 and 5.12.1.12.3. Revised title and clarified the products are for taxpayer use.
- (26) IRM 5.12.1.12.2. Renumbered from 5.12.1.12.4 and revised title.
- (27) IRM 5.12.1.12.3. Renumbered from 5.12.1.12.1.
- (28) IRM 5.12.1.12.4. Renumbered from 5.12.1.12.5. Removed reference to Form 3982, moved reference to Form 10492 to 5.12.1.13.5, and added reference to Pub 1468.
- (29) IRM 5.12.1.13 . Edited title.
- (30) IRM 5.12.1.13.1. Revised title. Incorporated information from former subsection 5.12.1.13.2.
- (31) Information in former subsection 5.12.1.13.2 moved to 5.12.1.13.1
- (32) IRM 5.12.1.13.2. Renumbered from 5.12.1.13.3.
- (33) IRM 5.12.1.13.3. Renumbered from 5.12.1.13.4. Deleted reference to obsolete Letter 1038. Inserted references to payoff letters from former subsection 5.12.1.12.6.
- (34) IRM 5.12.1.13.4. Renumbered from 5.12.1.13.6. Revised title. Moved references to payoff letters to 5.12.1.13.3.
- (35) IRM 5.12.1.13.5. Renumbered from 5.12.1.13.7. Replaced obsolete letters with current versions. Added references to Form 10492 and other new estate tax lien products.
- (36) IRM 5.12.1.13.6. Renumbered from 5.12.1.13.5. Combined information into one table.
- (37) Information in former subsection 5.12.1.14 incorporated into internal controls subsection 5.12.1.1.
- (38) Information in former subsection 5.12.1.14.1 incorporated into internal controls subsection 5.12.1.1 and new subsection 5.12.1.14.
- (39) Information in former subsection 5.12.1.14.2 moved to new subsection 5.12.1.17.
- (40) IRM 5.12.1.14. Renumbered from 5.12.1.15. Revised title. Incorporated information from former subsection 5.12.1.14.1. Reordered paragraphs and updated information.
- (41) IRM 5.12.1.14.1. Renumbered from 5.12.1.16. Revised wording for consistency with other IRM subsections.
- (42) IRM 5.12.1.15. New subsection to consolidate information regarding ALS.
- (43) IRM 5.12.1.15.1. Renumbered from 5.12.1.17. Clarified information regarding ALS passwords.

- (44) IRM 5.12.1.15.2. Renumbered from 5.12.1.18. Updated subsection for current procedures.
- (45) IRM 5.12.1.16. Renumbered from 5.12.1.19. Summarized step actions previously shown, inserted reference to Pub 1468, and clarified procedures for field employees.
- (46) IRM 5.12.1.16.1. New subsection on paying for lien document filings.
- (47) IRM 5.12.1.17. New subsection on the general ALS lien process.
- (48) IRM 5.12.1.17.1. Renumbered from 5.12.1.14.2. Expanded explanation of dead cycle processing and emphasized the need for timely lien releases.
- (49) Exhibit 5.12.1-1. Reordered rows for flow. Added legend.
- (50) Exhibit 5.12.1-2. Inserted acronyms previously not shown.

EFFECT ON OTHER DOCUMENTS

This material supersedes IRM 5.12.1, dated October 14, 2013.

AUDIENCE

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5.12.1
Lien Program Overview

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5.12.1.1
(07-11-2018)
Program Scope and Objectives

- (1) The federal tax lien is the basis for the government’s claim against the property of a taxpayer who has a tax-related debt. The lien program encompasses the legal and administrative aspects of federal tax liens, including the filing of notices of federal tax lien.
- (2) **Purpose:** This IRM provides an overview of the lien program, contains references to where guidance for the lien program can be found, and lists the forms, letters, and other documents used in the lien program.
- (3) **Audience:** This IRM is used by IRS personnel working federal tax lien issues.
- (4) **Policy Owner:** Director, Collection Policy, Small Business/Sell-Employed Division (SBSE)
- (5) **Program Owner:** Collection Policy is primarily responsible for overseeing the lien program.
- (6) **Primary Stakeholders:** SBSE Collection and Wage & Investment (W&I) functions involved with collection issues. Other functions that are affected by, or have input to, the procedures include Chief Counsel, Appeals, and the Taxpayer Advocate Service (TAS).
- (7) **Program Goals:** To protect the interests of the government when a federal tax debt exists by providing policy and procedural guidance to IRS personnel that is consistent with federal lien law.

5.12.1.1.1
(07-11-2018)
Background

- (1) The Internal Revenue Code (IRC), provides the IRS a powerful tool allowing the government to protect the taxpaying public’s interest in collecting the proper amount of tax revenues. This tool is the federal tax lien.
- (2) The federal tax lien provided under IRC 6321, which is sometimes called the “statutory lien,” is the basis for the government’s claim against the taxpayer’s property, including current and future rights to property, and enables collection of the tax or tax-related debt of the individual or business.
- (3) While the federal tax lien protects the government’s interest, a Notice of Federal Tax Lien (NFTL) is needed for the federal tax lien to compete with certain classes of creditors. When filed, the NFTL puts third parties on notice of a taxpayer’s outstanding lien.
- (4) Throughout the life of the federal tax lien, situations may arise involving the lien. The resolution to these situations can vary and is guided by the IRC, Treasury Regulations (Regs), IRS policy, and IRM procedures.

5.12.1.1.2
(07-11-2018)
Authority

- (1) The authorities for the lien program are found in the following IRC and regulation sections:

| IRC Section | Regulation | Title |
|---------------|------------------------------------|--|
| 26 USC § 6321 | §301.6321-1 | <i>Lien for taxes</i> |
| 26 USC § 6322 | n/a | <i>Period of lien</i> |
| 26 USC § 6323 | §§301.6323(a)-1 thru 301.6323(j)-1 | <i>Validity and priority against certain persons</i> |

| IRC Section | Regulation | Title |
|----------------|---------------------------------|---|
| 26 USC § 6320 | §301.6320-1 | <i>Notice and opportunity for hearing upon filing of notice of lien</i> |
| 26 USC § 6324 | §301.6324-1 | <i>Special liens for estate and gift taxes</i> |
| 26 USC § 6324A | §301.6324A-1 | <i>Special lien for estate tax deferred under section 6166</i> |
| 26 USC § 6324B | n/a | <i>Special lien for additional estate tax attributable to farm, etc., valuation</i> |
| 26 USC § 6325 | §301.6325-1 | <i>Release of lien or discharge of property</i> |
| 26 USC § 6326 | §301.6326-1 | <i>Administrative appeal of liens</i> |
| 26 USC § 7425 | §§301.7425-1 through 301.7425-4 | <i>Discharge of Liens</i> |
| 26 USC § 7426 | §301.7426-1, §301.7426-2 | <i>Civil actions by persons other than taxpayers</i> |
| 26 USC § 7432 | §301.7432-1 | <i>Civil damages for failure to release lien</i> |
| 28 USC § 2410 | n/a | <i>Actions affecting property on which United States has lien</i> |

Note: Title 26 of the United States Code is called the Internal Revenue Code (IRC). The legal cite might be referenced in various ways and with or without the section symbol (e.g., 26 USC § 6321, IRC § 6321, IRC 6321, IRC section 6321, I.R.C. 6321). The associated Treasury Regulations are found in the Code of Federal Regulations (CFR) and also may be cited variously (e.g., Treas. Reg. § 301.6321-1, 26 CFR § 301.6321-1).

Note: The IRC and the Regs may be researched online using *United States Code* or *Electronic Code of Federal Regulations*, respectively.

(2) The following Policy Statements and Delegation Orders regulate NFTL filing.

- IRM 1.2.14.1.2, *Policy Statement 5-2*
- IRM 1.2.14.1.13, *Policy Statement 5-47*
- IRM 1.2.44.5, *Delegation Order 5-4 (Rev. 3)*

5.12.1.1.3
(07-11-2018)

Roles and Responsibilities

- (1) The Director, Collection Policy is responsible for overseeing policy and procedures regarding the lien program.
- (2) Employees authorized to make determinations regarding lien actions are responsible for following applicable procedures and policy.
- (3) Managers are responsible for ensuring that lien actions taken by employees are in accordance with policy and procedures.
- (4) The Centralized Lien Operation (CLO), which often is informally referred to as the "Lien Unit," has primary responsibility for inputting information to, and processing lien documents generated by, the Automated Lien System (ALS).
- (5) Any employee who requests, manually prepares, or approves NFTLs and lien-related documents is responsible for ensuring the request or document is

accurate and complete. The requestor/preparer is ultimately responsible to see that the NFTL document is filed appropriately.

