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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, 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. 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. See the instructions for Form 1040, Schedule A, C, or E for how to report the mortgage interest. Also, for more information, see Pub. 936, Home Mortgage Interest Deduction, and Pub. 535, Business Expenses.

Account number. May show an account or other unique number the lender has assigned to distinguish your account.

Box 1. Shows the mortgage interest received 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 2008 that accrued in full by January 15, 2009, this prepaid interest may be included in box 1.

However, you cannot deduct the prepaid amount in 2008 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.

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 box 2 may also be deductible. See Pub. 936 to figure the amount you can deduct.

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, you may have to include part or all of the box 3 amount on the "Other income" line of your 2008 Form 1040. No adjustment to your prior year(s) tax return(s) is necessary. For more information, see Pub. 936 and Itemized Deduction Recoveries in Pub. 525, Taxable and Nontaxable Income.

Box 4. Shows mortgage insurance premiums which may qualify to be treated as deductible mortgage interest. See the Schedule A (Form 1040) instructions.

Box 5. The interest recipient may use this box to give you other information, such as the address of the property that secures the debt, real estate taxes, or insurance paid from escrow.

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OMB No. 1545-0901

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| RECIPIENT'S/LENDER'S name, address, and telephone number | | * Caution: 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. | | CORRECTED (if checked) → | |
| RECIPIENT'S Federal identification no. | | PAYER'S social security number | | 2008 FORM 1098 Mortgage Interest Statement | |
| PAYER'S/BORROWER'S name, street address (incl. apt. no.) city, state, and ZIP code | | 1 Mortgage interest received from payer(s)/borrower(s)* | | | |
| Account number (see instructions) | | 2 Points paid on purchase of principal residence | | Copy B For Payer The information in boxes 1, 2, 3, and 4 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. | |
| | | 3 Refund of overpaid interest | | | |
| | | 4 Mortgage insurance premiums | | | |
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Form 1098

(keep for your records)

Department of the Treasury - Internal Revenue Service

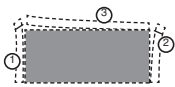
FIRST-CLASS MAIL
IMPORTANT: TAX RETURN
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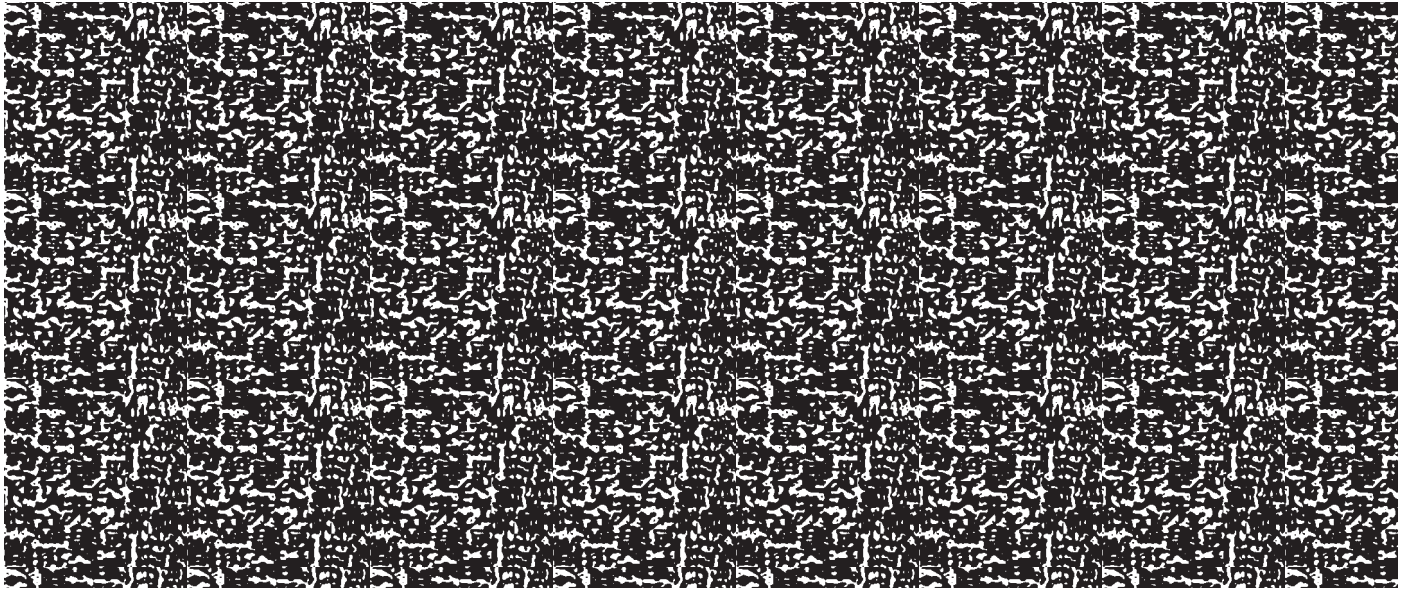
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REMOVE SIDE EDGES FIRST
THEN FOLD AND TEAR THIS STUB ALONG PERFORATION

REMOVE THESE EDGES FIRST
FOLD, CREASE AND TEAR ALONG PERFORATION

REMOVE THESE EDGES FIRST
FOLD, CREASE AND TEAR ALONG PERFORATION



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