

IRS Hacking Incident Causing Headaches for Home Buyers

June 2, 2015 – After the IRS announced that it had been hacked last week, it was apparent that the pain would be felt across the country. After all, the hackers managed to steal data on more than 100,000 people and tried to get data on 100,000 more. But it isn't just those 200,000 people that have been affected. It now turns out that anyone trying to purchase a home may also feel the pain.

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s.type = 'text/javascript';
s.src = 'http://widgets.digg.com/buttons.js';
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})();
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var s = document.getElementsByTagName('script')[0]; s.parentNode.insertBefore(po, s);
})();
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A lender that I work with – a Realtor – told me that the IRS has stopped providing certain income verification data in the wake of the IRS's hack. That change is adding anywhere from 7 to 10 days to the loan approval process for some homebuyers. Those who are self-employed are the most heavily impacted by this since they often use their tax returns as their only method of income verification.

Anyone who finds themselves in this position, the IRS will allow you to shorten the delay but it requires that you actually visit one of their field offices in person.

In congressional testimony on the hack today, the IRS admitted that it was using antiquated software and that the agency had failed to implement a wide variety of software security patches. One report out this week says that the agency is using Microsoft operating systems that are 13 years old. While addressing these issues may not have stopped the most recent attack, it is still quite disconcerting that the one agency with access to absolutely all of our personally identifiable information doesn't appear to take data security seriously.

The IRS suspects that the hack was conducted by an organized crime ring in Russia. The agency is in the process of notifying all of the 200,000 individuals that were targeted in the attack.

by Jim Malmberg

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