MaineHousing
Maine State Housing Authority

# Asset Management Notice
## 2011-08
## Issued: August 26, 2011

**To:** All Owners and Managers

**From:** Bob Conroy, Director of Asset Management

**In this issue:**


**I. Topic:** HUD Housing Notice 2011-20, Guidelines on Bed Bug Control and Prevention in HUD Insured and Assisted Multifamily Housing

**II. Topic:** Revised EIV Notice 2011-21 Issued

**III. Topic:** Maine Emergency Preparedness Website

**IV. Topic:** Enterprise Income Verification (EIV) – Reporting Issues

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## I. Guidelines on Bed Bug Control and Prevention in HUD Insured and Assisted Multifamily Housing

On August 19, 2011, the Multifamily Housing Rental Housing Integrity Improvement Project (RHIIP) listserv sent the information below:

Housing Notice 2011-20, Guidelines on Bed Bug Control and Prevention in HUD Insured and Assisted Multifamily Housing, was issued August 19, 2011. This Notice provides information and references to best practices regarding the prevention and control of bed bug infestations. It also provides guidance on the rights and responsibilities of HUD, Owners and Management Agents (O/As) and tenants with regard to bed bug infestations. The Notice is available on HUDCLIPS at http://portal.hud.gov/hudportal/documents/huddoc?id=11-20hsgn.pdfand also attached.

## II. Revised EIV Notice 2011-21 Issued

Housing Notice 2011-21, Enterprise Income Verification (EIV) System was issued August 19, 2011. This Notice supersedes Notices H 2008-03, H 2009-20, and H 2010-10. The Notice is posted on HUDCLIPS at http://portal.hud.gov/hudportal/documents/huddoc?id=11-21hsgn.pdf.

The revised Notice:

· Clarifies that IPAs may use printed EIV documents when auditing an owner's compliance (An IPA is an Independent Public Auditor hired to audit a property's financial statements)
· Clarifies the requirement on resolving discrepancies between TRACS and the current form HUD-50059
· Indicates the following reports must be run by selecting the "All" recertification month:

o No Income Report
o New Hires Report
o Identity Verification Report
o Deceased Tenant Report

· States the O/A must make sure that the income appearing on the EIV Income Report does not meet a regulatory income exclusion.

· Clarifies that a tenant's monthly repayment agreement payment may exceed 40% of the family's monthly adjusted income if the family agrees to the amount stated in the repayment agreement.

· Recommends that an O/A has the head of household and, if applicable, the family member who had the unreported income sign a repayment agreement.

· Indicates the comment field on the voucher must be completed when explaining payment and costs retained even if no costs were retained.

· Identifies an updated penalty for not using the EIV system. The O/A will now incur a penalty of a five percent decrease in the voucher payment for the month following the date the violation was found and each subsequent voucher payment until the MOR finding is cured.

· Indicates a new security training requirement. EIV users are now required to complete the online Federal ISS Awareness training program. The most recent HUD EIV webcast will no longer satisfy the security training requirement.
· Clarifies that when mailing EIV data, data must be sent to an office of the O/A and must not be mailed to Independent Auditor offices

· New Attachment 9: Assessing the Five Percent Penalty in Voucher Payment has been added

· New Attachment 10: Sample Tenant Consent to Disclose EIV Income Information has been added

This information may be located at http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm

## III. Maine Emergency Preparedness Website

Maine Emergency Management Agency has a website with important hurricane safety information. Check out their website at www.maineprepares.com.

## IV. Enterprise Income Verification (EIV) – Reporting Issues

On July 28, 2011, the Multifamily Housing Rental Housing Integrity Improvement Project (RHIIP) listserv sent the information below regarding reporting issues.

> We have been made aware that some tenants are not appearing in EIV and we are researching this issue to discover the cause. In the meantime, we ask that you take the following steps. While completing a recertification, if you receive this message from the "By Head of Household" query, "A current form 50059 record was not found for Social Security Number: XX-XXX-1234", please check the Identity Verification Report to determine if the tenant is listed. If the tenant is listed, make the required corrections noted on the report and transmit the corrected form 50059 to TRACS.
>
> Print the "By Head of Household" report that reflects the message above and place it in the tenant file, ensuring that the date it was printed is on the page. Continue your recertification by the traditional third party method.

Thank you for your patience. We hope to have this issue resolved in the near future.
http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm

## V. HUD Mailbox Established for Reporting Damage from Hurricane Irene

Please see the important message below from the Region 1 HUD Office:

Dear Owners and Agents,

In anticipation of possible damage resulting from Hurricane Irene we have set up the Mailbox below to facilitate damage assessments and prioritize needed HUD assistance. If your development incurs storm-related damage we would deeply appreciate your accessing the Mailbox at reg1damage.report@hud.gov and providing the following information:

- In the email SUBJECT LINE Please provide: Project Name and State.
- Provide Owner Contact Name and Phone Number
- Identify the nature and extent of any injuries
- Brief description of the nature and extent of the damage.
- Identify the number of residents displaced/relocated and where they were relocated to.
- Confirm the status of contact with the insurance company and indicate if any assistance from HUD is needed (e.g., expedite access reserves or residual receipts).

Thank you for your assistance. Please contact your assigned Project Manager with questions.

Joe Crisafulli
Director, New England Multifamily Hub
U.S. Dept. of Housing and Urban Development Thomas P. O'Neill Jr. Federal Building 10 Causeway Street (Room 301) Boston, MA 02222-1092 Telephone: (617) 994-8582 Fax: (617) 565-5395

## Attachments:

- Housing Notice 2011-20, Guidelines on Bed Bug Control and Prevention
- Housing Notice 2011-20, Bed Bug Notice to Tenant
- Housing Notice 2011-21, Enterprise Verification System (EIV)

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EQUAL HOUSING OPPORTUNITY

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

**As Special Attention of**

**All Multifamily Hub Directors**
**All Multifamily Program Center Directors**
**All Multifamily Operations Officers**
**All Directors of Project Management**
**All Field Counsel**

# Notice H 2011-20

Issued: August 16, 2011

Expires: August 31, 2012

Cross References:

SUBJECT: Guidelines on Bed Bug Control and Prevention in HUD Insured and Assisted Multifamily Housing

## I. Purpose

Bed bug infestations have become a serious problem in housing throughout the country. HUD Insured and Assisted Multifamily properties are not immune to infestations. This Notice provides information and references to best practices regarding the prevention and control of bed bug infestations. It also provides guidance on the rights and responsibilities of HUD, Owners and Management Agents (O/As) and tenants with regard to bed bug infestations.

## II. Background

After a long absence, bed bug infestations are a growing problem in the United States today. According to the United States Environmental Protection Agency (EPA), bed bug populations have increased dramatically. Bed bugs are considered a pest of significant public health importance by the EPA and the Centers for Disease Control and Prevention (CDC). Although the insects are not known to transmit disease, bites may itch and cause an allergic reaction in some people, which may lead to secondary infections. The presence of bed bugs can also cause stress or anxiety.

Experts suspect the resurgence is associated with greater international and domestic travel, lack of knowledge regarding the complex measures needed to prevent and control bed bugs, changes in pesticide availability and technology, and increased resistance of bed bugs to available pesticides. Bed bugs are not an indicator of poor sanitation, but excess clutter can provide them more places to hide, making early detection and targeted control difficult.

HUD has received numerous reports of bed bug infestations in Multifamily properties in various regions. HUD is working closely with other federal agencies to develop and share best practices for preventing and controlling bed bugs.

## III. Applicability

This Notice is applicable to all Multifamily properties with active HUD Insured, HUD-Held or Direct Loans, Section 202 or 811 Capital Advances, Project-Based Rental Assistance contracts, and/or HUD Use Agreements.

## IV. Prevention of Bed Bug Infestations

The best approach to bed bug management is to prevent an infestation from occurring in the first place. Federal agencies, such as EPA and HUD, are working in tandem to develop and share recommendations to prevent bed bug infestations.

O/As are strongly encouraged to develop an Integrated Pest Management (IPM) Plan. Such plans describe the ongoing efforts the property management will take to prevent and respond to pests. For more detail on IPM, please see the online guide at http://www.stoppests.org. According to the EPA, principles of IPM for bed bugs include:

- Raising awareness through education on prevention of bed bugs;
- Inspecting infested areas, plus surrounding living spaces;
- Checking for bed bugs on luggage and clothes when returning home from a trip;
- Looking for bed bugs or signs of infestation on secondhand items before bringing the items home;
- Correctly identifying the pest;
- Keeping records – including dates when and locations where pests are found;
- Cleaning all items within a bed bug infested living area;
- Reducing clutter where bed bugs can hide;
- Eliminating bed bug habitats;
- Physically removing bed bugs through cleaning;
- Using pesticides carefully according to the label directions; and,
- Following up on inspections and possible treatments.

In addition or as part of an IPM, Multifamily O/As are strongly encouraged to take the following preventive steps:

- Provide training for staff to identify bed bugs, and to perform ongoing prevention actions as outlined in the IPM. When a community is at high risk for bed bugs (for example, if the community has experienced prior infestations), periodic building inspections are recommended.

- Actively engage residents in efforts to prevent bed bugs. Education and involvement of project residents is a critical component of IPM for bed bugs. Bed bugs may often go undetected and unreported, because they are active at night, and tenants may not be aware of their presence. O/As may wish to hold workshops for tenants to learn to identify bed bugs, to create unfriendly environments for pests, and to report suspicions of bed bugs as soon as possible.

- Provide orientation for new tenants and staff, and post signs and handouts.

More information on bed bug prevention may be found by accessing the following websites:[1]

- **Healthy Homes Training:** *What's Working for Bed Bug Control in Multifamily Housing?: Reconciling best practices with research and the realities of implementation*. http://www.healthyhomestraining.org/ipm/NCHH_Bed_Bug_Control_2-12-10.pdf.