- (6) Other roles and responsibilities related to the lien program are shown in IRM 5.12.1.5, *IRS Organizations Working Lien Issues*, and its subsections.
- (7) IRM 5.12.1.6, *Locations of IRM 5.12 Content*, identifies IRM sections associated with NFTL determinations, filing, withdrawal, maintenance, and release. It is within the specific IRMs that lien program responsibilities, instructions, and procedures are identified.

5.12.1.1.4
(07-11-2018)
Program Management and Review

- (1) The *Automated Lien System (ALS)* electronically stores data regarding NFTLs and is the data source for reports on NFTL filings, releases, withdrawals, and revocations.
- (2) Specific case activity on lien issues may be documented on one of several other systems.
 - The Integrated Collection System (ICS) is used to control lien-related requests worked by Field Collection and document case work.
 - The Accounts Management System (AMS) is used by CLO to control withdrawal after release requests and by customer service representatives to document general case work.
 - The Automated Collection System (ACS) is used by ACS employees to make NFTL determinations and document case work.
 - The Automated Insolvency System (AIS) is used by Insolvency employees to document work on bankruptcy cases.
 - The Automated Offer in Compromise System (AOIC) is used by OIC employees to document case work on OIC requests.
- (3) The systems described in (2) and the ENTITY Case Management System can also generate certain, unique reports related to lien processes to assist in managing assigned inventory.
- (4) Activity in the lien program is reviewed and documented in numerous ways, including those shown on the following chart.

| Type | Source | Frequency | Description |
|---------|------------|-----------|---|
| Audit | TIGTA | Annual | “Statutory Review of Compliance With Notice of Federal Tax Lien Due Process Procedures” |
| Audit | TIGTA | Annual | “Trends in Compliance Activity” |
| Audit | GAO CFO | Annual | “Annual Review to Determine Lien Release Timeliness” |
| Report | IRS.gov | Annual | NFTL program numbers published yearly in the <i>IRS Data Book, Enforcement: Collections, Penalties & Criminal Investigation, Table 16</i> |
| Report | TAS | Annual | Aspects of lien program included in the <i>National Taxpayer Advocate report to Congress</i> |
| Monitor | CFO | On-going | NFTL filing fees monitored by the office of the Chief Financial Officer (CFO) and SBSE budget offices. |

| Type | Source | Frequency | Description |
|--------|--------|-----------|---|
| Review | NQRS | On-going | NFTL quality monitored for Field Collection through reviews conducted using the <i>Collection Embedded Quality, National Quality Review System</i> (NQRS) |
| Review | NQRS | On-going | NFTL quality monitored for Campus through reviews conducted using the <i>Campus Embedded Quality NQRS</i> |

5.12.1.1.5
(07-11-2018)

Program Controls

- (1) NFTLs are created and maintained through ALS. CLO is primarily responsible for updating and maintaining ALS data.
- (2) Access to systems used in filing NFTLs is controlled following standard access guidelines through the Online (OL) 5081.
 - For ALS, see IRM 5.19.12.11.2, *Employee Access and Maintenance*.
 - For the ACS, see IRM 5.19.5.2, *ACS Security*.
 - For the ICS, see http://icsweb.web.irs.gov/Docs/HTML/general_info.htm.
- (3) Authority to issue federal tax lien certificates is restricted in accordance with IRM 1.2.44.5, *Delegation Order 5-4 (rev. 3)*, with certain lien certificates being subject to additional managerial or procedural review, as defined throughout IRM 5.12 sections.
- (4) There are numerous reports that monitor NFTL filings and ALS activity. See the *ALS User Guide*, Chapter 15, *Logs and Reports*, for a complete listing of ALS reports.
- (5) For closed records associated with NFTLs, see Document 12990, *Records Control Schedules*, the *Tax Administration - Collection (RCS 28)*, in *PART IV - Delinquent Accounts, Delinquent Returns, And Office Services Records*.

5.12.1.1.6
(07-11-2018)

**Terms/Definitions/
Acronyms**

| Term | Definition |
|----------------------------|--|
| Lien | The federal tax lien (aka “statutory lien” or “assessment lien”) that arises when tax is assessed, demand is made, and the liability is not paid. |
| Notice of Federal Tax Lien | The document filed in the public record to put third parties on notice of the existence of the federal tax lien. One notice of lien can list as many as 15 individual statutory liens. |

- (2) Acronyms associated with the lien program are shown in Exhibit 5.12.1-2, *Glossary of Common Acronyms in IRM 5.12*.

5.12.1.1.7
(07-11-2018)
Related Resources

- (1) The form used to provide notice of the lien is Form 668(Y)(c), *Notice of Federal Tax Lien*. The form, when properly annotated, is also used for NFTL variations, including amended and special condition NFTLs.

Note: Form 668(Y)(c) is a computer-generated form through ALS. (The “c” suffix indicates “continuous,” the format once used for printing the document.) Manually prepared templates may show Form 668(Y). All versions of the form or templates will transition to show Form 668-Y. In this IRM, “Form 668(Y)” is used in referring to the form.

- (2) Throughout this IRM section, information is provided regarding other documents, websites, and job aids related to the lien program.
- (3) IRM 5.17.2, *Legal Reference Guide for Revenue Officers, Federal Tax Liens*, provides additional details about lien law such as the types of property subject to the federal tax lien and the priority of the federal tax lien versus other competing encumbrances.
- (4) Links to tools and references to assist IRS employees with lien processes may also be found on the *My SB/SE* website. Similar information for taxpayers may be found on the *Understanding a Federal Tax Lien* page on IRS.gov.
- (5) Taxpayer rights with regard to Internal Revenue Service processes are stipulated in IRC 7803(a)(3) and referenced throughout the IRM 5.12 sections.

5.12.1.2
(07-11-2018)
Introduction to Liens

- (1) IRC 6321 provides the IRS a powerful tool allowing the Government to protect the American taxpaying public’s interest in collecting the proper amount of tax revenues. This tool is the federal tax lien.
- (2) A federal tax lien is a claim against property, including current and future rights to property. It represents the tax or tax-related debt of an individual or business. Because the lien arises by operation of law, it is sometimes called the “statutory lien” or “assessment lien.” Throughout this IRM Chapter, it will be referred to as the statutory lien or simply “lien.”
- (3) While the Service makes the taxpayer aware of the existence of the lien, it does not make the lien’s existence public until a notice of the lien has been filed. The IRS puts third parties on notice of a taxpayer’s outstanding lien by filing a Notice of Federal Tax Lien (NFTL) in the appropriate, local recording office.
- (4) There are some common misunderstandings among external, and even internal, customers regarding statutory liens and NFTLs.

Caution: The term “lien” is often used generically by external and internal customers when referring to the NFTL. There is a distinct legal difference between a statutory lien and an NFTL, so care should be taken to ensure there is no confusion about what is being referenced when “lien” is used.

- (5) Also, though it may seem obvious, it is important to understand that a lien or NFTL is not a levy. Information about levies can be found in IRM 5.11, *Notice of Levy*, and IRM 5.10, *Seizure and Sale*.

5.12.1.3
(07-11-2018)
Creation and Duration

- (1) A Federal Tax Lien is created by the statute IRC 6321, which is why it is said to be created by operation of law. The following must occur for the “statutory” lien to arise:
 - An assessment must have been made;
 - Notice and demand for payment must have been made; and
 - The taxpayer must have neglected or refused to pay.
- (2) The statutory lien attaches to a taxpayer’s current and future property and rights to property for the amount of the liability.
- (3) Pursuant to IRC 6322, the lien is effective from the assessment date and continues to exist until the liability is satisfied or becomes unenforceable by lapse of time.

5.12.1.4
(07-11-2018)
Purpose and Effect of Filing a Notice of Federal Tax Lien.

