

Department
of the
Treasury

Internal
Revenue
Service

Office of
Chief Counsel

Notice

CC-2002-033

September 5, 2002

Suit Letters Requesting Lien
Foreclosure or Levy on a
Subject: Principal Residence
Upon Incorporation
Cancel Date: into the CCDM

Purpose

The purpose of this Notice is to provide that suit letters requesting lien foreclosure on a principal residence will no longer be pre-reviewed in Branch 1, Collection, Bankruptcy & Summonses.

Discussion

This Notice supersedes Chief Counsel Notices N(34)700-2 and N(30)211-3, which required pre-review of letters authorizing the Department of Justice to file lien foreclosure suits on principal residences, or to file suits to obtain judicial approval of levies on principal residences pursuant to I.R.C. § 6334(e)(1).

Part 34.7.14.3 of the CCDM provides guidance regarding whether a lien foreclosure suit would be more appropriate than a section 6334(e)(1) action in a specific case. These criteria are now routinely applied correctly in choosing the appropriate type of action. Accordingly, as of the date of this Notice, pre-review will no longer be required of suit letters seeking foreclosure of the federal tax lien on principal residences.

Inasmuch as there continue to be unresolved issues involving judicial approval of levies on principal residences under section 6334(e)(1), pre-review will still be required for such suits. These suit letters should be submitted to Branch 1, Collection, Bankruptcy & Summonses, for pre-review through TSS 4510. Specific guidelines for the contents of section 6334(e)(1) suit letters are provided in CCDM 34.7.14.

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