



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ \_\_\_\_\_

Under IRC §301(c) and IRC §316(a), a distribution of property (including cash) by a corporation to its shareholders is treated as a dividend and is taxable as ordinary income to the extent it is made out of current or accumulated earnings and profits. The part of the distribution in excess of earnings and profits is treated as a return of capital to the extent of the shareholder's basis in stock of the distributing corporation. Any excess is treated as capital gain. For the 2021 tax year, Home Point Capital Inc. had no current earnings and profits and no accumulated earnings and profits. Therefore the distribution was not a dividend and instead should be treated as a return of capital to the extent of shareholder's tax basis and as a capital gain if the distribution exceeds the shareholder's tax basis.

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Distribution was made in January 2021.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Cynthia J. Glad Date ▶ 1/27/2022

Print your name ▶ Cynthia J. Glad Title ▶ Senior Managing Director-Tax

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.