- (1) The NFTL is a public notification filed with an office designated by state and local jurisdictions.
- (2) The purpose of filing the NFTL publicly is to both:
 - inform certain third parties (typically a purchaser, holder of a security interest, mechanic’s lienor, or judgment lien creditor) of the existence of the statutory lien securing the tax debt, and
 - establish the Government’s right of priority against these same creditors.
- (3) NFTLs are filed under provision of IRC 6323,
- (4) The NFTL is to be used only in accordance with the guidance found in IRM 5.12, *Federal Tax Liens*, and related IRM chapters.

Reminder: Estate and Gift Tax Liens are discussed in IRM 5.5.9, *Administrative and Judicial Actions for Estate Taxes*.

- (5) For additional information about NFTLs, see IRM 5.17.2, *Federal Tax Liens*.

5.12.1.4.1
(07-11-2018)
Lien and NFTL Priorities

- (1) Generally, lien priorities are determined by “the first in time, first in right” rule. Under that rule, the Service relies on the date of assessment, which is the date the lien arises. However, IRC 6323 provides deviations from the general rule.
 - For some classes of creditors, the federal tax lien will not have priority until the NFTL is filed. See IRC 6323(a).
 - For other classes of creditors, the federal tax lien does not have priority even if an NFTL has been filed. These are called the “superpriorities.” See IRC 6323(b).
- (2) Lien priorities are fully explained in IRM 5.17.2, *Federal Tax Liens*.

5.12.1.4.2
(07-11-2018)
NFTL Effect on Taxpayer’s Credit

- (1) Because other creditors become aware of the outstanding tax debt through the NFTL filing, the NFTL may impact the taxpayer’s credit rating or their ability to get credit (such as a loan, credit card, or lease). That is why it is so important that taxpayers resolve liabilities as quickly as possible, before an NFTL filing becomes necessary.

5.12.1.5

(07-11-2018)

**IRS Organizations
Working Lien Issues**

- (1) There are several IRS functional units and position types that work lien issues, including those illustrated in the following table.

| Functional Unit(s) | Position Type(s) |
|---|---|
| Headquarters Collection, including: <ul style="list-style-type: none"> Collection Policy Automated Lien System (ALS) Automated Collection System (ACS) Integrated Collection System (ICS) | Analyst Developer |
| Field Collection, including: <ul style="list-style-type: none"> Revenue Officer Groups Civil Enforcement Advisory & Support Operation Specialty Collection Insolvency | Revenue Officer (RO) Advisor Specialist Tax Examiner (TE) |
| Campus Collection, including: <ul style="list-style-type: none"> Centralized Lien Operation (CLO) Campus Automated Collection (ACS) Centralized Insolvency (CIO) W&I Accounts Management (AM) | Customer Service Rep. (CSR) Specialist Tax Examiner (TE) |
| Specialty Collections - Offer in Compromise <ul style="list-style-type: none"> Field Offer in Compromise Centralized Offer In Compromise (COIC) Monitoring Offers in Compromise (MOIC) | Offer Specialist Offer Examiner Tax Examiner (TE) Process Examiner |
| Chief Counsel, including: <ul style="list-style-type: none"> Area Counsel SBSE Counsel Procedures and Administration (P&A) | Attorney |
| Appeals | Settlement Officer Analyst |
| Taxpayer Advocate Service (TAS) | Case Advocate Analyst |

- (2) The majority of NFTLs are filed at the request of Field Collection and ACS. Some NFTL filing is also performed by Accounts Management working collection issues. These units also assist taxpayers with addressing lien issues and rely on Counsel, as needed, to fulfill their responsibilities.

- (3) Appeals and TAS can also intervene with resolving lien issues.

5.12.1.5.1

(07-11-2018)

Appeals

- (1) The IRS Office of Appeals handles formal appeals through either Collection Due Process (CDP) or the Collection Appeals Program (CAP). See IRM 5.12.6, *Appeals Processes Involving Liens*, for specific lien program appeal instructions or see IRM 5.1.9 *Collection Appeal Rights*, for general Collection appeal instructions.
- (2) The Appeals IRMs on CDP and CAP procedures for NFTL filings are IRM 8.22, *Collection Due Process*, and IRM 8.24, *Collection Appeals Program and Jeopardy Levy Appeals*.

- (3) The appeal rights available to a taxpayer in the collection process are described in Pub 1660, *Collection Appeal Rights*.
- (4) Web sites containing educational assistance about the Appeals' organization and the appeals process include the following external sites:
 - *Appealing a Collection Decision*
 - *Collection Appeals Program (CAP)*
 - *Collection Due Process (CDP)*

5.12.1.5.2
(07-11-2018)

**Taxpayer Advocate
Service**

- (1) Taxpayers often contact the Taxpayer Advocate Service (TAS) when they are attempting to resolve collection issues.
- (2) Refer a taxpayer to TAS if they ask to be referred or they meet TAS criteria and their issue cannot be resolved the "same day" (within 24 hours).
 - a. If the issue can be resolved and closed within 24 hours of the TAS contact, do not refer the inquiry to TAS.
 - b. If the issue cannot completely be resolved within 24 hours, but steps have been taken within 24 hours to resolve the issue, do not refer the case to TAS unless the taxpayer asks to be transferred. These cases also meet the definition of "same day."

Note: Refer to IRM 13.1.7.4, *Same Day Resolution by Operations*.

- (3) To refer a taxpayer case to TAS, complete Form 911 or e-Form 911, *Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance order)*. See IRM 13.1.7, *Taxpayer Advocate Service (TAS) Case Criteria*, for more information.
- (4) Web sites for more information about TAS include the following:
 - External web site: *Taxpayer Advocate Service*
 - Internal web site: *TAS News Center*

5.12.1.6
(07-11-2018)

**Locations of IRM 5.12
Content**

- (1) The table below details where to find various lien topics within IRM 5.12, *Federal Tax Liens*.

| Topic | Location |
|--|-------------|
| NFTL Determinations | IRM 5.12.2 |
| NFTL Preparation and Filing, including Special Condition NFTL | IRM 5.12.7 |
| NFTL Refiling | IRM 5.12.8 |
| NFTL Withdrawal | IRM 5.12.9 |
| Lien Release and Revocation of an Erroneous Release | IRM 5.12.3 |
| Claims under IRC 6326 and IRC 7432 | IRM 5.12.3 |
| Certificates of Discharge, Subordination, and Non-Attachment and Subrogation | IRM 5.12.10 |

| Topic | Location |
|--|-------------|
| Appeals Process Involving Lien Actions | IRM 5.12.6 |
| Judicial and Non-Judicial Foreclosures | IRM 5.12.4 |
| Redemption of Foreclosed Property | IRM 5.12.5 |
| Special Topics, including Identity Theft and Disaster Situations | IRM 5.12.11 |

5.12.1.7
(07-11-2018)
Lien Guidance in Other IRMs

- (1) Other IRM sections that provide guidance on lien-related issues relative to collection are shown in the following table. You can find specific guidance in these sections by querying "lien."

| Topic | Location |
|--|--|
| Appeals | <ul style="list-style-type: none"> • IRM 5.1.9 • IRM 8.22.4 • IRM 8.24.1 |
| Automated Collection Services (ACS) | <ul style="list-style-type: none"> • IRM 5.19.4 • IRM 5.19.6 |
| Centralized Lien Operation (CLO) | <ul style="list-style-type: none"> • IRM 5.19.12 |
| Community Property | <ul style="list-style-type: none"> • IRM 25.18 |
| Currently Not Collectible Cases | IRM 5.16.1 |
| Estate and Gift Tax Liens | <ul style="list-style-type: none"> • IRM 5.5.8 • IRM 5.5.9 • IRM 5.17.2.9 |
| Innocent Spouse | <ul style="list-style-type: none"> • IRM 25.15.8.11 |
| Insolvency | <ul style="list-style-type: none"> • IRM 5.9 series |
| Installment Agreements | <ul style="list-style-type: none"> • IRM 5.14.1.4.3 |
| Legal Reference Guide for Revenue Officers | <ul style="list-style-type: none"> • IRM 5.17.2 |
| Local Law Supplements | <ul style="list-style-type: none"> • <i>State Law Guides</i> |
| Offers in Compromise | <ul style="list-style-type: none"> • IRM 5.8 series |
| Suits and Judgments | <ul style="list-style-type: none"> • IRM 25.3 |
| Taxpayer Advocate Cases | <ul style="list-style-type: none"> • IRM 13.1 |

Reminder: This table is not an exhaustive list of IRM sections that deal with lien issues.

