

# Table of Contents

<b>Foreclosures</b> .....	<b>1</b>
Form 1099-A .....	2
Box 1 .....	3
Box 2 .....	4
Box 3 .....	4
Box 4 .....	4
Box 5 .....	5
Box 6 .....	5
Calculating Gain or Loss .....	5
Multiple Lenders .....	10
Multiple Borrowers.....	11
Types of Debt.....	13
Secured Debt.....	13
Unsecured Debt.....	16
Taxability .....	17
Unique Types of Repossession.....	18
The Foreclosure Process .....	20
Default .....	20
Acceleration.....	21
Foreclosure or Abandonment.....	21
Sale by Lender .....	21
Pursuit of the Balance .....	22
Discharge of the Debt.....	22
Cash for Keys.....	23
Foreclosures Review Questions.....	25
Foreclosures Review Answers .....	27
<b>Debt Cancellation</b> .....	<b>29</b>
When is Debt Canceled.....	29
Form 1099-C Issues.....	31
Who Must Issue Form 1099-C.....	31
When Form 1099-C Must Be Issued .....	32
Co-signers and Guarantors .....	34
Other Exceptions .....	34
Understanding Form 1099-C .....	36
Box 1 .....	36
Box 2 .....	36
Box 3 .....	38
Box 4 .....	39
Box 5 .....	39
Box 6 .....	39
Box 7 .....	41
Multiple Borrowers.....	46

Debt Cancellation Review Questions .....	47
Debt Cancellation Review Answers .....	49
<b>Income from Discharge of Indebtedness .....</b>	<b>51</b>
Exceptions .....	52
Bankruptcy.....	53
Insolvency.....	53
Qualified Farm Debt .....	61
Qualified Real Property Business Indebtedness .....	62
Qualified Principal Residence Indebtedness .....	63
Pass-Through Entities .....	65
Partnerships .....	65
S Corporations.....	65
Estates.....	66
Form 982 .....	67
What are Tax Attributes.....	70
Reacquisition of a Debt Instrument .....	75
Suspended Passive Losses .....	76
Income from Discharge of Indebtedness Review Questions.....	77
Income from Discharge of Indebtedness Review Answers .....	79
<b>Index .....</b>	<b>81</b>