- **National Pest Management Association Bed Bug Hub**: http://pestworld.org/pest-world-blog/the-bed-bug-hub-one-stop-shop-for-bed-bug-information

- **National Pest Management Association Best Practices Website**: http://www.bed bugbmps.org

- **Environmental Protection Agency**: http://www.epa.gov/pesticides/bed bugs/

## V. Addressing Infestations

The O/A should respond with urgency to any tenant report of bed bugs. Within 24 hours of the tenant report, the O/A should make contact with the tenant, provide the tenant with information about bed bugs, and discuss measures the tenant may be able to take in the unit before the inspection is performed. However, a bed bug inspection and, if necessary, treatment, may take time to schedule. The O/A should endeavor to take appropriate action within a reasonable time period using the guidelines provided below.

Following a report of bed bugs, the O/A or a qualified third party trained in bed bug detection should inspect the dwelling unit to determine if bed bugs are present. It is critical that inspections be conducted by trained staff or third party professionals. Low level inspections may escape visual detection. For this reason, multiple detection tools are recommended. Recent research indicates that "active" bed bug monitors containing attractants can be effective tools for detecting early infestations. Some licensed pest control applicators use canine detection to verify the presence of bed bugs. The inspection should cover the unit reporting the infestation and no less than surrounding apartments consisting of the units above, below, left and right, and should be completed within 3 calendar days of a tenant complaint if possible. If reputable, licensed pest control companies are unattainable within three calendar days, the O/A is required to

[1] An additional resource for interested parties is the *Bed Bug Handbook*. L.J. Pinto, R. Cooper, and S.K. Kraft, *Bed Bug Handbook: The Complete Guide to Bed Bugs and Their Control* (Mechanicsville, MD: S.K. Pinto & Associates, 2007).

retain documentation of the efforts to obtain qualified services. If an infestation is suspected but cannot be verified using the methods described above, the O/A should re-inspect the unit(s) periodically over the next several months.

When an infestation is identified, the unit and surrounding units should be treated for bed bugs according to the IPM Plan. Chemical treatments may be necessary, but are not reliable. Therefore, encasement, interception devices, vacuuming, steaming, freezing and commodity or building heat treatments may be utilized as part of the bed bug control effort. Infestations are rarely controlled in one visit. Effective treatment may require two to three visits, and possibly more. The length, method and extent of the treatment will depend on the severity and complexity of the infestation, and the level of cooperation of the residents.

An O/A may contact HUD to request financial resources for bed bug control. The Hub/PC Director may honor requests for releases from the Reserve for Replacement or Residual Receipts accounts to reimburse an Owner for bed bug treatment. The releases should follow the processes outlined in HUD Handbook 4350.1, *Multifamily Project Servicing*, Chapters 4 and 25. Owners should be encouraged to make advances (loan without interest) when no reserves are available. HUD may also consider an increased pest control line item in the project's operating budget, if the Section 8 Housing Assistance Payments (HAP) contract allows for budget-based rent setting in accordance with the *Section 8 Renewal Policy Guide*. However, any request for a rent increase should be part of an ongoing pest prevention program.

## VI. Recurring Infestations

Many properties are facing recurring infestations. O/As may offer protective tools to residents to help safeguard properties from recurrences. For example, the O/A may offer residents bed covers, climb-up interceptors, or other detection or protection devices that may become available. O/As may voluntarily offer to inspect tenants' furniture before move-in. O/As may require the non-chemical treatment of furniture upon tenant move-in, and may offer, but may not require, non-chemical treatment or inspection of used furniture and/or non-chemical treatment of luggage before it is unpacked when a tenant returns from a trip. Tenants may voluntarily use such services. These services or products are to be offered at the Owner's expense.

An O/A may not deny tenancy to a potential resident on the basis of the tenant having experienced a prior bed bug infestation, nor may an owner give residential preference to any tenant based on a response to a question regarding prior exposure to bed bugs. An Owner may not charge a tenant to cover the cost of bed bug treatment. Such costs should be covered by the Owner or from project funds authorized by HUD as described above. HUD reserves the right to approve Lease Addenda. Lease Addenda may not conflict with this Notice.

## VII. Tenant Rights and Responsibilities

Tenants are strongly encouraged to immediately report the suspicion of possible bed bugs in a housing unit or other areas of the property. Early reporting allows the pests to be identified and treated before the infestation spreads. Tenants are the first line of defense against bed bug infestations and should be encouraged to create living environments that deter bed bugs. This includes reducing unreasonable amounts of clutter that creates hiding places for bed bugs, and regular checking of beds and laundering of linens.

Bed bug infestations can cause health concerns, including physical discomfort, stress and anxiety on the part of the residents. Tenants should be advised of the following:

- An O/A may not deny tenancy to a potential resident on the basis of the tenant having experienced a prior bed bug infestation, nor may an owner give residential preference to any tenant based on a response to a question regarding prior exposure to bed bugs.

- A tenant reporting bed bugs may expect expeditious response and attention by the O/A, but should be advised that inspection and, if necessary, treatment of bed bugs may take time to schedule. The inspections should occur within three calendar days of the tenant report when possible.

- Following a tenant report of bed bugs, the O/A staff trained in bed bug identification (or a third party pest control representative) may inspect any unit in the property to independently verify the presence of bed bugs and to treat an infestation. The O/A may enter the unit to perform these activities, in accordance with the lease.

- If bed bug infestation is found in the unit, the tenant may expect treatment to begin within five days of the inspection, though depending on the form of treatment, this may not be possible. Tenants should be advised that treatment may take several weeks.

- Tenants are expected to cooperate with the treatment efforts by allowing for heat treatment of clothing and furniture and refraining from placement of infested furniture or other items in common areas such as hallways. Tenant cooperation is shown to expedite the control of bed bugs and to prevent spreading of infestations.

- Management may make staff available to help with moving and cleaning of furniture to accomplish the treatment effort.

- The tenant will not be expected to contribute to the cost of the treatment effort.

- Generally, relocation from the unit is not necessary; bed bugs may cause discomfort but are not believed to carry disease. However, if reasonable temporary relocation is necessary, the O/A may request withdrawals from Reserve for Replacement or Residual Receipts accounts as described above for those days when treatment is actively occurring that may render the unit uninhabitable. All withdrawals of this type must be approved by the Hub/PC Director or designee. Any temporary relocation must be carried out in accordance with applicable civil rights laws, including, but not limited to, Title VI of the Civil Right Act of 1964 and Section 504 of the Rehabilitation Act of 1973. For example, when persons with disabilities are temporarily relocated, they must be placed in housing that provides, at a minimum, the same accessibility features as the housing in which they currently reside. Additionally, the O/A must ensure the right of return for tenants who have had to be temporarily relocated while the bed bug treatment is being performed.

- The tenant will not be reimbursed the cost of any additional expense to the household, such as purchase of new furniture, clothing or cleaning services. However, the tenant may be reimbursed the cost of protective bed covers, at the Owner's discretion.

## VIII. Responding to Inspection Findings

Bed bugs should be addressed when reported by staff, tenants or the Real Estate Assessment Center (REAC), or if an audit by the HUD Office of the Inspector General identifies possible infestation.

Presently, REAC inspectors will only deduct points if bed bugs are observed in an apartment or building. However, inspectors now ask the O/A to identify any units and/or buildings that are infested before the inspection begins. If bed bugs are reported, the inspector will record the units and/or buildings affected in the comment section of the Physical Inspection report.

The REAC sends a "Bed Bugs Reported" email to the Hub/Program Center Director when bed bugs are noted in the comments section of a Physical Inspection Report. The Owner will see the information on the inspection report in the comment area.

HUD staff must take the following steps upon receipt of the "Bed Bugs Reported" email from REAC, regardless of the score, or if bed bugs are cited as a deficiency within the REAC report or if bed bugs are reported by the O/A, project residents, the Performance Based Contract Administrator, or an OIG audit:

- Enter the bed bug information on the Problem Statement screen in the Integrated Real Estate Management System (iREMS).

- If bed bugs were identified by REAC, send the attached letter to the Owner regardless of the score of the REAC Physical Inspection.

- Advise the Owner to describe what actions were taken or will be taken to eradicate the infestation.

- Advise the Owner to inform HUD when the problem has been completely eradicated.

- Consider releasing funds from Reserve for Replacement or Residual Receipts accounts if requested.

- Continue to enter all related information into the Problem Statement screen in iREMS; and,

- Report any significant developments or problems regarding a bed bug infestation to Headquarters, Office of Asset Management.

**Note:** Bed bugs are a national problem, so the above action should be taken when REAC notes the presence of bed bugs in the comments section of an inspection, and/or if bed bugs are cited as a deficiency within the body of the inspection report.

If you have questions, please contact your Desk Officer in the Office of Asset Management.

/s/

Carol J. Galante
Acting Assistant Secretary for Housing –
Federal Housing Commissioner

Attachment

ATTACHMENT

Property Owner
Address

SUBJECT: Bed Bugs
Property Name: _____

Dear Owner:

The [Hub Name] Multifamily Hub has received notification from the Real Estate Assessment Center (REAC) that during the physical inspection of your property performed on [Date], the inspector indicated that bedbugs were reported present at the property. The units/buildings below were identified as being infested with bedbugs:

Within 5 days of the date of this letter, please inform your Project Manager of the actions you have taken or will be taking to eradicate these bugs. This information should include the method of treatment used (or to be used), an anticipated date that the treatment will be completed, and your proposed plan for monitoring and preventing the possibility of future infestation. Finally, please inform your Project Manager when you have completely eradicated the infestation.