5.12.1.8
(07-11-2018)
**Other Online Resources
for Lien Program**

- (1) In addition to the electronic resources for the IRM, there are several other internet and intranet pages in support of the lien program, including the following:
 - *Understanding a Federal Tax Lien* on IRS.gov
 - *Federal Tax Liens* on My SB/SE
 - *Automated Lien System (ALS)* on My SB/SE
- (2) Instructional videos are available on IRS.gov to help taxpayers with common applications for lien certificates.
 - *Selling or Refinancing when there is an IRS lien*
 - *NFTL Withdrawals*
- (3) The Enterprise Learning Management System (ELMS) provides employees training material on lien topics, including the following:
 - Course 23232: SB-FC-RO Addressing Federal Tax Lien Priority
 - Course 30441: SB-CO-Discharge, Subrogation, and Subordination

5.12.1.9
(07-11-2018)
**Authority to Sign NFTLs
and other Lien
Documents**

- (1) Delegation Order 5-4 (rev. 3), found in IRM 1.2.44.5, identifies all parties authorized to approve or sign specified lien documents and take other lien-related actions.
- (2) The Centralized Lien Operation (CLO) has authority for creating, printing, and signing lien documents, as requested through ALS by employees authorized under Delegation Order 5-4. Other CLO authorities in the lien program are specified in IRM 1.2.44.5 and described in IRM 5.19.12, *Centralized Lien Operation*.

5.12.1.10
(07-11-2018)
**Disclosure of
Outstanding Lien
Amount**

- (1) IRC 6103(k)(2) authorizes the disclosure of the amount of the outstanding obligation secured by the NFTL in certain circumstances. The employees delegated the authority to determine whether or not to disclose the requested information can be found in the following Delegation Orders:
 - IRM 1.2.44.5, *Delegation Order 5-4 (rev. 3)*
 - IRM 1.2.49.3, *Delegation Order 11-2 (Rev. 3)*
 - Exhibit IRM 1.2.49-1, *Delegation Order 11-2 (Rev. 3) Reference Chart*
- (2) Disclosure may be made to any person specifically authorized by the taxpayer or who satisfactorily demonstrates in writing that he/she possesses a right or intends to obtain right in the property. See IRM 11.3.11.10, *Disclosure of Amount of Outstanding Lien*, and IRM 5.12.1.10.1, *Disclosure of Amount to Third Parties*.
- (3) Payoff information should be furnished using the appropriate letter for the requestor.

| Requestor | Payoff Letter |
|--------------------------------|--|
| Taxpayer | Letter 3640 Letter 3640-B (alternate version) |
| Third Party | Letter 3641 Letter 3641-B (alternate version) |
| U.S. Attorney (judicial cases) | Letter 3640-D |

5.12.1.10.1
(07-11-2018)
**Disclosure of Amount
to Third Parties**

- (1) For the purpose of lien payoffs, a “third party” is any individual or entity not liable for the outstanding tax debt or who otherwise does not have a material interest as defined under IRC 6103(e).

Example: A realtor, escrow agent, title company, or lending institution handling a real estate transaction of an unrelated taxpayer are considered third parties.

- (2) Authorized employees may disclose the amount of the outstanding obligation secured by the NFTL to a third party when one of the following is present:
- Valid Form 2848, *Power of Attorney and Declaration of Representative* (IRM 11.3.3.1.1, *General Requirements for Disclosure to Designee*);
 - Valid Form 8821, *Tax Information Authorization* (IRM 5.1.23.3.3, *Authority Granted by Form 8821*);
 - Telephonic authorization from the taxpayer (IRM 11.3.3.2.1, *Requirements for Oral Authorization*); or
 - A written request demonstrates a person or entity possesses, or intends to obtain, a right in property attached by the lien (IRM 11.3.11.10, *Disclosure of Amount of Outstanding Lien*).
- (3) Taxpayers may authorize disclosure telephonically. Verify the taxpayer’s identity using approved functional procedures and document the case history about the authorization, including the following:
- The information to be disclosed (e.g., the amount of the NFTL, the address of the property subject to the lien);
 - The identity of the third party authorized to receive the information; and
 - The date of the consent.

Example: On 03/05/2018, Taxpayer A verbally authorized disclosure of the payoff amount of all NFTLs to XYZ Title for the sale of property at 134 Maple Boulevard.

- (4) Any person, other than the taxpayer or their designee, desiring information as to the amount of the outstanding obligation in order to decide whether to acquire the property covered by the lien (when an NFTL has been filed) must submit a written request stating the reason(s) the information is needed and properly identifying the NFTL in question. Also, a prospective purchaser should attach a copy of the sales contract or a lender loan application.
- (5) Disclose information only for the tax liabilities included in the authorization. Information about liabilities not on an NFTL should not be disclosed to a third party without obtaining the taxpayer’s authorization, either orally or in writing. Document taxpayer authorizations in the case history.

- (6) Seek advice from Area Counsel in situations where the taxpayer's authorization cannot be obtained (e.g., taxpayer is medically incapacitated, taxpayer is on vacation outside the U.S. and cannot be reached, etc.).

5.12.1.11
(07-11-2018)
NFTLs and Certificates

- (1) This section identifies the various forms and certificates associated with the creation and maintenance of Notices of Federal Tax Lien. The documents are grouped by topic.

5.12.1.11.1
(07-11-2018)
Notice of Federal Tax Lien Documents

- (1) The following table shows the NFTL documents associated with IRC 6323 and IRC 6324. All the documents can be generated and printed by ALS except as noted below.

| Title | Product | IRM Location | Requested through |
|--|---|-----------------|--|
| <i>Notice of Federal Tax Lien</i> | <i>Form 668(Y)(c) or Form 668(Y)</i> | IRM 5.12.7 | ICS ACS Form 12636 |
| <i>Notice of Federal Tax Lien - Nominee or Transferee (no transferee liability assessed)</i> | Form 668(Y) (annotated with property description) | IRM 5.12.7.6 | Manually prepared (Advisory and Area Counsel review) |
| <i>Notice of Federal Tax Lien -Alter Ego, Successor-in-Interest</i> | Form 668(Y) (annotated) | IRM 5.12.7.6 | Form 12636 Manually prepared (Advisory and Area Counsel review) |
| <i>Amended Notice of Federal Tax Lien</i> | Form 668(Y) (annotated as Amended) | IRM 5.12.7.9.2 | Form 13809 |
| <i>Notice of Federal Tax Lien Refile</i> | Form 668-F | IRM 5.12.8 | ICS Form 12636 |
| <i>Notice of Federal Estate Tax Lien</i> | Form 668-H Form 668-J | IRM 5.5.8 | Manually prepared |
| <i>Certificate of Duplication of Federal Tax Lien</i> | Letter 2440 | IRM 5.12.7.10.4 | Manually prepared |

Exception: Notices of federal estate tax lien and certificates of duplication are not generated or printed by ALS. NFTLs against nominees or transferees are input to ALS for SLID generation, but have to be manually prepared due to their special wording.

