

DEPARTMENT OF THE TREASURY
Bureau of Alcohol, Tobacco and Firearms

**INSTRUCTIONS TO PREPARE AN
APPLICATION FOR CERTIFICATE OF SUBORDINATION OF FEDERAL TAX LIEN**

(Submit your typewritten application and all accompanying documents in triplicate. Please read additional information on back.)

Address application to:

Give date of application:

Please give the name and address of the person applying, under section 6325(d)(1) or section 6325(d)(2) of the Internal Revenue Code, for a certificate of subordination. Give name and address of the taxpayer, and describe property as follows:

1. Give a detailed description, including the location, of the property for which you are requesting the certificate of subordination. If real property is involved, give the description contained in the title or deed to the property, and the complete address (street, city, state).
2. Attach a copy of each notice of Federal tax lien, or furnish the following information as it appears on each filed notice of Federal tax lien:
 - . The name of the ATF initiating office;
 - . The name and address of the taxpayer against whom the notice was filed;
 - . The date and place the notice was filed.
3. Describe the encumbrance to which the Federal tax lien is to be subordinated, including:
 - The present amount of the encumbrance;
 - The nature of the encumbrance (such as mortgage, assignment, etc.);
 - The date the transaction is to be completed.
4. List the encumbrances (or attach a copy of the instrument that created each encumbrance) on the property which you believe have priority over the Federal tax lien. For each encumbrance show:
 - The name and address of the holder;
 - A description of the encumbrance;
 - The date of the agreement;
 - The date and place of recording, if any;
 - The original principal amount and the interest rate;
 - The amount due as of the date of the application for certificate of subordination, if known (show costs and accrued interest separately);
 - Your family relationship, if any, to the taxpayer and to the holders of any other encumbrances on the property.
5. Furnish an estimate of the fair market value of the property for which you would like a certificate of subordination.
6. If you are submitting the application under the provisions of section 6325(d) (1), show the amount to be paid to the United States.
7. If you are submitting the application under section 6325(d)(2), attach a complete statement showing how the amount the United States may realize will ultimately increase and how collection of the tax liability will be made easier.
8. Furnish any other information that might help the Chief, Tax Processing Center decide whether to issue a certificate of subordination.
9. Furnish any other specific information the Chief, Tax Processing Center requests.
10. Give a daytime telephone number where you maybe reached.
11. Give the name, address and telephone number of your attorney or other representative, if any.
12. Make the following declaration over your signature and title: "Under penalties of perjury, I declare that I have examined this application, including any accompanying schedules, exhibits, affidavits, and statements, and to the best of my knowledge and belief it is true, correct, and complete."
13. Please follow the instructions in this publication when applying for a Certificate of Subordination of Federal Tax Lien.

14. The Chief, Tax Processing Center has the authority to issue a certificate of subordination of a lien that is filed on any part of a taxpayer's property subject to the lien. The following sections and provisions of the Internal Revenue Code apply:

Section 6325(d)(1), if you pay an amount equal to the lien or interest to which the certificate subordinates the lien of the United States.

Section 6325(d)(2), if the Chief, Tax Processing Center believes that issuance of the certificate will increase the amount the United States may realize, or the collection of the tax liability will then be easier. This applies to the property that the certificate is for, or any other property subject to the lien.

No payment is required for the issuance of a certificate under section 6325(d) (2) of the Code. Payment is required for certificates issued under section 6325(d)(1). However, do not send the payment with your application. The Chief, Tax Processing Center will notify you after determining the amount due.

The Chief, Tax Processing Center will have your application investigated to determine whether to issue the certificate, and will let you know the outcome.

17. A certificate of subordination under section 6325(d) will be issued after approval and upon receipt of the amount determined to be the interest of the United States in the property under the Federal tax lien. Make remittances in cash, or by a certified, cashier's, or treasurer's check drawn on any bank or trust company incorporated under the laws of the United States or of any State or possession of the United States, or by United States postal, bank, express, or telegraph money order. (If you pay by uncertified personal check, issuance of the certificate of subordination will be delayed until the bank honors the check.)

18. Instead of the description required in item 3 on the other side of this publication, you may submit a copy of each instrument under which you believe an encumbrance exists.

In certain cases the Chief, Tax Processing Center may require additional information such as written appraisals by disinterested third parties, a list of all the taxpayer's property or other information needed to make a determination.