If you have any questions, please contact your Project Manager, [Project Manager's Name], at [Project Manager's Telephone Number] ext. [Extension]

Sincerely,

_____
Supervisory Project Manager
Project Management Division

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

**Special Attention of:**
Multifamily Hub Directors
Multifamily Program Center Directors
Rural Housing Services (RHS) Directors
Supervisory Housing Project Managers
Housing Project Managers
Contract Administrators
Multifamily Owners and Management Agents

**NOTICE: H 2011-21**
Issued: August 17, 2011

Expires: August 31, 2012

Cross References: 24 CFR §5.233; §5.236; §5.659

Supersedes Notices H 2008-03, H 2009-20 and H 2010-10

**SUBJECT:** Enterprise Income Verification (EIV) System

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## I. PURPOSE

The purpose of this Notice is to provide updated instructions for using the EIV system now that use of the EIV system by Owners and Management Agents (O/As) is mandatory. Effective January 31, 2010, O/As must use HUD's EIV system in its entirety:

- As a third party source to verify tenant employment and income information during mandatory recertifications of family composition and income, in accordance with §5.236, and administrative guidance issued by HUD; and

- To reduce administrative and subsidy payment errors in accordance with HUD administrative guidance. (24 CFR §5.233)

In addition to the mandatory use by O/As, the EIV system must also be used by Contract Administrators (CAs) (Performance Based Contract Administrators (PBCAs), Traditional Contract Administrators (TCAs) and HUD staff) for monitoring the O/A's compliance with obtaining access to and using the EIV system; and, printed EIV documents may be used by independent public auditors (IPAs) auditing an owner's compliance with verifying income and the accuracy of rent/subsidy determinations; and, the Office of Inspector General (IG) for auditing purposes. See Section XII, Security of EIV Data, for more information on official use of EIV data.

Using the data in the EIV system will assist HUD in meeting the Rental Housing Integrity Improvement Project's (RHIIP's) goal of ensuring that the *right benefits go to the right persons,* and supports Executive Order 13520, Reducing Improper Payments, signed by President Barack Obama on November 20, 2009.

## II. APPLICABILITY

This notice applies to the following programs:

A. Project-based Section 8
   1. New Construction
   2. State Agency Financed
   3. Substantial Rehabilitation
   4. Section 202/8
   5. Rural Housing Services (RHS) Section 515/8
   6. Loan Management Set-Aside (LMSA)
   7. Property Disposition Set-Aside (PDSA)
B. Section 101 Rent Supplement
C. Section 202/162 Project Assistance Contract (PAC)
D. Section 202 Project Rental Assistance Contract (PRAC)
E. Section 811 PRAC
F. Section 236
G. Section 236 Rental Assistance Payments (RAP)
H. Section 221(d)(3) Below Market Interest Rate (BMIR)

**NOTE**: This Notice does not apply to the Low Income Housing Tax Credit (LIHTC) program for the O/A's completion of the LIHTC Tenant Income Certification (TIC) or for LIHTC compliance monitoring by state officials. It also does not apply to the RHS Section 515 program for certification of tenants who do not receive Section 8 assistance or for compliance monitoring by RHS staff for tenants receiving Section 8 assistance. See Section XII, Security of EIV Data, for information on why this Notice is not applicable to these programs.

## III. BACKGROUND

In 2001, OMB released the President's Management Agenda which established the reduction of erroneous payments as a key government-wide priority, evidenced by the *Eliminating Improper Payments* initiative, which requires agencies to measure improper payments annually, develop improvement targets and corrective actions, and track results. At that time, HUD established the RHIIP initiative to address the causes of errors and improper payments in HUD's assisted housing programs and to ensure that the *right benefits go to the right persons.*

What is an improper payment?

> An improper payment is any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Incorrect amounts are overpayments and underpayments (including inappropriate denials of payment or service). An improper payment includes any payment that was made to an ineligible recipient or for an ineligible service, duplicate payments, payments for services not received, and payments that are for the incorrect amount. In addition, when an agency's review is unable to discern whether a payment was proper as a result of insufficient or lack of documentation, this payment must also be considered an error.

To assist in meeting the RHIIP initiative goals, HUD developed and began implementation of the Upfront Income Verification (UIV) system, now known as the EIV system. The UIV system was originally only available to PHAs and provided them with income information on wages and unemployment benefits provided through matching agreements with individual states.

In 2004, HUD received statutory authority to negotiate a matching agreement with the Department of Health and Human Services (HHS) to conduct computer matching with National Directory of New Hires (NDNH) data. While the first matching agreement between HUD and HHS only made the NDNH data available to PHAs, a subsequent agreement was reached in FY 2007 making the information available to Multifamily Housing's O/As, CAs and the IG. HHS later approved disclosure of NDNH information to IPAs (see Section XII, Security of EIV Data, for restrictions on disclosure of NDNH information to IPAs). In addition to the NDNH data, the data received from the Social Security Administration (SSA), formerly available for use

by O/As through the Tenant Assessment Subsystem (TASS), was also made available through the EIV system.

On December 29, 2009, the Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System – Amendments; Final Rule was published in the Federal Register, making use of the entire EIV system mandatory by PHAs and O/As, effective January 31, 2010.

## IV. EMPLOYMENT AND INCOME DATA AVAILABLE IN THE EIV SYSTEM

### A. Social Security Administration

1. Social Security (SS) benefits
2. Supplemental Security Income (SSI) benefits
3. Dual Entitlement benefits
4. Medicare premium information
5. Disability status

### B. National Directory of New Hires (NDNH)

1. New hires (W-4)
2. Quarterly wages for federal and non-federal employees
3. Quarterly unemployment compensation benefits

## V. SCHEDULE FOR EIV DATA UPDATES

### A. Tenant Rental Assistance Certification Subsystem (TRACS) File

Tenant information in the EIV system is data from the current, active form HUD-50059, *Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures*, in TRACS.

A file consisting of tenant information from these active certifications is provided to the EIV system each morning and the data is uploaded into the EIV system the following evening. Therefore, there is a time lag of one day between the tenant data in TRACS being uploaded into the EIV system.

Household members coded as a live-in aide in TRACS are excluded from the TRACS file since their income is excluded from annual income. (See Chapter 5, Figure 5-2 and Exhibit 5-1 of Handbook 4350.3 REV-1, *Occupancy Requirements of Subsidized Multifamily Housing Programs*).

### B. Social Security Benefits Match

1. A quarterly match is conducted against SSA records for tenants who pass the SSA identity test to obtain SSA benefits, Medicare premium and disability

status information. (See Section VII.B.2.c for information on the SSA Identity Test.)

a. Each quarter the entire tenant population is matched with SSA. Each month during a quarter, a group of tenants are matched based on their next recertification month.

b. The SSA match process begins at the beginning of each month with all of the data being loaded into the EIV system by the second week of the month.

c. Records that are new or that have been significantly updated are matched in the next monthly SSA matching cycle.

d. The EIV system retains the last eight actions processed by SSA for a tenant.

2. The following chart shows when TRACS tenant data is submitted to SSA by recertification month and when the data is refreshed in the EIV system.

| Group | Recertification Month | Month Data Refreshed in EIV System |
|---|---|---|
| I | April, May, June, July | January, April, July, October |
| II | August, September, October, November | February, May, August, November |
| III | December, January, February, March | March, June, September, December |

For example, the SSA data for tenants with a recertification month of April, May, June or July is refreshed in the EIV system in January, April, July and October.

3. The SSA cost of living adjustments (COLAs) are not available from SSA for uploading into the EIV system until the end of the calendar year. When processing recertifications effective January 1, February 1, March 1, and April 1, in order to complete the Recertification Steps outlined in Figure 7-3 of Handbook 4350.3 REV-1 and provide the tenant with the required 30-day notice of any increase in rent, the O/A must use one of the methods below for determining the tenant's income:

a. Use the benefit information reported in the EIV system that does not include the COLA as third party verification as long as the tenant confirms that the income data in the EIV system is what he/she is receiving;

b. Use the SSA benefit or award letter or Proof of Income Letter provided by the tenant that includes the COLA adjustment if the date of the letter is within 120 days from the date of receipt by the owner;

c. Determine the tenant's income by applying the COLA increase percentage to the current verified benefit amount and document the tenant file with how the tenant's income was determined; or

d. Request third party verification directly from SSA when the income in the EIV system does not agree with the income the tenant reports he/she is receiving. (See Section VI.F)

e. All recertifications effective after April 1 must reflect the SSA benefit that includes the COLA.

## C. NDNH (New Hires (W-4), Wage and Unemployment Compensation) Match

1. Tenants who pass the identity match with SSA are matched with the new hires (W-4), wage and unemployment benefit data contained in the NDNH. (See Section VII.B.2.c for information on the SSA Identity Test.)

2. There are two types of matches conducted against the NDNH data:

   a. The first is a Monthly match - the entire eligible tenant base is matched with the new hires (W-4) data and newly admitted tenants are matched with the wage and unemployment benefit data.

   b. The second is a Quarterly match – the entire eligible tenant base is matched with the new hires (W-4), wage and unemployment benefit data.

| Month | Type of Match |
|---|---|
| January | Monthly |
| February | Quarterly |
| March | Monthly |
| April | Monthly |
| May | Quarterly |
| June | Monthly |
| July | Monthly |
| August | Quarterly |
| September | Monthly |
| October | Monthly |
| November | Quarterly |
| December | Monthly |

3. The new hires (W-4), wage and unemployment benefit data is loaded into the EIV system by the 20th of each month.

4. The EIV system retains the last eight actions processed by HHS of the NDNH employment and income data for a tenant.

## VI. REQUIREMENTS FOR USING EIV DATA

### A. Updating O/A Requirements

#### 1. Tenant Selection Plan

O/As must use the Existing Tenant Search in the EIV system as part of their screening criteria for new tenants and must include written policies for using the search in their Tenant Selection Plan. See Section VII.B.2.a for more information on the Existing Tenant Search.

#### 2. Policies and Procedures

O/As must have written policies and procedures for staff to follow for using the EIV Income Report as third party verification of employment and income and for using the other EIV reports, e.g., Income Discrepancy Report and the EIV Verification Reports. See Section VII for instructions on using the EIV reports. Also see Attachment 6 for a chart on the Use of EIV Reports.

Following written policies and procedures will ensure that applicants and tenants are treated fairly and are not being discriminated against.

### B. Consent for the Release of Information

#### 1. Applicants

The form HUD-9887, *Notice and Consent for the Release of Information*, signed by the applicant and each applicant family member 18 years of age and older does not need to be on file in order to use the Existing Tenant Search in the EIV system at the time of application processing and tenant screening. See Section VII.B.2.a for instructions on using the Existing Tenant Search.

#### 2. Tenants

a. Form HUD-9887 authorizes HUD, O/As and PHAs to:

(1) Use data obtained through computer matching with another agency for verifying the individual's income used for establishing the eligibility for and level of benefits under HUD's assisted housing programs.

