

1098 / 1099 Reporting

Forms must be mailed to borrowers and investors by January 31st.

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To create Borrower 1098s, menu to Documents > Reports > Borrower.

First prepare the **Report 1098** and check that Tax ID and address information is complete. You can exclude certain borrowers from 1098 reporting by checking boxes on the **Loan Input Screen** > Other Options > Other Settings > Yearly / Quarterly Reporting section. For example, you might not want to report in-house or non-borrower "Z loans".

Select a **calendar year**. Typically, this would be last year. Keep in mind forms change occasionally, so re-printing older years may require a different form.

Company: Select the servicing company you want to report. If left blank all active loans are going to be exported.

Include Late Fees: If this box is checked, payment amounts in the Late Fees field will be included in box 1 Mortgage interest received.

Minimum Reported Amount: You are not required to send 1098s for borrowers with payments under \$600, but we recommend leaving this box \$0.

Loans: You can generate the 1098 report for certain loans only. If left blank all active loans are going to be exported.

Box 6 of the 1098 form – Points: This is only filled in if the Main Collateral Property Address match the Borrower Present Address street and the **Date Funded** is in the reporting year. The amount comes from the Closing Cost tab > **Points to Broker + Loan Origination Amounts**. You may need to adjust this amount if it is different from the amounts filled in at closing.

Box 7 and 8 are also dependent on Collateral Address matching the Borrower Present Address street.

Paper Form 1098: The easiest way to process IRS forms is to mail plain paper forms and electronically file. The form can be folded and mailed in a plain double window envelope. No extra supplies are needed. Be sure to print and include the back page instructions.

Form 1098: If you order forms, you can print them using the Form 1098/1099 reports. You will need to manually complete an IRS form 1096. **The IRS copy is due at the end of February.**

Electronic Filing: This is required if you have over 250 borrowers or use the Plain Paper option. You can generate a file named IRS_1098_2021.txt using the menu Tools > Data Export Tools > Loan > IRS Forms 1098 Export. Follow the instructions on the printout to send these to us for processing. **Electronic filings are due March 31st. Please send them to us way before that date.**

Securely upload forms from this link: www.mortcare.com/upload

The password is loadit.

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To create Investor 1099s, menu to Documents > Reports > Lender > Paper Form 1099.

The process is similar to preparing 1098s.

Report Type: Net Income is amount paid after servicing fees. This is the recommended setting. Investors can be excluded from the forms by menu to Contacts > Lenders. Then uncheck "Include on 1099".