- (2) The following table shows the documents used to withdraw NFTLs filed under IRC 6323. All the documents can be generated and printed by ALS.

| Title | Product | IRM Location | Requested through |
|---|-----------------------------------|--------------|-------------------|
| <i>Withdrawal of Filed Notice of Federal Tax Lien</i> | Form 10916 | IRM 5.12.9 | Form 13794-W |
| <i>Partial Withdrawal of Filed Notice of Federal Tax Lien</i> | Form 10916 (annotated as Partial) | IRM 5.12.9 | Form 13794-W |
| <i>Withdrawal of Notice of Federal Tax Lien After Release</i> | Form 10916-A | IRM 5.12.9.9 | Form 13794-W |

5.12.1.11.2
(07-11-2018)

Lien Release Documents

- (1) Whenever an NFTL has been filed and the total liability included on the NFTL has been satisfied or becomes unenforceable, a release document is required to notify creditors of the lien's change in status. See IRM 5.12.3, *Lien Release and Related Topics*, for further information.
- (2) The following table shows release documents associated with IRC 6325 and IRC 6326. All the documents can be generated and printed by ALS except as noted below.

| Title | Product | IRM Location | Requested through |
|--|--------------------------------------|------------------|--------------------------------|
| <i>Certificate of Release of Federal Tax Lien</i> | Form 668-Z | IRM 5.12.3 | Form 13794 |
| <i>Certificate of Release of Federal Tax Lien - Erroneous NFTL Filed</i> | Form 668-Z (with special wording) | IRM 5.12.3.9 | Form 13794 |
| <i>Partial Certificate of Release of Federal Tax Lien</i> | Form 668-Z (annotated as Partial) | IRM 5.12.3.6 | Form 13794 |
| <i>Notice of Federal Tax Lien - Self-Release</i> | Form 668(Y) (self-release statement) | IRM 5.12.3.4.1.1 | n/a |
| <i>Certificate of Release of Federal Estate Tax Lien Under IRC Section 6324B</i> | Form 668-I (replaces Form 668-H) | IRM 5.5.8 | Advisory Estate Tax Lien Group |
| <i>Certificate of Release of Federal Estate Tax Lien Under IRC Section 6324A</i> | Form 668-K (replaces Form 668-J) | IRM 5.5.8 | Advisory Estate Tax Lien Group |

Exception: Certificates of release of federal estate tax lien are not generated or printed by ALS.

- (3) The Form 668(Y) can also serve as a lien release document. The Form 668(Y) contains a statement that says if the NFTL is not refiled by the Last Day for Refiling shown, the Form 668(Y) will operate as a certificate of release. See IRM 5.12.3.4.1.1, *Self-Releasing Lien*, for further information.

5.12.1.11.3
(07-11-2018)

Documents to Revoke a Release

- (1) If a lien has been erroneously or inadvertently released but the collection statute remains open, the release must be revoked to re-establish the statutory lien. The following table shows certificates used in the revocation process. All the documents can be generated and printed by ALS.

| Title | Product | IRM Location | Requested through |
|--|--|---------------|-------------------|
| <i>Revocation of Release of Federal Tax Lien</i> | Form 12474 Form 12474-A | IRM 5.12.3.14 | Form 14466 |
| <i>Partial Revocation of Release of Federal Tax Lien</i> | Form 12474 Form 12474-A (annotated as Partial) | IRM 5.12.3.14 | Form 14466 |

5.12.1.11.4
(07-11-2018)

Other Certificates Relating to Liens

- (1) After an NFTL has been filed and before the lien can be released, situations can arise in which the effect of the lien on specific property has to be addressed. IRC 6325 provides provisions to address these situations, which include the following:

- Discharge - removes specific property from the effect of the lien
- Subordination - allows a junior creditor to assume a priority position over the lien with respect to specific property
- Non-attachment - indicates a lien does not attach specific property

- (2) The following table shows certificates used to address the attachment of a lien to identified property. These certificates are not generated by ALS nor processed through CLO. These certificates are normally processed through Advisory.

| Title | Product | IRM Location | Requested through |
|--|--|----------------|---|
| <i>Certificate of Discharge of Property from Federal Tax Lien</i> (various code sections) | Form 669-A Form 669-B Form 669-C Form 669-G Form 669-H | IRM 5.12.10.3 | Form 14135 Form 3033 |
| <i>Certificate of Subordination of Federal Tax Lien</i> (various code sections) | Form 669-D | IRM 5.12.10.6 | Form 14134 Form 3033 |
| <i>Certificate of Discharge of Property from Federal Estate Tax Lien</i> | Form 792 | IRM 5.5.8 | Form 4422 (Advisory Estate Tax Lien Group) |
| <i>Certificate of Subordination of Federal Estate Tax Lien</i> | Form 669-F | IRM 5.5.8 | Letter (Advisory Estate Tax Lien Group) |
| <i>Certificate of Non-Attachment of Federal Tax Lien</i> | Form 669-N | IRM 5.12.10.13 | Letter or memo |

- (3) It may also be necessary to address the IRS' redemption rights regarding property sold at a foreclosure initiated by a third party creditor. A release of right of redemption waives the opportunity for the government to redeem real property from a foreclosure sale purchaser. The following table shows certificates used in foreclosure cases.

| Title | Product | IRM Location | Request Form |
|--|--------------------------------|------------------------------|--------------------------|
| <i>Certificate of Release of Right of Redemption (Value)</i> | ICS Template <i>OBD-225</i> | IRM 5.12.5.8 IRM 5.12.5.9 | Letter <i>OBD-225</i> |
| <i>Certificate of Release of Right of Redemption (Valueless)</i> | ICS Template <i>OBD-225</i> | IRM 5.12.5.8 IRM 5.12.5.9 | Letter <i>OBD-225</i> |

Note: OBD-225 is a Department of Justice form.

5.12.1.12
(07-11-2018)
**Request and Report
Products Associated
with the Lien Program**

- (1) This section contains a listing of the various forms, publications, instructions, and applications associated with the lien program. The subsections are grouped by topic.

5.12.1.12.1
(07-11-2018)
**Products for Requesting
Lien Certificates**

- (1) The table below shows various forms and publications (Pubs) for taxpayers to use when requesting lien certificates.

| Title | Product |
|--|-------------------|
| <i>Instructions on how to apply for a Certificate of Discharge of Property From Federal Tax Lien</i> | <i>Pub 783</i> |
| <i>Application for Certificate of Discharge of Federal Tax Lien</i> | <i>Form 14135</i> |
| <i>Request for Relocation Expenses Allowance</i> | <i>Form 12451</i> |
| <i>How to Prepare an Application for a Certificate of Subordination of Federal Tax Lien</i> | <i>Pub 784</i> |
| <i>Application for Certificate of Subordination of Federal Tax Lien</i> | <i>Form 14134</i> |
| <i>Purchase Money Mortgages and Subordination of the Federal Tax Lien</i> | <i>Pub 785</i> |
| <i>Instructions on How to Request a Certificate of Release of Federal Tax Lien</i> | <i>Pub 1450</i> |
| <i>Application for Withdrawal of Filed Form 668(Y), Notice of Federal Tax Lien (as based on Internal Revenue Code Section 6323(j))</i> | <i>Form 12277</i> |
| <i>How to Prepare an Application for a Certificate of Nonattachment of Federal Tax Lien</i> | <i>Pub 1024</i> |
| <i>Application for Certificate Discharging Property Subject to Estate Tax Lien</i> | <i>Form 4422</i> |
| <i>How to Apply for Certificate of Subordination of Estate Tax Lien Under IRC 6325(d)(3)</i> | <i>Pub 1153</i> |
| <i>IRC Section 6324A Lien Agreement Form</i> | <i>Form 13925</i> |

- (2) Prospective applicants should be reminded of other online resources available, such as Pub 4235, *Collection Advisory Group Addresses*, and the tutorial videos for applications. See IRM 5.12.1.8, *Other Online Resources for Lien Program*.

5.12.1.12.2
(07-11-2018)

**Products for
Foreclosure and
Redemption Programs**

- (1) The table below shows various publications related to the Foreclosure and Redemption programs.

| Title | Product |
|---|-------------------|
| <i>Instructions for Preparing Notice of Non-Judicial Sale of Property & Application for Consent to Sale</i> | <i>Pub 786</i> |
| <i>Notice of Nonjudicial Sale of Property</i> | <i>Form 14497</i> |
| <i>Application for Consent to Sale of Property Free of the Federal Tax Lien</i> | <i>Form 14498</i> |
| <i>Requesting the United States to Release Its Right to Redeem Property Secured by a Federal Tax Lien</i> | <i>Pub 487</i> |

5.12.1.12.3
(07-11-2018)

**Forms for Reporting
Investigation Results**

- (1) The table below shows various forms used by employees to report the results of an investigation relative to the lien program. See IRM 5.12.10, *Lien Related Certificates*, and IRM 5.12.4, *Judicial/Non-Judicial Foreclosures*, for further details.

| Title | Product |
|---|------------------|
| <i>Investigation of Request for Certificate of Discharge or Subordination</i> | <i>Form 3033</i> |
| <i>Report of Investigation (26 USC § 7425 or 28 USC §2410)</i> | <i>Form 4376</i> |

5.12.1.12.4
(07-11-2018)

**Miscellaneous Products
Associated with the Lien
Program**

- (1) The following table shows miscellaneous documents associated with the lien program.

| Title | Product |
|--|-----------------|
| <i>Collection Advisory Group Addresses</i> | <i>Pub 4235</i> |
| <i>Guidelines for Processing Notice of Federal Tax Lien Documents</i> (For recording offices and internal use only) | <i>Pub 1468</i> |

5.12.1.13 (07-11-2018) (1) The following subsections provide letters associated with the lien program.

