TaxRZR · E-9. Narrative for an effective tax administration offer

Attachment to Form 656, [your name], SSN ending [digits]: Explanation of circumstances in support of an offer based on effective tax administration

I acknowledge that my reasonable collection potential, computed on Form 433-A (OIC), exceeds the liability of $[amount]. I am requesting acceptance of my offer of $[amount] because collection of the full amount would create economic hardship within the meaning of Treasury Regulation section 301.7122-1(b)(3).

My circumstances. I am [age]. My income is $[amount] per month from [Social Security / pension / other], and it is fixed. My allowable living expenses under the Collection Financial Standards are $[amount] per month, leaving [no / $[amount]] disposable income. My only significant asset is my home at [address], which I have owned since [year], valued at approximately $[amount] with no mortgage.

Why the equity cannot be reached without hardship. I have applied for a home equity loan with [lender] and [lender] and was declined on [dates] for insufficient income; the denial letters are enclosed. A sale of the home would leave me without housing I can afford at my income, [and would require me to leave the community in which my medical providers, family, and support are located]. [If applicable: I have the following medical conditions, documented in the enclosed records, which require [ongoing care / proximity to specific providers].]

How the liability arose. [Example: The liability arose from distributions from my late husband's retirement account in [years], taken to pay for his medical care during his final illness. I was not advised that the distributions were taxable. I filed the returns on time and have filed and paid on time every year since.]

Source of the offered funds. The offered amount of $[amount] is being provided by [family member] as a [gift / loan] and is not otherwise available to me.

I respectfully request that the offer be accepted.

Enclosed: loan denial letters; benefit statements; property tax assessment or appraisal; medical records as described; [other].

[Signature, date]

Model letter only. Replace [bracketed fields] and verify facts and instructions before use. Not an official IRS form.
Guidance: https://taxrzr.com/guides/e-9-narrative-for-an-effective-tax-administration-offer