(2) Request wage, new hire (W-4) and unemployment claim information from current or former employers to verify information obtained through computer matching.

b. A current form HUD-9887 must be on file before accessing the employment or income data contained in the EIV system for a tenant. The form must be signed and dated by:

(1) Each adult member of a household regardless of whether he or she has income.

(2) The head of household, spouse or co-head, regardless of age, and each family member who is 18 years of age or older must sign and date the form at move-in, at initial (when tenant begins receiving a subsidized rent, e.g., Section 236 tenant begins receiving Section 8) and annual recertification.

(3) A family member when he/she turns 18.

The form is valid for 15 months from the date of signature.

c. In addition to the form HUD-9887, a signed and dated form HUD-9887-A, *Applicant's/Tenant's Consent to the Release of Information*, must also be on file. This form authorizes the O/A to request information about the tenant from a third party source.

d. The form HUD-9887 is not required for accessing the Verification Reports (see Section VII.B.2 covering Using EIV Reports).

e. Both forms HUD-9887 and HUD-9887-A limit the O/A from requesting information about a tenant to "within the last 5 years when the tenant received assistance".

f. If a tenant turns 18 and has not signed the form HUD-9887, the O/A must not use the EIV Income Reports for that tenant until the form is signed. O/As must address in their Policies and Procedures notification requirements and timeframes for tenants who turn 18 between annual recertifications to sign the consent forms (See Section VI.A.2). If the tenant fails to sign the consent form(s), the household is in non-compliance with their lease and assistance to, and the tenancy of, the household may be terminated (24 CFR 5.232).

See Paragraphs 5-15 and 5-21 of HUD Handbook 4350.3 REV-1 for more information on the HUD-9887 and HUD-9887-A forms.

## C. <u>Consent to Disclose an Individual's Information to Another Person or Entity</u>

The Federal Privacy Act (5 USC 552a, as amended) prohibits the disclosure of an individual's information to another person without the written consent of such individual. As such, the EIV data of an adult household member may not be shared (or a copy provided or displayed) with another adult household member or to a person assisting the tenant with the recertification process, unless the individual has provided written consent to disclose such information.

However, the O/A is not prohibited from discussing with the head of household and showing the head of household how the household's income and rent were determined based on the total income reported and verified.

HUD has included at Attachment 10 of this notice a Sample Tenant Consent to Disclose EIV Income Information for use by the O/A in obtaining the tenant's consent to disclose information to another adult household member or to persons assisting the tenant with the recertification process.

See Section XII.C for information on providing consent to disclose EIV data to persons assisting tenants with the recertification process (e.g., translators, interpreters, guardians, etc.).

## D. Tenant Notification of Recertification

O/As are required to provide reminder notices to tenants informing them of their responsibility to provide the O/A with information about changes in family income or composition that are necessary to properly complete an annual recertification. The notification must be in writing and must include a list of information that tenants are required to bring with them to their recertification interview. This list must include documentation needed to support the income they are receiving as well as documentation to support any deductions they may be eligible to receive. For example, elderly and disabled tenants should be requested to bring in information related to Social Security benefits and medical expenses and tenants who are working should be requested to bring in documentation to support the income they are currently receiving.

Having the necessary documentation available at the time of the recertification interview will save time in completing the recertification process**. In addition, asking the right questions at the time of the interview will ensure that the correct information has been provided and will assist in reducing errors in income and rent determinations.**

See Chapter 7, Paragraph 7-7 and Exhibits 7-1, 7-2, 7-3 and 7-4 of Handbook 4350.3 REV-1 for additional information on the recertification notification requirements and the *Guide to Interviewing for Owners of HUD Subsidized Multifamily Housing Projects* posted on the Multifamily RHIIP website at http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm for guidance on asking the right questions during the recertification interview.

## E. Tenant Does Not Provide Requested Information or Information Not Acceptable

1. If the tenant does not provide requested information either because they do not have the requested information or they refuse to provide the information, the O/A must obtain verification of the information from the third party source.

The O/A should remind the tenant that he/she is required to supply, if available, any information requested for use in a regularly scheduled recertification (annual or interim) of income and family composition. (24 CFR §5.659)

The O/A may determine that the tenant is not in compliance with program requirements and terminate assistance or tenancy, if the tenant fails to provide the requested information in the timeframe established by the O/A.

**NOTE:** The O/A is also required to request third party verification from the source when the tenant disputes the EIV information.

2. The O/A may reject any tenant-provided documentation, if they deem the information to be unacceptable. Reasons the documentation may be rejected:

   a. The document is not an original document; or

   b. The original document has been altered, or not legible; or

   c. The document appears to be a forged document (i.e. does not appear to be authentic).

See Paragraph 5-13.C.3 of Handbook 4350.3 REV-1 for more information on acceptability of documentation.

## F. <u>Independent Third Party Verification</u>

1. O/As must obtain independent third party verification from the source which is used to complement EIV data when:

   a. The tenant is unable to provide acceptable and current employment and/or income documentation to support the wage and unemployment income in the EIV system;

   b. The tenant disputes the EIV income information;

   c. There is an EIV income discrepancy reported at the time of recertification (annual or interim) or at other times as specified in the O/A's policies and procedures;

   d. There is incomplete EIV employment or income data for a tenant and the O/A needs additional information. Examples of additional information include but are not limited to:

      (1) Effective date of income (i.e. employment, unemployment compensation, or Social Security benefits).

(2) For new employment: pay rate, number of hours worked per week, pay frequency, hire date (not required to be reported to state so it may not be in the EIV system – see Attachment 3 for data elements that are optional for employers to report to the state), etc.

(3) Confirmation of change in circumstances (i.e., reduced hours, reduced rate of pay, temporary leave of absence, etc.); and,

e. There is no EIV employment or income data for a tenant.

See Chapter 5, Paragraph 5-13 of Handbook 4350.3 REV-1 for information on acceptable verification methods.

2. When the O/A is unable to obtain third party verification, e.g., the third party does not respond, the tenant file must contain documentation as to why third party verification was not available. See Chapter 5, Paragraph 5-19.E of Handbook 4350.3 REV-1, for documentation requirements.

3. The O/A may accept self-certification from the tenant only if third party verification cannot be attained. See Chapter 5, Paragraph 5-13.D of Handbook 4350.3 REV-1.

4. O/As always have the discretion to obtain additional third party verification of income or verification of other EIV data based on circumstances encountered during the recertification process.

## G. EIV Income Incorrect or Does Not Belong to the Tenant

There may be times when the source or originator of EIV information makes an error when submitting or reporting information about tenants. **HUD cannot correct data in the EIV system, only the originator of the data can correct the information.** When data is corrected by the source or the originator, HUD will obtain the updated information with its next computer matching process. Below are the procedures to follow regarding incorrect EIV information.

1. **TRACS** data reported in the EIV system originates from the O/A. Once data is corrected in the O/A's software, the corrected data must be transmitted to TRACS.

2. **Employment and wage information** reported in the EIV system originates from the employer. The employer reports this information to the local State Workforce Agency (SWA), who in turn, reports the information to HHS' NDNH database.

   If the tenant disputes the accuracy of the information in the EIV system that was provided by the employer and after additional third party verification is obtained by the O/A it is determined that the information is not accurate, the tenant should contact the employer directly, in writing, to dispute the employment and/or wage

information and request that the employer correct erroneous information. The tenant should provide the O/A with a copy of this written correspondence to maintain in the tenant file.

3. **Unemployment benefit information** reported in the EIV system originates from the local SWA. If the tenant disputes the accuracy of the information in the EIV system that was provided by the SWA and after additional third party verification is obtained by the O/A it is determined that the information is not accurate, the tenant should contact the SWA directly, in writing, to dispute the unemployment benefit information, and request that the SWA correct erroneous information. The tenant should provide the O/A with a copy of this written correspondence to maintain in the tenant file.

4. **SS and SSI benefit information** reported in the EIV system originates from the SSA. If the tenant disputes the accuracy of the information in the EIV system that was provided by the SSA and after additional third party verification is obtained by the O/A it is determined that the information is not accurate, the tenant should contact the SSA at (800) 772-1213, or visit the local SSA office and request that the erroneous information be corrected. SSA office information is available in the government pages of the local telephone directory or online at http://www.socialsecurity.gov.

5. **Identity Theft**. Incorrect information in the EIV system may be a sign of identity theft. Sometimes someone else may use an individual's SSN, either on purpose or by accident. SSA does not require an individual to report a lost or stolen SSN card, and reporting a lost or stolen SSN card to SSA will not prevent the misuse of an individual's SSN. A person using an individual's SSN can get other personal information about that individual and apply for credit in that individual's name.

   If the tenant suspects someone is using his/her SSN, he/she should:

   (a) Check their Social Security records to ensure their records are correct (call SSA at 1-800-772-1213);

   (b) File an identity theft complaint with the Federal Trade Commission (call FTC at 1-877-438-4338, or visit their website at: http://www.ftc.gov/bcp/edu/microsites/idtheft/); and

   (c) Monitor his/her credit reports with the three national credit reporting agencies (Equifax, TransUnion, and Experian).

   Tenants may request their credit report and place a fraud alert on their credit report with the three national credit reporting agencies at: http://www.annualcreditreport.com or by contacting the credit reporting agency directly. Each agency's contact information is listed below:

**National Credit Reporting Agencies Contact Information**

Equifax Credit Information Services, Inc.
P.O. Box 740241
Atlanta, GA 30374
Website: http://www.equifax.com
Telephone: (800) 685-1111

Experian
P.O. Box 2104
Allen, TX 75013
Website: http://www.experian.com
Telephone: (888) 397-3742

TransUnion
P.O. Box 6790
Fullerton, CA 92834
Website: http://www.transunion.com
Telephone: (800) 680-7289 or (800) 888-4213

## VII. USING EIV REPORTS

Effective January 31, 2010, it is mandatory that O/As must use the EIV system in its entirety (see Section I). O/As must use the:

- EIV Income Report as a third party source to verify a tenant's employment and income during mandatory recertifications (annual and interim) of family composition and income, and

- Other EIV income reports (Income Discrepancy Report, New Hires Report and No Income Report) to identify issues or discrepancies which may impact a family's assistance, and

- EIV Verification Reports (Existing Tenant Search, Multiple Subsidy Report, Identity Verification Reports, and Deceased Tenants Report) that further assist in reducing subsidy payment errors.

