



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF
CHIEF COUNSEL

May 5, 1999

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CAM-121127-98
RPAUT-104720-98

Number: **199931034**

Release Date: 8/6/1999

MEMORANDUM FOR DISTRICT DIRECTOR,

DISTRICT

ATTN: CHIEF, EXAMINATION DIVISION

FROM: CHIEF, BRANCH 6
CC:DOM:P&SI:6

SUBJECT: WITHDRAWAL OF APPLICATION FOR CHANGE IN
ACCOUNTING METHOD

In accordance with section 8.07(2)(a) of Rev. Proc. 99-1, 1999-1 I.R.B. 6, 34, this memorandum advises you that a taxpayer within your district has withdrawn a Form 3115, Application for Change in Accounting Method. This document is not to be cited as precedent.

LEGEND:

A =

B =

C =

D =

E =

This memorandum advises you that two Form 3115's submitted on behalf of A are withdrawn. A did not give any reason for the withdrawals.

A filed both Form 3115's to change the method of computing amortization for certain purchased mortgage servicing rights from treating a pool of mortgages as a

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single asset to treating the mortgages on a loan-by-loan basis. The method change would have been effective beginning with the taxable year beginning B, and would have resulted in a negative section 481(a) adjustment (decrease in taxable income) of \$C. The automatic consent method change would have been effective beginning with the taxable year beginning D, and would have resulted in a negative section 481(a) adjustment (decrease in taxable income) of \$E.

At the time of the withdrawal, we had formed a tentatively adverse position on A's proposed change in computing depreciation. We had tentatively concluded that A's purchase of a pool of purchased mortgage servicing rights is properly treated as a single asset. Consequently, A's pool of purchased mortgage servicing rights is treated as a single asset. Accordingly, we are tentatively adverse to A's proposed change in computing depreciation.

If you have any questions on this matter, do not hesitate to call _____ at _____.

Sincerely yours,

Charles B. Ramsey

CHARLES B. RAMSEY
Chief, Branch 6
Office of Assistant Chief Counsel
(Passthroughs and Special Industries)

cc: Changes in Methods of Accounting
Industry Specialist