Letters Associated with the Lien Program

5.12.1.13.1 (07-11-2018) (1) The table below shows the letters associated with filing an NFTL. See IRM 5.12.7, *Notice of Lien Preparation and Filing*, and IRM 5.12.6, *Appeals Processes Involving Liens*, for additional information.

Letters Associated with NFTL Filing

| Title | Product |
|--|-------------|
| <i>Notice of Federal Tax Lien Filing and Your Rights to a Hearing Under IRC 6320</i> | Letter 3172 |
| <i>Notice of Federal Tax Lien Additional Filing</i> | Letter 3171 |
| <i>Notice of Federal Tax Lien Filing - Power of Attorney</i> | Letter 3262 |
| <i>Notice of Federal Tax Lien Additional Filing - Power of Attorney</i> | Letter 3271 |
| <i>Notice of Special Condition Notice of Federal Tax Lien Filing - Taxpayer</i> | Letter 3886 |
| <i>Notice of Special Condition Notice of Federal Tax Lien Filing - Nominee/Alter Ego</i> | Letter 3177 |
| <i>Notice of Federal Tax Lien Filing - Child Support Obligation</i> | Letter 3527 |

5.12.1.13.2 (07-11-2018) (1) The table below shows the letters associated with NFTL withdrawals. See IRM 5.12.9, *Withdrawal of Notice of Federal Tax Lien*, for additional information.

Letters Associated with NFTL Withdrawal

| Title | Product |
|--|-------------|
| <i>Withdraw after Notice of Lien Release</i> | Letter 3044 |
| <i>Notice of Lien Withdrawal</i> | Letter 4026 |

5.12.1.13.3 (07-11-2018) (1) The table below shows the letters associated with lien releases and claims under IRC 6326 and IRC 7432. See IRM 5.12.3, *Lien Release and Related Topics*, for additional information.

Letters Associated with Lien Releases and Certain Claims

| Title | Product |
|---|------------------------------|
| <i>Taxpayer Lien Payoff Letter</i> | Letter 3640 Letter 3640-B |
| <i>Third Party Lien Payoff Letter (Escrow or Financial Institution)</i> | Letter 3641 Letter 3641-B |
| <i>Lien Payoff for Judicial Processing</i> | Letter 3640-D |

| Title | Product |
|---|----------------|
| <i>Commitment to Release Notice of Federal Tax Lien</i> | Letter 4117 |
| <i>Release of Federal Tax Lien</i> | Notice 48 |
| <i>Letter of Apology - Erroneous Filing of Notice of Federal Tax Lien</i> | Letter 544 |
| <i>Letter of Apology - Inadvertent Filing of Notice of Federal Tax Lien</i> | Letter 544-I |
| <i>Acknowledgement of Administrative Appeal Request</i> | Letter 2421 |
| <i>Acknowledgement and Partial Denial of Administrative Appeals Request</i> | Letter 2423 |
| <i>Non-processable Claim for Damages Letter</i> | Letter 2730 |
| <i>Transfer of Claim for Damages</i> | Letter 2731 |
| <i>Notification of full or partial Denial of claim for civil Damages</i> | Letter 2732 |
| <i>Notification of Full or Partial Allowance of Claim for Civil Damages</i> | Letter 2733 |
| <i>Processing Letter for Financial Management Services Claim Group</i> | Letter 2734 |

5.12.1.13.4
(07-11-2018)

**Letters Associated with
Discharge and
Subordination
Certificates**

- (1) The table below shows the letters associated with discharges, subordinations, and other lien-related certificates. See IRM 5.12.10, *Lien Related Certificates*, for additional information.

| Title | Product |
|---|----------------|
| <i>Conditional Commitment to Discharge Certain Property from Federal Tax Lien</i> | Letter 402 |
| <i>Conditional Commitment to Discharge Certain Property from Federal Tax Lien (Value)</i> | Letter 403 |
| <i>Letter Advising of Action on Application for Discharge of Property From Federal Tax Lien</i> | Letter 4025 |
| <i>Letter Advising of Action on Application for Subordination of Federal Tax Lien</i> | Letter 4027 |
| <i>Conditional Commitment to Subordinate Federal Tax Lien</i> | Letter 4053 |

5.12.1.13.5
(07-11-2018)

**Letters Associated with
Estate and Gift Tax
Liens**

- (1) The table below shows the letters associated with estate and gift tax cases. See IRM 5.5.8, *Estate Tax Liens*, for additional information.

| Title | Product |
|---|----------------|
| <i>Request for Discharge of Estate Tax Lien</i> | Letter 1352 |

| Title | Product |
|--|-------------|
| <i>Estate Tax Lien Conditional Commitment for Discharge</i> | Letter 5751 |
| <i>Notification Regarding IRC 6166 Security Requirements</i> | Letter 4283 |
| <i>Collateral Valuation</i> | Letter 4345 |
| <i>Additional Collateral</i> | Letter 4346 |
| <i>Notice of Federal Taxes Due</i> | Form 10492 |

5.12.1.13.6
(07-11-2018)

Letters Associated with Foreclosures and Redemptions

- (1) The table below shows the letters associated with non-judicial foreclosures and any type of foreclosure redemption. See IRM 5.12.4, *Judicial/Non-Judicial Foreclosures*, and IRM 5.12.5, *Redemptions*, for additional information.

| Title | Product |
|--|-------------|
| <i>Notification of Inadequacy of Nonjudicial Sale Notice</i> | Letter 1840 |
| <i>Notification of IRS Right of Redemption</i> | Letter 5597 |

5.12.1.14
(07-11-2018)

Centralized Lien Operation

- (1) The Centralized Lien Operation (CLO) holds the primary responsibility for processing NFTL documents. CLO's duties include the following:
- Creating and maintaining NFTLs on ALS and processing documents generated by ALS.
 - Interacting with recording offices throughout the United States and its territories to file lien documents and facilitate payment of applicable recording fees.
 - Administering the ALS database, including but not limited to, adding and removing users, resolving exception reports, providing assistance to other functional users.
 - Assisting IRS employees regarding non-technical ALS issues.
- (2) Most new NFTLs are requested, and most releases generated, through ALS' systemic interfaces. When manually requesting an NFTL or other NFTL document, complete the appropriate request form (see IRM 5.12.1.11, *NFTLs and Certificates*). Forward the form to CLO via secure email or efax.
- Note:** Contact information for CLO can be found on SERP under the Who/Where tab (*Liens-Centralized Lien Processing*).
- (3) If CLO encounters a problem with a request, they may contact the requesting employee. Occasionally, CLO will need to refer an issue to their Field Office Resource Team (FORT).
- (4) If a Collection employee encounters a problem with an NFTL document, they should contact CLO. After researching the matter, CLO will advise the employee of how to resolve the problem, which could include correcting the

NFTL (see IRM 5.12.7.9, *NFTL Corrections*). If the employee does not agree with CLO's resolution or if the issue is a general problem impacting many NFTL documents, the employee may contact the CLO FORT.

- (5) For assistance with the ALS database on changes such as POD addresses, group numbers, and county/zip code matches, the field employee should contact the local ICS IQ Analyst who will coordinate the changes with the ALS Functional Coordinator.
- (6) For more information about CLO processing, communication, and quality control responsibilities, see IRM 5.19.12, *Centralized Lien Operation*.