Use of the EIV Existing Tenant Search must be addressed in the O/A's Tenant Selection Plan. Use of all other EIV reports must be addressed in the O/A's policies and procedures (see Section VI.A).

O/As should refer to the EIV User Manual for Multifamily Housing Program Users for information on accessing the reports and for further descriptions of the reports. The manual is posted at: http://www.hud.gov/offices/hsg/mfh//rhiip/eiv/eivhome.cfm

## A. Income Reports

When selecting the Income Report for an individual tenant, either from the list of tenants for a particular project and/or contract or by querying by the head of household's SSN, there are three reports that must be used at the time of recertification (annual and interim). The reports can be accessed by clicking on the tab for a particular report.

| Summary Report | Income Report | Income Discrepancy Report |
|---|---|---|

### 1. Summary Report

This report provides a summary of information taken from the current, active certifications contained in the TRACS file at the time of the income match. It also provides the Identity Verification Status for each household member.

a. Identity Verification Status:

There are four verification statuses identified:

(1) **Verified** – personal identifiers (last name, DOB, SSN) match the SSA database.

(2) **Failed –** personal identifiers do not match the SSA database.

(3) **Not Verified** – personal identifiers have not yet been sent by HUD to SSA for validation or the validation is in process by SSA.

(4) **Deceased** – SSA's records indicate the person is deceased.

**Example 1**: Individual(s) with an EIV Identity Verification Status of Verified

| Household Members | | | | | | |
|---|---|---|---|---|---|---|
| Member SSN | Member First Name | Member Last Name | Date of Birth | Age | Relationship | Identity Verification Status |
| ***-**-0000 | SANDRA | S | XX/XX/1984 | 24 | Head of Household | Verified |
| ***-**-0001 | JOHN | S | XX/XX/2005 | 2 | Child | Verified |

**Example 2:** Individual(s) with an EIV Identity Verification Status of Failed

| Household Members | | | | | | |
|---|---|---|---|---|---|---|
| Member SSN | Member First Name | Member Last Name | Date of Birth | Age | Relationship | Identity Verification Status |
| ***-**-0080 | SERGIA | | XX/XX/1956 | 53 | Head | Failed |

**Example 3:** Individual(s) with an EIV Identity Verification Status of Not Verified

| Household Members | | | | | | |
|---|---|---|---|---|---|---|
| Member SSN | Member First Name | Member Last Name | Date of Birth | Age | Relationship | Identity Verification Status |
| ***-**-0001 | JOHN | S | XX/XX/1986 | 22 | Head of Household | Not Verified |

**Example 4:** Individual(s) with an EIV Identity Verification Status of Deceased.

| Household Members | | | | | | |
|---|---|---|---|---|---|---|
| Member SSN | Member First Name | Member Last Name | Date of Birth | Age | Relationship | Identity Verification Status |
| ***-**-0001 | JOHN | S | XX/XX/1932 | 77 | Head of | Deceased |

b. O/As must use this report:

(1) At the time of recertification to review and resolve the status of any household member(s) with a "failed" or "deceased" status.

**NOTE:** O/As do not have to do anything at the time of recertification when the status is "Not Verified." However, the O/A must check the Failed SSA Identity Test report monthly as changes in the Identity Verification Status for these tenants may occur.

(2) As verification that a tenant's SSN has been "Verified" by SSA as being a valid SSN.

c. O/As must retain in the tenant file:

(1) The Summary Report(s) as verification of the SSN for all household members whose Identity Verification Status is "Verified". If the Summary Report in the tenant file shows an Identity Verification Status of "Verified" for all household members required to have a SSN, the Owner does not have to continue to print out the Summary Report at recertification unless there is a change in household composition or in a household member's identity verification status.

**NOTE:** To minimize the risk of exposing a tenant's SSN, O/As may remove and destroy, at the time of recertification, copies of verification documentation received from the tenant at the time of disclosure of their SSN once the Identity Verification Status shows "Verified". O/As are encouraged to minimize the number of tenant records that contain documents that display the full nine-digit SSN. O/As must not include the full nine-digit SSN for a tenant in emails or other electronic communications.

(2) Any correspondence or documentation received to resolve the "Failed" or "Deceased" status. See Section VII.B.2.c for more information on

tenants who fail the SSA identity test or are reported by SSA as being deceased.

(3) Documentation for household members not required to disclose and provide verification of a SSN:

Exempt from SSN disclosure and verification requirements:

- Tenants who were 62 years of age or older as of January 31, 2010, and whose initial determination of eligibility was begun before January 31, 2010; and

- Individuals who do not contend eligible immigration status.

  These individuals will continue to have a TRACS generated identification number in the SSN field. No employment or income information will be provided in the EIV system for these individuals; therefore, third party verification from the income source will have to be obtained.

**2. Income Report**

O/As must use the Income Report at the time of recertification (annual and interim) of family composition and income and may use it at other times as indicated in their policies and procedures (see Section VI.A.2).

The Income Report:

- Provides employment and income information reported in the NDNH and SSA databases for each household member who passes the SSA identity test.

- Identifies household members who may be receiving multiple subsidies by displaying the following message "This member may be receiving multiple subsidies. See the Multiple Subsidy Tenant Report for details."

**a. Components of the Income Report**

(1) The Income Report provides a variety of information about each member of a household. The components of the report are:

- TRACS certification information and tenant personal identifiers
- Employment Information
- Wages
- Unemployment Benefits
- Social Security Benefits

- Dual Entitlement
- Medicare Data
- Supplemental Security Income Benefits
- SSA Disability Status

See Attachment 7, EIV Income Report Information, for the types of information contained in each of the components of the report.

(2) The Income Report does not include other income the household may receive such as welfare benefits, most pensions, child support, etc. It should also be noted that a tenant may have wages that the employer did not report to the SWA and, therefore, these wages will not be contained in the NDNH database.

**b. Required Documentation to Demonstrate EIV System Compliance**

The following documentation is required to be in the tenant file to demonstrate the O/A's compliance with mandated use of the EIV system as the third party source to verify tenant employment and income information (24 CFR §5.233(a)(2)(i)).

(1) **No Dispute of EIV Information:** EIV Income Report, current acceptable tenant-provided documentation, and, if necessary (as determined by the O/A), third party verification from the source.

(2) **Disputed EIV Information:** EIV Income Report and third party verification from the source for the disputed information.

(3) **Tenant-reported income not verified through the EIV System:** EIV Income Report, current acceptable tenant-provided documents and/or third party verification from the source.

**c. NDNH (New Hires (W-4), Wage and Unemployment Compensation)**

(1) The Income Report identifying the NDNH employment, wage and unemployment income information in the EIV system must be used as third party verification of the tenant's employment and is **not** to be used to calculate the tenant's income.

(2) The O/A must print the Income Report and use the report as third party verification of the tenant's employment and/or unemployment.

(3) The O/A must confirm with the tenant that the employment and/or unemployment information in the EIV system is correct. If the tenant agrees that the employment and/or unemployment information in the EIV system is correct, the O/A must:

(a) Request the tenant to provide documentation, e.g., four current, consecutive check stubs that will support his/her current income being received.

(b) Use the tenant provided documentation for determining the tenant's income unless additional information is needed or the O/A has reason to reject the tenant provided documentation (see VI.E). In these instances, third party verification must be obtained from the income source.

(c) Annualize the tenant's income using the current income projected forward for the next 12 months.

> **Example:**
> EIV shows that the tenant is working at Jack's Restaurant and the tenant has reported he/she works at Jack's Restaurant. The tenant has brought in his/her four most current, consecutive check stubs (see Paragraph 5-13.C.3.b of Handbook 4350.3 REV-1). The O/A will use the Income Report in EIV as third party verification that the tenant is employed at Jack's Restaurant and use the gross pay shown on the check stubs provided by the tenant for determining the tenant's income.
>
> Check stubs – gross pay 1) $120; 2) $145; 3) $125; 4) $130
> $120 + $145 + $125 + $130 = $520
> $520 / 4 = $130 average gross pay per week
>
> $130 x 52 = $6,760 gross annual income

(d) Make copies of any tenant provided documents for the tenant file and return the originals to the tenant.

(e) Retain the printed report and supporting documentation in the tenant file along with the applicable form HUD-50059.

(f) If the tenant disputes the employment, wage or unemployment information in the EIV system or when the tenant reports he/she is employed or receiving unemployment but there is no information in the EIV system, the O/A must obtain third party verification from the employer or SWA.

**d. Social Security Benefits**

(1) The Income Report identifying the Social Security benefit information in the EIV system must be used as third party verification of the

tenant's income and will be used to calculate the tenant's income. A copy of the award or benefit letter or Proof of Income Letter is **not** required unless the tenant disputes the SSA information in the EIV system.

(2) The O/A must print the Income Report and use the report as third party verification.

(3) The O/A must confirm with the tenant that the current benefit amount in the EIV system is correct. If the tenant agrees that the Social Security benefit information reported in the EIV system is correct, the O/A must:

(a) Use the gross benefit amount reported in the EIV system for calculating the tenant's income by annualizing the gross benefit amount projected forward for the next 12 months.

**Example One:**
EIV shows the tenant is receiving a gross Social Security benefit of $980.50 per month, net Social Security benefit of $870, and the Medicare premium of $110.50 is being paid by the tenant and the tenant agrees that this information is accurate. The O/A will use the EIV Income Report as the third party verification that the tenant is receiving Social Security benefits and the gross benefit amount from the Income Report for calculating the tenant's income. A copy of the award or benefit letter or Proof of Income Letter is not required.

The data used for rent calculations is:

Gross annual income $11,766.00 ($980.50 x 12)
Medical expense $1,326.00 ($110.50 x 12)

**Example Two:**

EIV shows the tenant is receiving a gross Social Security benefit of $701 per month, net Social Security benefit of $701, and the Medicare premium of $110.50 is being paid by the state or another entity and the tenant agrees that this information is correct. The O/A will use the EIV Income Report as the third party verification that the tenant is receiving Social Security benefits and the gross benefit amount for calculating the tenant's income. A copy of the award or benefit letter or Proof of Income Letter is not required.

