

## ***Attention!***

This form is provided for informational purposes and should not be reproduced on personal computer printers by individual taxpayers for filing. The printed version of this form is a "machine readable" form. As such, it must be printed using special paper, special inks, and within precise specifications.

Additional information about the printing of these specialized tax forms can be found in: Publication 1167, *Substitute Printed, Computer-Prepared, and Computer-Generated Tax Forms and Schedules*; and, Publication 1179, *Specifications for Paper Document Reporting and Paper Substitutes for Forms 1096, 1098, 1099 Series, 5498, and W-2G*.

The publications listed above may be obtained by calling 1-800-TAX-FORM (1-800-829-3676). Be sure to order using the IRS publication number.

8181

VOID

CORRECTED

RECIPIENT'S/LENDER'S name, address, and telephone number		OMB No. 1545-0901		<b>Mortgage Interest Statement</b>  <b>Copy A</b> <b>For Internal Revenue Service Center</b> <b>File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice and instructions for completing this form, see the <b>1999 Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
		<b>1999</b> Form <b>1098</b>		
RECIPIENT'S Federal identification no.	PAYER'S social security number	1	Mortgage interest received from payer(s)/borrower(s)	
			\$	
PAYER'S/BORROWER'S name		2	Points paid on purchase of principal residence	
			\$	
Street address (including apt. no.)		3	Refund of overpaid interest	
			\$	
City, state, and ZIP code		4		
Account number (optional)				

Form **1098**

Cat. No. 14402K

Department of the Treasury - Internal Revenue Service

**Do NOT Cut or Separate Forms on This Page — Do NOT Cut or Separate Forms on This Page**

CORRECTED (if checked)

RECIPIENT'S/LENDER'S name, address, and telephone number		* <b>Caution:</b> <i>The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.</i>	OMB No. 1545-0901  <b>1999</b>  Form <b>1098</b>
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**Mortgage  
Interest  
Statement**

RECIPIENT'S Federal identification no.	PAYER'S social security number	<b>1</b> Mortgage interest received from payer(s)/borrower(s)* \$
PAYER'S/BORROWER'S name		<b>2</b> Points paid on purchase of principal residence (See <b>Box 2</b> on back.) \$
Street address (including apt. no.)		<b>3</b> Refund of overpaid interest (See <b>Box 3</b> on back.) \$
City, state, and ZIP code		<b>4</b>
Account number (optional)		

**Copy B  
For Payer**  
The information in boxes 1, 2, and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.

Form **1098**

(Keep for your records.)

Department of the Treasury - Internal Revenue Service

## Instructions for Payer/Borrower

A person (including a financial institution, a governmental unit, and a cooperative housing corporation) who is engaged in a trade or business and, in the course of such trade or business, received from you at least \$600 of mortgage interest (including certain points) on any one mortgage in the calendar year must furnish this statement to you.

If you received this statement as the payer of record on a mortgage on which there are other borrowers, please furnish each of the other borrowers with information about the proper distribution of amounts reported on this form. Each borrower is entitled to deduct only the amount he or she paid and points paid by the seller that represent his or her share of the amount allowable as a deduction for mortgage interest and points. Each borrower may have to include in income a share of any amount reported in box 3.

If your mortgage payments were subsidized by a government agency, you may not be able to deduct the amount of the subsidy.

**Box 1.** Shows the mortgage interest received by the interest recipient during the year. This amount includes interest on any obligation secured by real property, including a home equity, line of credit, or credit card loan. This amount does not include points, government subsidy payments, or seller payments on a "buy-down" mortgage. Such amounts are deductible by you only in certain circumstances. **Caution:** *If you prepaid interest in 1999 that accrued in full by January 15, 2000, this prepaid interest may be included in box 1. However, you cannot deduct the prepaid amount in 1999 even though it may be included in box 1.* If you hold a mortgage credit certificate and can claim the

mortgage interest credit, see **Form 8396**, Mortgage Interest Credit. If the interest was paid on a mortgage, home equity, line of credit, or credit card loan secured by your personal residence, you may be subject to a deduction limitation. For example, if a home equity loan exceeds \$100,000 (\$50,000 if married filing separately) or, together with other home loans, exceeds the fair market value of your home (such as in a high loan-to-value loan), your interest deduction may be limited. For more information, see **Pub. 936**, Home Mortgage Interest Deduction.

**Box 2.** Not all points are reportable to you. Box 2 shows points you or the seller paid this year for the purchase of your principal residence that are required to be reported to you. Generally, these points are fully deductible in the year paid, but you must subtract seller-paid points from the basis of your residence. Other points not reported in this box may also be deductible. See Pub. 936 or your Schedule A (Form 1040) instructions.

**Box 3. Do not deduct this amount.** It is a refund (or credit) for overpayment(s) of interest you made in a prior year or years. If you itemized deductions in the year(s) you paid the interest, include the total amount shown in box 3 on the "Other income" line of your 1999 Form 1040. However, do not report the refund as income if you did not itemize deductions in the year(s) you paid the interest. No adjustment to your prior year(s) tax return(s) is necessary. For more information, see "Recoveries" in **Pub. 525**, Taxable and Nontaxable Income.

**Box 4.** The interest recipient may use this box to give you other information, such as real estate taxes or insurance paid from escrow.

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RECIPIENT'S/LENDER'S name, address, and telephone number			OMB No. 1545-0901
			<b>1999</b>
		Form <b>1098</b>	

**Mortgage  
Interest  
Statement**

RECIPIENT'S Federal identification no.	PAYER'S social security number	<b>1</b> Mortgage interest received from payer(s)/borrower(s) \$
PAYER'S/BORROWER'S name		<b>2</b> Points paid on purchase of principal residence \$
Street address (including apt. no.)		<b>3</b> Refund of overpaid interest \$
City, state, and ZIP code		<b>4</b>
Account number (optional)		

**Copy C  
For Recipient**  
  
For Privacy Act and  
Paperwork Reduction  
Act Notice and  
instructions for  
completing this  
form, see the **1999  
Instructions for  
Forms 1099, 1098,  
5498, and W-2G.**

## Recipients/Lenders, Please Note—

Specific information needed to complete this form and forms in the 1099 series is given in the **1999 Instructions for Forms 1099, 1098, 5498, and W-2G**. A chart in those instructions gives a quick guide to which form must be filed to report a particular payment. You can order those instructions and additional forms by calling 1-800-TAX-FORM (1-800-829-3676). You can also get forms and instructions from the IRS's Internet Web Site at [www.irs.ustreas.gov](http://www.irs.ustreas.gov).

**Caution:** *Because the IRS processes paper forms by machines (optical character recognition equipment), you cannot file with the IRS Forms 1096, 1098, 1099, or 5498 that you print from the IRS's Internet Web Site.*

**Due dates.** Furnish Copy B of this form to the recipient by January 31, 2000.

File Copy A of this form with the IRS by February 28, 2000. If you file electronically, the due date is March 31, 2000.