5.12.1.14.1
(07-11-2018)
**CLO Field Office
Resource Team (FORT)**

- (1) The FORT is CLO's technical resource for NFTL issues, ALS coordination, and elevated recording situations. A staff revenue officer/advisor is available to assist with more complex issues.
- (2) Referrals to the FORT generally come from the CLO teams, but they may also come from recording offices, field employees, and other internal or external sources.
- (3) FORT responsibilities may include, but are not limited to, the following:
 - Technical questions regarding lien document requests
 - Reviews of lien documents not processed through ALS
 - Procedural issues involving NFTLs and lien certificates
 - Controls for estate tax lien filings
 - Work stoppages due to recording office rejections or billing issues
 - Updates to ALS support tables
- (4) As needed, the FORT works with Headquarters Analysts, Governmental Liaisons, and Counsel to address issues beyond their control.
- (5) For more information about the FORT, see IRM 5.19.12.8, *Field Office Resource Team (FORT)*.

5.12.1.15
(07-11-2018)
**Automated Lien System
(ALS)**

- (1) ALS electronically stores data regarding NFTL filings and generates lien documents. ALS provides the tools for users to:
 - create, amend, refile, and withdraw NFTLs;
 - release liens and revoke releases;
 - process NFTL notification letters; and
 - print NFTL and CDP letter facsimiles.
- (2) ALS interfaces with many IRS systems, including the following:
 - ACS and ICS - for systemic NFTL requests
 - Master File - to upload transaction codes related to NFTL filings
 - Correspondence Production Services (CPS) - to print and mail NFTL notices
- (3) Any employee with a business need can request research access to ALS.
- (4) For additional information about ALS, go to the *Automated Lien System* page on *MySB/SE*.

5.12.1.15.1
(07-11-2018)
**ALS Functional
Coordinator**

- (1) The ALS Coordinator is located in the FORT at CLO. The primary responsibility of the Coordinator is to maintain the ALS system, which includes the following:
 - Establishing permissions and menu groups for users
 - Generating and providing reports to management
 - Updating local files and/or permissions
 - Serving as a resource person for users experiencing problems
- (2) The Coordinator also assists with ALS secondary passwords for those users with advanced permissions in ALS.

Note: The ALS Coordinator can only reset the ALS secondary password. UNIX login passwords (i.e., the initial logon password) are reset through the IT Help Desk.

- (3) For changes to POD addresses, group numbers, or county/zip code matches in ALS, contact the local IQA, who will coordinate the changes with the ALS Coordinator.
- (4) ALS Coordinator information can be found through the *CLO Contact Page* on the *ALS web page*.

5.12.1.15.2
(07-11-2018)
ALS Permissions

- (1) Collection Policy governs most aspects of the ALS system, including determining the access levels generally needed for each position type. See IRM Exhibit 5.12.1-1, *ALS Permissions Chart*. The ALS Coordinator ensures permissions are accurate and current using information provided by functional managers. Questions about access should be directed to the ALS Coordinator.
- (2) Request for ALS access is done through an Online (OL) 5081. In the request, new users should indicate the type of access or permissions required (e.g., research, create, approval, temporary access vs. permanent). Detailed instructions on requesting ALS access can be found in Chapter 1 of the *ALS User Guide*.
- (3) ALS access requests must include the employee's IDRS TSiGN number. Employees cannot be added to ALS without a TSiGN. ALS uses the TSiGN number to associate lien requestor, and approver, information with lien documents. Therefore, ALS access requests cannot be processed unless an employee's TSiGN is provided.

Note: If the employee does not have a TSiGN, the functional manager must create and provide one. See *ADP Handbook, Section 11, Collection*, for guidance. ALS programmers and Compliance Policy staff do not provide TSiGNs for ALS use. The ALS Coordinator can assist functional managers, if needed.

- (4) If an ALS user experiences problems accessing the system and needs their **password reset**, there are different procedures depending on the password involved.
 - a. To reset the **UNIX login** (i.e., the initial password), contact the IT Help Desk.
 - b. To reset the **ALS login** (i.e., the secondary password for those employees with enhanced permissions), contact the ALS coordinator by secure email, showing the user's name and ALS login

- (5) Subsequent changes affecting the user's account, such as requests for additional permissions or removal of permissions, should be approved by the employee's manager and submitted via OL5081. Provide the following employee information to the ALS Coordinator:
 - Functional unit (e.g., MOIC, COIC, CIO, etc.)
 - Job title
 - Employee identification number
 - Mailing address
 - Telephone number
- (6) The ALS coordinator works with the employee's manager and/or the Lien Program Policy Analyst, when necessary, to ensure proper permissions are given.
- (7) Deleting employees from ALS requires the functional manager's approval, including those requests received from systems administrators. Also, use the OL5081 process to remove retired or resigned employees from the database immediately upon notification.
- (8) The ALS Coordinator is responsible for updates to user profiles. Passwords are generally responded to within three (3) days of request receipt.

5.12.1.16
(07-11-2018)

Contacting Recording Officials

- (1) CLO is the contact point for recording officials with questions about NFTL documents or concerns about the lien process. Recording offices are provided CLO contact information with the lien documents presented for filing and in Pub 1468, *Guidelines for Processing Notice of Federal Tax Lien Documents*.
- (2) Upon receiving an inquiry, CLO investigates the situation, explains the IRS' position, and takes necessary steps to resolve the issue. As needed, CLO will contact Policy Analysts, Counsel, ALS staff, or other impacted offices.
- (3) Field employees' contact with recording officials is generally limited to public record searches or situations where an NFTL has to be manually filed. Occasionally though, a recording official might contact a field employee regarding a lien document or filing question. The employee should respond with the appropriate information, if possible, or direct the recording official to CLO. In either situation, the employee should inform CLO of the inquiry as CLO is in the best position to recognize if the concern is a one-time situation or if there are multiple recording offices with concerns on the same topic.

5.12.1.16.1
(07-11-2018)

Paying for Lien Document Filings

- (1) Recording offices normally charge a fee to record documents presented for filing. The amount charged varies by recording office and the type of document. CLO maintains information in ALS about the amounts charged by each recording office.
- (2) When CLO processes NFTL documents for filing, CLO builds a Billing Support Voucher (BSV) for all the documents to be filed in that recording office and ALS calculates the total filing fee to be paid. After mailing the batch of NFTL documents for filing, CLO enters payment certification into ALS, which triggers an electronic payment to the recording office through the Integrated Financial System (IFS). See IRM 5.19.12.3.2, *Billing Support Voucher*, for further information.

- (3) All NFTL documents, including manually-prepared ones, should be filed through CLO so that they can be included in the BSV payment process. In the rare situation where exigent circumstances exist and the NFTL document must be hand-carried to the recording office for filing, the employee presenting the document to the recording office is responsible for ensuring the filing fee is paid. See IRM 5.12.7.10.5, *Hand-Carried NFTL for Filing*, for detailed procedures.
- (4) Lien-related certificates, such as those for discharge, subordination, and non-attachment, are not filed by IRS, but are issued directly to the taxpayer or a third party. It is the responsibility of the taxpayer or third party that presents the certificate for filing to pay any fees charged by the recording office.

5.12.1.17
(07-11-2018)
Summary of NFTL Filing Process

- (1) This subsection generally describes the NFTL filing process. For more detailed information, review IRM 5.12.7, *Notice of Lien Preparation and Filing*, IRM 5.19.4, *Enforcement Action*, IRM 5.19.6, *ACS Support*, and IRM 5.19.12, *Centralized Lien Operation*.
- (2) An NFTL is requested, either systemically or manually, and generated on ALS.
 - Most NFTLs are requested systemically through ICS and ACS. ALS interfaces with these systems on a nightly basis and generates the NFTL the following day.

