

***The Tax Review* Foreclosures, Repossessions, and Cancelled Debt Learning Objectives / Table of Contents**

Chapter

1 Cancelled Debt

- 1-A** Differentiate between recourse and nonrecourse debt.
- 1-B** Distinguish situations in which Forms 1099-A or 1099-C may be issued.
- 1-C** Determine the extent to which a taxpayer is insolvent.
- 1-D** Choose the correct form on which to report income from cancellation of debt.
- 1-E** Apply exceptions to cancelled debt as income.

2 Foreclosures, Repossessions, and Secured Debt

- 2-A** Recognize when a taxpayer may receive both Forms 1099-A and 1099-C or just Form 1099-C.
- 2-B** Determine where to properly report debt cancellation and sales or other dispositions of property securing debt.
- 2-C** Define a loan modification.
- 2-D** Recognize the reporting requirements regarding the abandonment, foreclosure, or repossession of the taxpayer's main home and any associated cancelled debt.
- 2-E** Distinguish between foreclosures and short sales.

3 Apply Exclusions to Form 982

- 3-A** Recognize the different elections that are available with Form 982.
- 3-B** Identify exclusions from cancellation of debt income specific to bankruptcy.
- 3-C** Identify exclusions from cancellation of debt income specific to real property.
- 3-D** Apply the election to reduce basis first when excluding debt cancellation income.
- 3-E** Calculate the reduction in tax attributes when excluding debt cancellation income.