

# IRS Forms Handbook 1099-A and 1099-C

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Cancellation of debt occurs in many situations, including:

- Home loans (original or home equity),
- Car loans,
- Credit card debt,
- Student loans,
- Medical care,
- Professional services, and
- Installment purchases of furniture, home appliances, and other personal property.

**This Handbook focuses on the requirement that lenders report to the IRS the cancellation of debt when certain events occur.** The general concept that a lender must report to the IRS events indicating cancellation of debt is easy to grasp. It is not always clear, however, when an event indicating cancellation of debt has occurred that must be reported. Whether the cancellation of debt results in income for the debtor is not the focus of this Handbook, but is discussed to provide background for the types of transactions that give rise to a lender's reporting requirements.

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