

Title

FREQUENTLY ASKED ^ QUESTIONS

February 2016

Q Is the charge to process the 1099-S included in the pass-through charges under the NJLTIRB Rate Manual?

A No, it is not.

Federal law prohibits separately charging any customer for filing the required 1099-S [26 USC 6045(e)].

You should not feel that you are not being compensated for filing the 1099-S. The filed rate for settlement services takes into account all of the services that are performed at settlement including but not limited to the filing of the 1099-S. This coupled with the fact that it is not permissible under New Jersey law to add the cost of complying with the information reporting requirement to the filed charge clearly leads to the conclusion that you cannot charge separately for filing the 1099-S.

As always, feel free to address any questions to a member of our underwriting staff.