The data used for rent calculations is:

Gross annual income $8,412 ($701 x 12)
Medical expense – None

**NOTE:** See Chapter 5, Paragraph 5-6.O of Handbook 4350.3 REV-1 for calculating the income for Intermediate Care Facility/Mentally Retarded (ICF/MR) or Intermediate Care Facility/Developmentally Disabled (ICF/DD) and Assisted Living Units in Elderly Projects, and Paragraph 5-6.J of Handbook 4350.3 REV-1 for Adjustments to Prior Overpayments of Benefits.

(b) Include the Medicare premium in the medical expense deduction calculation if the premium is being paid by the tenant. If the Medicare premium is being paid by the tenant, the amount of the premium is listed under "Premium" and an "N" is in the "Buy-in" column of the Medicare Data section of the Income Report.

Example: Medicare premium paid by tenant

| | Premium | Buy-in | Buy-in Start | Buy-in Stop |
|---|---|---|---|---|
| **Hospital Insurance** | $0.00 | N | Not Available | Not Available |
| **Supp. Med. Insurance** | $110.50 | N | Not Available | Not Available |

(c) When the Medicare premium is being paid by the state or another entity, there is a "Y" in the buy-in column and the date when the third party started paying the tenant's Medicare premium is included in the "Buy-in Start" column of the Medicare Data section of the Income Report.

Example: Medicare premium paid by State or another entity

| | Premium | Buy-in | Buy-in Start | Buy-in Stop |
|---|---|---|---|---|
| **Hospital Insurance** | $0.00 | N | Not Available | Not Available |
| **Supp. Med. Insurance** | $110.50 | Y | 10/10/09 | Not Available |

(d) When the state or another entity stops paying the tenant's Medicare premium, there will be a date in the "Buy-in Stop" column of the Medicare Data section of the Income Report.

Example: Medicare premium no longer paid by State or another entity

| | Premium | Buy-in | Buy-in Start | Buy-in Stop |
|---|---|---|---|---|
| **Hospital Insurance** | $0.00 | N | Not Available | Not Available |
| **Supp. Med. Insurance** | $110.50 | Y | 10/10/09 | 03/01/10 |

**NOTE:** The "Y" indicator in the buy-in column is information received from SSA and is not always accurate. If the tenant disputes the EIV data and the O/A verifies that the tenant is paying the Medicare premium themselves, then the tenant file must be documented with this additional information and the O/A must include the Medicare premium in the tenant's medical expense deduction.

(e) Make copies of any tenant provided documents for the tenant file and return the originals to the tenant.

(f) Retain the printed report in the tenant file along with the applicable form HUD-50059.

(4) If the tenant disputes the SSA information in the EIV system or when the tenant reports he/she receives SSA benefits but there is no SSA information in the EIV system, the O/A must obtain third party verification by requesting the tenant provide a copy of their benefit or award letter or Proof of Income Letter, dated within the last 120 days from the date of receipt by the owner.

**The O/A must not send the tenant to the SSA office if they do not have this information. Instead, the O/A must ask the tenant to request benefit information from SSA using SSA's website or toll-free number.**

(a) The O/A may assist the tenant in requesting benefit information from SSA, if the tenant requests their assistance in accessing the SSA website or has questions on completing the request. To request a Proof of Income Letter from SSA's website go to http://www.socialsecurity.gov. From the left side bar:

- Select "Learn what you can do online"
- Select "If you get Social Security benefits…" or "If you get Supplemental Security Income (SSI) benefits…"
- Select "Request a Proof of Income Letter"

Tenants should check the box "All Benefit Information Available" to make sure all benefits received are provided.

(b) To request a Proof of Income Letter from SSA's toll-free number call 1-800-772-1213.

(c) This information is free and the tenant should receive the letter in the mail within 10 days. The tenant will provide the Proof of Income Letter to the O/A for use in calculating their income. A copy of the letter will be retained in the tenant's file and the original returned to the tenant for their records.

(5) While the SSA provides information on Medicare premiums it does not provide as part of the computer matching, information on additional deductions such as Medicare Part D (prescription drugs) premiums or garnishments. Therefore, O/As need to request that tenants disclose any deductions they may have from their SSA benefits. For example, if the tenant is paying his/her Medicare premium and the difference between the gross and net SS benefits exceeds the amount of the Medicare premium, the O/A must discuss this with the tenant to determine any deductions that may impact the tenant's income or allowable expenses, e.g., Medicare Part D (prescription drugs) premiums are an allowable medical expense.

(6) The SSA Disability Status is not always accurate, therefore, it must not be used for determining an applicant's or tenant's eligibility as disabled for a HUD program or for receiving the elderly/disabled household allowance.

(7) If the O/A finds it necessary to use some other alternative form of verification, e.g., bank statements, it may be necessary to use more than one document as third party verification. Documents such as bank statements only disclose the net amount of Social Security received and not the gross amount used for determining the tenant's annual income. This information will not support allowing inclusion of the Medicare premium as a medical expense if the tenant claims he/she is paying the Medicare premium. When alternative forms of verification are used, the O/A must document the tenant's file why third party verification was not obtained. See Appendix 3, Acceptable Forms of Verification, and Paragraph 5-19.E, Documenting Why Third-Party Verification is Not Available, of Handbook 4350.3 REV-1.

**e. New Admissions**

For all new admissions, including Initial Certifications (IC), the O/A must:

(1) Review the Income Report within 90 days after transmission of the move-in certification to TRACS to confirm/validate the income reported by the household.

(2) Resolve any income discrepancies with the household within 30 days of the Income Report date.

(3) Print and retain the Income Report in the tenant file along with any documentation received to resolve income discrepancies, if applicable.

**f. Applicants**

The EIV system only contains employment and income information for tenants participating in Multifamily Housing's rental assistance programs. Therefore, the O/A must request third party verification from the income source for determining the applicant's income for eligibility and rent calculation purposes.

For additional information on determining income and calculating rent, see Chapter 5 of Handbook 4350.3 REV-1. Also, see Attachment 6 of this Notice, Use of EIV Reports.

**3. Income Discrepancy Report**

a. The Income Discrepancy Report identifies households where there is a difference of $2,400 or more annually in the wages, unemployment compensation and/or Social Security benefit income reported by NDNH and SSA and the wages, unemployment compensation and/or Social Security benefit income reported in TRACS (from the form HUD-50059 in effect at the time of the computer match) for the period of income (POI) used for the discrepancy analysis.

The report identifies tenants whose income may have been under- or over-reported. Negative numbers on the report represent potential tenant under reporting of income while a positive number represents a potential decrease in a tenant's income. In either case, O/As must investigate all discrepancies identified to determine whether or not they are valid. As discussed in Section III, Background, improper payments includes payments for the incorrect amount; both overpayments and underpayments.

See Attachment 4: Income Discrepancy Report, for a description of the period of income used for discrepancy analysis. Also see Section IX, Investigating and Resolving Income Discrepancies.

**NOTE:** Wage, unemployment and Social Security income in TRACS includes:

| TRACS Income Code | Type of Income |
|---|---|
| B | Business |
| F | Federal Wage |
| M | Military Pay |
| W | Nonfederal Wage |
| U | Unemployment |
| SS | Social Security |
| SSI | Supplemental Security Income |

Other income the household receives, e.g., welfare benefits, most pensions, child support, etc., may be reported in annual income in TRACS but it is not used for the discrepancy analysis in the EIV system.

b. The Income Discrepancy Report is a tool to alert O/As that there may be a discrepancy in the income reported by the tenant during the period of income shown on the report. The O/A must investigate all discrepancies identified on the report to determine whether or not the discrepancy is valid. The O/A is not expected to reconcile dollar amounts to the penny when resolving discrepancies.

**Example 1: Valid discrepancy**

The EIV Income Discrepancy Report shows the tenant had Reported Annual Wages and Benefits during the period of income used for the discrepancy analysis. However, there are no Projected Annual Wages or Benefits reported on the form HUD-50059. The O/A must investigate this to determine if the tenant did not report his/her income at the time of recertification. If the tenant did not report his/her income, this would be a valid discrepancy. The O/A must obtain third party verification of the tenant's income, process corrected form HUD-50059(s) to include any unreported or underreported income, notify tenant of funds due and their obligation to reimburse the O/A, collect funds due from tenant and/or enter into a repayment agreement and reimburse HUD for funds collected from the tenant less the amount retained for pursuing collection. If not a valid discrepancy, the O/A will document the file with the results of the investigation supporting this determination. See Section IX.

| | | |
|---|---|---|
| **Projected Annual Wages and Benefits from Form HUD-50059:** | $0 | |
| **Period Of Income for Discrepancy Analysis** | 06/01/2008 - 05/31/2009 | |
| **Discrepancy Analysis** | **Actuals** | **Annualized Last Quarter** |
| **Reported Annual Wages and Benefits from EIV Data:** | $22,018.70 | $19,518.57 |
| **Amount of Annual Income Discrepancy:** | ($**22,018.70**) | **($**19,518.57**)** |
| **Amount of Monthly Income Discrepancy:** | ($1,834.89) | ($1,626.55) |
| **Percentage of Income Discrepancy:** | (100%) | (100%) |

**Example 2: Valid discrepancy**

The EIV Income Discrepancy Report shows that the tenant had Reported Annual Wages and Benefits during the period of income used for the discrepancy analysis of $15,957.03 actual and $17,210.18 annualized. The Projected Annual Wages reported on the form HUD-50059 are $14,472.00. The annualized last quarter income exceeds the $2,400 discrepancy threshold ($17,210.18-$14,472.00 = $2,738.18). The O/A must investigate this to determine if the tenant should have reported a cumulative increase of $200 per month ($2,400 annually) or more in the household's income. If the tenant should have reported the increase in income as required by his/her lease, this would be a valid discrepancy. If valid, the O/A would obtain third party verification, process an interim recertification in accordance with Chapter 7, Paragraph 7-13.D of Handbook 4350.3 REV-1, notify tenant of funds due and their obligation to reimburse the O/A, collect funds due from tenant and/or enter into a repayment agreement and reimburse HUD for funds collected from the tenant less amount retained for pursuing collection. If not a valid discrepancy, the O/A will document the file with the results of the investigation supporting this determination. See Section IX.