Note: ACS requests are subject to a perfection process before being loaded to ALS. The NFTL will not be generated on ALS until the request is perfected. See IRM 5.19.4.6.3, *Perfecting Entity Name/TIN Before NFTL Filing*.
 - An NFTL can be manually requested and the NFTL information directly input to ALS. Generally, this is done for cases not assigned on ICS or ACS, or for NFTLs requiring special wording (e.g., special condition NFTLs). ALS generates manually-input NFTLs the same day.
 - In rare situations, Field Collection may manually prepare an NFTL by completing Form 668(Y). The NFTL information must still be input to ALS directly or through the manual ICS NFTL process. See IRM 5.12.7.4.2, *Manually-Prepared NFTLs Using ICS*.
- (3) If applicable, Power of Attorney (POA) information for the NFTL is loaded to ALS.
 - For systemic NFTL requests, ICS and ACS pass available POA information to ALS with the request.
 - For manual requests and for systemic requests where POA information is not on ICS/ACS, POA information must be manually input to ALS. See IRM 5.12.7.3.2, *Requesting NFTLs Using Form 12636*, and IRM 5.12.6.3.10, *Notifying the Authorized Representative/Power of Attorney*.
- (4) After the NFTL is generated on ALS, it is printed by CLO in the next scheduled print cycle, which is normally within five (5) business days. See IRM 5.12.7.11.1, *Printing the NFTL*.
- (5) CLO batches the printed NFTL with other lien documents on a Billing Support Voucher (BSV) and mails the batched documents to the applicable recording office the day after being printed. See IRM 5.19.12.3.5, *Printing and Mailing Documents for Recordation*.

- (6) The day after the NFTL is printed, ALS transmits the NFTL data to Correspondence Production Services (CPS) for the Collection Due Process (CDP) notice and/or other notice. See IRM 5.19.12.6, *Collection Due Process*.
- (7) CPS generates, prints, and mails the CDP notice to the taxpayer as required by IRC 6320. Other notices are issued in accordance with established guidelines. See IRM 5.12.6.3.6, *CDP Notice Time Frames*.
- (8) On Friday of each week, ALS transmits Transaction Code (TC) 582, TC 360, and TC 971 AC 252 to Master File for the NFTLs printed that week.
 - The TC 582 normally posts to Master File by the end of the processing cycle.
 - The TC 971 AC 252 and TC 360, which are posted through a different process, usually post within one cycle.

Note: TC posting may be delayed if there is an unpostable situation to resolve. See IRM 5.19.12.10, *GUF Unpostables*.

- (9) The following table describes the TCs associated with NFTL filings. The posting dates shown for the TCs are approximations of when events occur. ALS and/or the NFTL facsimile should be reviewed for actual dates.

| TC | Description | Where TC Posts | TC Posting Date Description |
|------------|---|---|--------------------------------|
| 582 | NFTL filed | Every module on the NFTL | ALS transmittal to Master File |
| 360 | NFTL recording fee (plus current release fee) | Module on NFTL with oldest assessment | Estimated recordation date. |
| 971 AC 252 | CDP notice issued | Every module on the NFTL, if first NFTL filed | Estimated date of CDP notice |

- (10) Amended and refiled NFTLs are manually input to ALS and generally follow the same process described above. TC 582s are posted for these filings and, if applicable, TCs 360 and 971 AC 252 are also posted. See IRM 5.12.7.9.2, *Correcting the Filed NFTL*, and IRM 5.12.8, *Notice of Lien Refiling*.
- (11) Lien releases are most often systemically input to ALS, but they can be manually input as needed. Certificates of release are printed and mailed to the recording office following standard batch processing. As with NFTLs, the printing and mailing of the certificate of release triggers the transmittal of data from ALS to CPS (for issuance of the taxpayer copy) and to Master File (for the posting of a TC 583 to each module on the NFTL). See IRM 5.12.3, *Lien Release and Related Topics*.

5.12.1.17.1
(07-11-2018)
Managing NFTLs During Dead Cycles

- (1) Master File generally updates its systems during the first two to three cycles of the calendar year. This period is known as the “dead cycles.”
- (2) During the dead cycles, CLO continues to process documents in accordance with established time frames; however, Master File does not post transaction codes regarding NFTL filings.
- (3) Also during the dead cycles, Master File does not post satisfying transactions nor does it provide Status 12 indicators to ALS, which impacts the systemic

release process. Irrespective of the dead cycles, certificates of release must be issued within the 30-day time frame established by IRC 6325(a).

- (4) While working a case, if the liability(s) on the NFTL is fully satisfied during the dead cycles, a certificate of release should be manually requested through ALS. See IRM 5.12.3.3, *Lien Release Conditions*.

Reminder: Payments that are received, or other satisfying transactions that occur, at the end of the calendar year may have their posting to Master File delayed by the dead cycles. Releases should be manually requested for any satisfying transactions impacted by the dead cycles.

- (5) Transaction codes for lien documents processed during the dead cycles will post when Master File is back on line.

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Exhibit 5.12.1-1 (07-11-2018)
ALS Permissions Chart

ALS access options have been established for employees in the following functions, including affiliated revenue officers, specialists, tax examiners, case workers, clerks, and group secretaries. Permissions must be approved by managers and may be altered to meet specific employee needs.

| Permission | Field Collection | TAS, Appeals | MOIC | COIC | CIO | Advisory, Insolvency |
|---|------------------|--------------|------|------|-----|----------------------|
| Research | x | x | x | x | x | x |
| Print Facsimiles | x | x | x | x | x | x |
| Create | | | | x | x | x |
| Edit | | | | x | | |
| Amend | | | | | | x |
| Refile | | | | | x | x |
| Input POA | x | | | x | x | x |
| Court Data | | | | | | x |
| Withdrawal | | | | | x | x |
| Release | | | x | | x | x |
| Partial Release | | | | | x | x |
| Revocation | | | | | x | x |
| Add History | | | | x | x | x |
| Approve | | | x | y | x | x |
| Bypass Approve | | | | | y | z |
| <p>x = standard permission; y = for managers only; z = requires managerial approval</p> <p>TAS - Taxpayer Advocate Service MOIC - Monitoring Offer In Compromise Unit COIC - Centralized Offer In Compromise Unit CIO - Centralized Insolvency Operation</p> | | | | | | |

Exhibit 5.12.1-2 (07-11-2018)
Glossary of Common Acronyms in IRM 5.12

The following table shows acronyms common to the lien program.

| Acronym | Definition |
|----------------|--------------------------------------|
| ACS | Automated Collection Service |
| AIS | Automated Insolvency System |
| ALS | Automated Lien System |
| BMF | Business Master File |
| BSV | Billing Support Voucher |
| CAF | Centralized Authorization File |
| CAP | Collection Appeal Program |
| CDP | Collection Due Process |
| CFO | Chief Financial Officer |
| CIO | Centralized Insolvency Operation |
| CLO | Centralized Lien Operation |
| COIC | Centralized Offer in Compromise |
| CPS | Correspondence Production Services |
| CSED | Collection Statute Expiration Date |
| DDIA | Direct Debit Installment Agreement |
| DPC | Designated Payment Code |
| EFT | Electronic Fund Transfer |
| EIN | Employer Identification Number |
| FORT | Field Office Resource Team |
| GM | Group Manager |
| ICS | Integrated Collection System |
| IDRS | Integrated Data Retrieval System |
| IMF | Individual Master File |
| IQA | ICS/Entity Quality Analyst |
| IRC | Internal Revenue Code |
| IRM | Internal Revenue Manual |
| LFI | [Notice of] Lien Filed Indicator |
| LLC | Limited Liability Company |
| MCAR | Mutual Collection Assistance Request |

Exhibit 5.12.1-2 (Cont. 1) (07-11-2018)
Glossary of Common Acronyms in IRM 5.12

| Acronym | Definition |
|----------------|---|
| MF | Master File |
| MFT | Master File Transaction |
| MOIC | Monitoring Offer in Compromise |
| NAOC | NFTL After Original CSED (fka Portland Lien) |
| NFOI | Non-Field Other Investigation |
| NFTL | Notice of Federal Tax Lien |
| NMF | Non-Master File |
| NTBFL | Not To Be Filed [Notice of] Lien |
| OIC | Offer in Compromise |
| POA | Power of Attorney |
| RO | Revenue Officer |
| SFR | Substitute for Return |
| SRP | Shared Responsibility Payment |
| SLID | Serial Lien Identification number |
| SMO | Single Member Owner |
| SSN | Social Security Number |
| TAS | Taxpayer Advocate Service |
| TC | Transaction Code |
| TFRP | Trust Fund Recovery Penalty |
| TIGTA | Treasury Inspector General for Tax Administration |
| TIN | Taxpayer Identification Number |
| TM | Territory Manager |
| Treas Reg | Treasury Regulation |
| USDC | United States District Court |
| USPS | United States Postal Service |

