

*Thought you'd find this helpful:*

## Exchanges Sanctioned by the IRS

On September 15, 2000 the IRS issued guidance and recognition for Reverse Exchanges.  
Rev. Proc 2000-37.

Here is a summary:

- Title to the replacement property will be held by a Qualified Intermediary (QI) or another legal entity controlled by the QI.
- There must be a "Qualified Exchange Accommodation Agreement" proving that the Replacement Property is part of a Section 1031 and Rev. Proc. 2000-37 exchange.
- The Qualified Intermediary must file a tax return reporting the purchase and sale of the Replacement Property.
- Within 45 days of the purchase of the Replacement Property, the taxpayer must identify the Relinquished Property.
- Within 180 days of the purchase of the Replacement Property the Relinquished Property must be transferred to a third person and the Replacement Property must be transferred to the taxpayer.
- Taxpayer may indemnify the Qualified Intermediary against loss.
- Taxpayer may guarantee borrowing to acquire Replacement Property.
- Taxpayer may lease Replacement Property from QI until transfer to taxpayer.
- Taxpayer can act as construction manager for improvements on Replacement Property.

Contact us at 1031x.com to handle your Reverse Exchange.

Please call [www.1031x.com](http://www.1031x.com) at 888-899-1031 or email [info@1031x.net](mailto:info@1031x.net) for a free consultation!