| | | |
|---|---|---|
| **Projected Annual Wages and Benefits from Form HUD-50059:** | $14,472.00 | |
| **Period Of Income for Discrepancy Analysis** | 06/01/2008 - 05/31/2009 | |
| **Discrepancy Analysis** | **Actuals** | **Annualized Last Quarter** |
| **Reported Annual Wages and Benefits from EIV Data:** | $15,957.03 | $17,210.18 |
| **Amount of Annual Income Discrepancy:** | ($1,485.03) | ($2,738.18) |
| **Amount of Monthly Income Discrepancy:** | ($123.75) | ($228.18) |
| **Percentage of Income Discrepancy:** | 9.31% | 15.910000% |

**Example 3: Invalid discrepancy**

The EIV Income Discrepancy Report shows that the tenant had Reported Annual Wages and Benefits during the period of income used for the discrepancy analysis. However, there are no Reported Annual Wages or Benefits on the form HUD-50059 for the same period of time. The form HUD-50059 used in the discrepancy analysis was the tenant's move-in form HUD-50059. The O/A must investigate this discrepancy to determine if the tenant accurately reported his/her income at the time of move-in. If verification is received that the tenant was not working at the time of move-in and the wages reported on the EIV Income Report were earned prior to move-in, this would be an invalid discrepancy. No action is required of the O/A except to document the tenant's file of the findings as a result of the investigation.

| | | |
|---|---|---|
| **Projected Annual Wages and Benefits from Form HUD-50059:** | $0 | |
| **Period Of Income for Discrepancy Analysis** | 06/01/2008 - 05/31/2009 | |
| **Discrepancy Analysis** | **Actuals** | **Annualized Last Quarter** |
| **Reported Annual Wages and Benefits from EIV Data:** | $10,341.38 | $7,507.72 |
| **Amount of Annual Income Discrepancy:** | ($10,341.38) | ($7,507.72) |
| **Amount of Monthly Income Discrepancy:** | ($861.78) | ($625.64) |
| **Percentage of Income Discrepancy:** | (100%) | (100%) |

c. O/As must:

(1) Print the Income Discrepancy Report at the same time they print the Income Report, at annual and interim recertification or at other times as indicated in their policies and procedures. **It is important that the Income Discrepancy Report be printed at the same time as the Income Report as each week a completely new report is generated based on the current information in the system for a tenant.** The old report is overwritten with the current data.

(2) Review and resolve any discrepancies in income reported on the Income Discrepancy Report with the household at the time of recertification or within 30 days of the EIV Income Report date. Any unreporting, underreporting or over-reporting of income by the tenant and reported on current or historical form HUD-50059s must be identified.

(3) Retain the Income Discrepancy Report along with detailed information on the resolution of the reported discrepancy in the tenant file. This includes information on resolution of the discrepancy regardless of whether the discrepancy was found to be valid or invalid.

(4) Make sure that the information in TRACS agrees with the information on the form HUD-50059 in the tenant's file. If it is determined that

the information in TRACS differs from the information found on the tenant's current HUD-50059, retransmit the current HUD-50059 to correct the TRACS database **This is important since the income discrepancies reported in the EIV system are determined by comparing the wage, unemployment and Social Security benefits income reported by NDNH and/or SSA with the wage, unemployment and Social Security benefits income reported by the household and transmitted to TRACS.**

d. The O/A must follow the instructions in Section IX on Investigating and Resolving Income Discrepancies.

**NOTE:** HUD regulation 24 CFR 5.236(2) prohibits O/As from taking adverse action based solely on EIV information.

See Attachment 4 for detailed information on the Income Discrepancy Report and a sample discrepancy; "Resolving Income Discrepancies between Enterprise Income Verification (EIV) System Data and Tenant-Provided Income Information" posted on the Multifamily EIV website at: http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/reqnguide.cfm; and, Chapter 8, Paragraph 8-17, Procedures for Addressing Discrepancies and Errors, in Handbook 4350.3 REV-1.

O/As are also encouraged to view the latest EIV webcast for further information on how to use the report for resolving discrepancies. The webcast is posted at: http://www.hud.gov/webcasts/archives/multifamily.cfm

O/As can apply for access to TRACS at: https://hudapps.hud.gov/public/wass/public/participant/partreg_page.jsp

## B. Other EIV Reports

The EIV system contains the following stand-alone reports that identify potential issues which may impact the family's assistance. O/As must use these reports as discussed below and at other times as established in their policies and procedures to reduce subsidy payment errors. O/As must retain a "Master" file that contains a copy of the report and documentation and/or notations as indicated in the report discussions below.

**Caution:** Any detail reports retained in a tenant's file must contain information for members of that tenant's household only. Many of the reports do not have page breaks between households, therefore, O/As will need to separate the reports by household by cutting the reports apart until page breaks are inserted in the EIV system.

## 1. Additional Income Reports

There are two additional income reports that O/As must use: the No Income Report and the New Hires Report. These reports are accessed from the Monthly Summary Report when querying by project number and/or contract number. If the report name is underlined, this indicates it is an active link. Just click on the report name to obtain data about households identified where no income was reported or where a household member is reported as having new employment.

| Monthly Report Summary | | |
|---|---|---|
| **Contract(s)** | **XX22111122** | |
| **Recertification Month** | **All** | |
| **Report Type** | **Number of Households** | **Number of Members** |
| Income Report | 66 | 91 |
| Income Discrepancy Report | 22 | |
| **No Income Report** | 1 | 2 |
| **New Hires Report** | 12 | 12 |

### a. No Income Report

This report is a tool for O/As to use to identify tenants who passed the identity match against SSA's records but no employment or income information was received from the match against either the SSA or NDNH records.

(1) O/As must use this report only as identified and described in their policies and procedures. When running the report, the O/A must select recertification month "All".

(2) Because no income was reported as a result of the match against SSA and NDNH records does not mean that the tenant(s) does not have income. The O/A must make sure that, at the time of recertification interviews, the right questions are asked so that the tenants are given the opportunity to disclose any income they receive.

(3) O/As are not required to retain copies of this report.

**Note:** It is recommended that O/As have a policy to re-verify the status of tenants reporting zero income at least quarterly. As part of the procedures for implementing the policy, the O/A must use the EIV Income Report to determine if the tenant or any family members have income reported by HHS or SSA.

### b. New Hires Report

This report identifies tenants who have started new jobs within the last six months. The information in this report is updated monthly.

(1) O/As must use this report at least quarterly to determine if any of their tenants have started new employment whereby the tenant has not reported a change in income to the O/A between recertifications and/or the new employment was not reported at the time of recertification. When running the report, the O/A must select recertification month "All".

(2) Because tenants participating in one of Multifamily Housing's rental assistance programs are required to report changes in income when the household's income cumulatively increases by $200 or more per month, O/As must reach out to their tenants to report the income changes so that rent adjustments can be made in a timely manner, thus eliminating/reducing the amount of retroactive rent repayments. (See Handbook 4350.3 REV-1, Chapter 7, Paragraph 7-12.B)

O/As must:

(a) Contact the tenant regarding his/her new employment.

(b) Confirm with the tenant that they have a new job and that the employment information in the EIV system is correct. If the tenant agrees that the employment information in the EIV system is correct, request the tenant provide documents, e.g., four current, consecutive pay stubs, employment confirmation letter specifying date of hire, rate of pay, number of hours worked each week, pay frequency, for use in determining the tenant's income or, if necessary, request third party verification from the employer.

If the tenant disputes the employment information in the EIV system, the O/A must obtain third party verification from the employer.

(c) Process a recertification in accordance with program requirements that includes the employment income.

(d) Retain the New Hires Summary Report in a master "New Hires Report" file along with notations as to the outcome of the contact with the tenant (e.g., J. Jones – interim recertification processed to include income from new employment). A copy of the New Hires Detail Report for the tenant along with any correspondence with the tenant, third party verifications, etc. must be retained in the tenant file.

See Paragraph 7-10.A and the HUD Model Leases in Appendix 4 of Handbook 4350.3 REV-1 for change in income reporting requirements.

## 2. Verification Reports

The Verification Reports can be accessed from the EIV Homepage, left sidebar.

**Verification Reports**

- Existing Tenant Search
- Multiple Subsidy Report
- Identity Verification Report
- Deceased Tenant Report

### a. Existing Tenant Search

This report identifies applicants applying for assisted housing that may be receiving rental assistance at the time of application processing at another location.

O/As must:

(1) Use this report at the time they are processing an applicant for admission to determine if the applicant or any applicant household members are currently being assisted at another Multifamily Housing or Public and Indian Housing (PIH) location.

(2) Discuss with the applicant if the report identifies that the applicant or a member of the applicant's household is residing at another location, giving the applicant the opportunity to explain any circumstances relative to his/her being assisted at another location. This may be a case where the applicant wants to move from his/her present location or where two assisted families share custody of a minor child.

(3) Follow up with the respective PHA or O/A to confirm the individual's program participation status before admission, if necessary, depending on the outcome of the discussion with the applicant. The report gives the O/A the ability to coordinate move-out and move-in dates with the PHA or O/A of the property at the other location.

(4) Retain the search results with the application along with any documentation obtained as a result of contacts with the applicant and the PHA and/or O/A at the other location.

### b. Multiple Subsidy Report

This report identifies individuals who may be receiving multiple rental subsidies.

(1) O/As must:

(a) Use the Multiple Subsidy Report at least quarterly to identify any tenants who are being assisted at another location. O/As must follow up with tenants identified on the report where the discrepancy was not identified and resolved at the time of recertification.

(b) Perform both of the search options shown below to determine if possible multiple subsidies exist:

○ **Search within MF**

◉ **Search within PIH**

(c) Discuss with the tenant if the results of either of the searches shows that a tenant is being assisted at another location. The tenant must be given the opportunity to explain any circumstances relative to his/her being assisted at another location.

(d) Follow up with the respective PHA or O/A, if necessary, to confirm that the tenant is being assisted at the other location. Depending on the results of this investigation, the O/A may need to take action to terminate the tenant's assistance or tenancy. (See Chapter 8, Section 1 and 2 of Handbook 4350.3 REV-1 for procedures for terminating assistance and/or tenancy.)

(e) Print out and retain a copy of the Multiple Subsidy Summary Report in a master "Multiple Subsidy Report" file along with notations as to the outcome of contacts with the tenant and/or PHA or owner (e.g., J. Jones – no multiple subsidies being paid. Section 236 tenant with Housing Choice Voucher (HCV)). A copy of the Multiple Subsidy Detail Report for the tenant plus any documentation supporting any contacts made or information obtained to determine if a household and/or household member is receiving multiple subsidies as well as documentation to support any action taken if a household and/or a household member is receiving multiple subsidies must be retained in the tenant file.

**NOTES:**

If a tenant's multiple subsidies were discussed and resolved at the time of recertification, this must be noted on the printed Multiple Subsidy Summary Report and no further action is required.

HUD does not prohibit owners of partially subsidized projects from housing tenants who are receiving assistance through the

Housing Choice Voucher program. While these tenants may appear on the Multiple Subsidy Report, HUD does not consider them as receiving double subsidy. (See Paragraph 3-21 of Handbook 4350.3 REV-1 for a discussion on Applicants with Housing Choice Vouchers.) In these instances, O/As must note on that report that the tenant has a Housing Choice Voucher and is not receiving double subsidy, e.g., tenant is residing in a Section 236 unit and receiving rental assistance through the Housing Choice Voucher program.

**c. Identity Verification Reports**

There are two reports that can be accessed from the Identity Verification Report link. O/As must use both of these reports monthly to clear up any invalid, discrepant or missing information in the TRACS database that was not identified and corrected at the time of recertification. When running the report, the O/A must select recertification month "All". **There will not be any employment or income information in the EIV system for tenants who fail either the EIV pre-screening or SSA identity test so it is essential that any discrepancies are corrected within 30 days from the date of the reports. O/As must conduct third party verifications to obtain employment and income data for these tenants.**

If the report name is underlined, this indicates it is an active link. Just click on the report name to obtain data about household members who failed the EIV pre-screening or SSA identity test.

| Identity Verification Report Statistics | |
|---|---|
| **Failed EIV Pre-Screening** | 5 |
| **Failed Verification Report (Failed the SSA Identity Test)** | 4 |

**(1) Failed EIV Pre-Screening Report**

This report identifies tenants who fail the EIV pre-screening test because of invalid or missing personal identifiers (SSN, last name or DOB). The tenants on this list will not be sent to SSA from the EIV system for the SSA identity match until the personal identifier information is corrected in TRACS.

O/As must:

(a) Use this report monthly to identify tenants that did not pass the pre-screening test and the reason(s) they did not pass so that the errors can be corrected. O/As must follow up with tenants identified on the report where discrepant personal identifiers were not corrected at the time of recertification.

(b) Before contacting the tenant, confirm accuracy of data entry in TRACS, (e.g. has a number been transposed when entering the SSN?).

(c) Confirm with the affected tenant their SSN, DOB and/or last name.

(d) Obtain documentation from the tenant to verify any discrepant personal identifiers.

(e) Correct any discrepant information in the TRACS system.

(f) Print and retain a copy of the report in a master "Failed EIV Pre-screening Report" file. The report must be documented with action taken to resolve invalid or discrepant personal identifiers.

See Attachment 1 for the EIV Failed Pre-screening Report Error Messages and corrective action.

**NOTE:** This report will include those persons who are exempt from the SSN disclosure and verification requirements. In these instances the O/A will note on the copy of the report retained in the "Failed EIV Pre-Screening Report" master file that the tenant(s) is exempt from SSN requirements.

Exempt from SSN disclosure and verification requirements:

- Tenants who were 62 years of age or older as of January 31, 2010, and whose initial determination of eligibility was begun before January 31, 2010; and

- Individuals who do not contend eligible immigration status.

These individuals will continue to have a TRACS generated identification number in the SSN field. No employment or income information will be provided in the EIV system for these individuals.

**(2) Failed Verification Report (Failed the SSA Identity Test)**

This report identifies household members who failed the SSA identity test because their personal identifiers (SSN, last name or DOB) do not match SSA's records as well as identifies deceased household members.

(See Attachment 2 for the Failed Verification Report (Failed the SSA Identity Test) Error Messages and corrective action, and d below for instructions on tenants reported as being deceased.)

O/As must:

(a) Use this report monthly to identify those tenants that did not pass the SSA identity verification test and the reason(s) they did not pass so that the errors can be corrected. O/As must follow up with tenants identified on the report where discrepant personal identifiers were not corrected at the time of recertification.

(b) Before contacting the tenant, confirm accuracy of data entry in TRACS, (e.g. has a number been transposed when entering the SSN?).

(c) Confirm with the affected tenant their SSN, DOB and/or last name.

(d) Obtain documentation from the tenant to verify any discrepant personal identifiers.

(e) Correct any discrepant information in the TRACS system so that the tenant will be included in the match against SSA and NDNH data.

(f) Encourage the tenant to contact the SSA to correct any inaccurate data in their databases if the personal identifiers on the form HUD-50059 and in TRACS are accurate. The tenant can request SSA to correct his/her record by completing and submitting form SS-5, *Application for a Social Security Card*, to the local SSA office. Also, see Section VI.G for instructions on contacting the SSA.

(g) Print and retain a copy of the report in a master "Failed the SSA Identity Test" file. The report must be documented with action taken to resolve invalid or discrepant personal identifiers.

**NOTE:** If a tenant's information was corrected at the time of recertification but the EIV data has not yet been updated, this must be noted on the printed report and no further action is required.

**d. Deceased Tenants Report**

This report identifies tenants who are participating in one of Multifamily Housing's rental assistance programs who are reported by SSA as being deceased.

(1) O/As must:

(a) Use this report at least quarterly to identify those tenants reported by SSA as being deceased. When running the report, the O/A must select recertification month "All".

(b) Confirm, in writing, with the head-of-household, next of kin or emergency contact person or entity provided by the tenant whether or not the person is deceased.

(c) If the person is deceased:

i. Update the family composition, and income and allowances, if applicable, on the form HUD-50059. The effective date of the form HUD-50059 should in accordance with Chapter 7, Paragraph 7-13.D of Handbook 4350.3 REV-1.

ii. In the case of a deceased single member of a household, process a Move-out using form HUD-50059-A. The effective date of the form HUD-50059-A will be retroactive to the earlier of 14 days after the tenant's death or the date the unit was vacated (see Chapter 9, Paragraph 9-12.E of Handbook 4350.3 REV-1).

**Note:** Single member deceased households are denoted on the report with a red asterisk (*) after the member's deceased date.

iii. Any overpayment of subsidy that was paid on behalf of the deceased tenant must be repaid to HUD.

iv. Discrepant information must be corrected in the TRACS system within 30 days from the date of the report.

(d) Encourage the tenant to contact the SSA to correct any inaccurate data in their databases if the person shown as being deceased in the SSA database is not deceased. See Section VI.G for instructions on contacting the SSA.

(e) Print and retain a copy of the report in a master "Deceased Tenants Report" file. The report must be documented with action taken to resolve any discrepancies. All correspondence or action taken for a particular tenant must be retained in the tenant file.

**NOTE:** If action was taken to remove the deceased tenant from the household or a move-out processed if a single member household but the EIV data has not yet been updated, this must be noted on the printed report and no further action is required.

(2) The Deceased Tenants Report is updated every weekend. See examples below addressing when a deceased individual will be removed from the report.

**Example 1:** Mr. Jones was listed on the Deceased Tenants Report dated December 14, 2009, with a deceased date of November 20, 2009. On December 1, 2009, the owner confirmed that Mr. Jones was actually alive and advised Mr. Jones to visit his local SSA office to have the error corrected. SSA corrected the error on December 20, 2009. When HUD conducted computer matching with SSA on January 6, 2010, HUD obtained new SSA data which indicated that Mr. Jones was not deceased. The Deceased Tenants Report was updated on the weekend of January 8, 2010. When the owner accessed the Deceased Tenants Report on January 11, 2010, Mr. Jones was no longer on the report.

**Example 2:** Mr. Williams was listed on the Deceased Tenants Report dated December 14, 2009, with a deceased date of June 10, 2009. On January 6, 2010, the owner confirmed that Mr. Williams was deceased. The owner then completed and submitted the move-out on form HUD-50059-A on January 7, 2010. The Deceased Tenants Report was updated on the weekend of January 8, 2010. When the owner accessed the Deceased Tenants Report on January 11, 2010, Mr. Williams was no longer on the report.

## VIII. SYSTEMATIC ALIEN VERIFICATION FOR ENTITLEMENTS (SAVE) SYSTEM ACCESS

Individuals who have approved access to the Department of Homeland Security's (DHS') SAVE system for verifying the validity of citizenship documents provided by applicants or tenants who are noncitizens and who claim eligible immigration status may access the SAVE system through the EIV system. See Chapter 3, Paragraph 3-12.L of HUD Handbook 4350.3 REV-1 for verifying information on immigration status.

The SAVE system can be accessed from the EIV system Homepage, left sidebar under External Links.

See Chapter 3, Paragraph 3-12.H of HUD Handbook 4350.3 REV-1 for instructions on obtaining access to the SAVE system.

## IX. INVESTIGATING AND RESOLVING INCOME DISCREPANCIES

### A. Investigating Discrepancies

1. O/As must investigate and confirm possible income discrepancies of $2,400 or more as disclosed on the EIV Income Discrepancy Report. It is important that the O/A determine whether the income appearing on the EIV Income Discrepancy Report should be included as income and does not meet one of the income exclusions represented in Exhibit 5-1 of HUD Handbook 4350.3 REV-1. The O/A must also investigate and confirm other possible errors that may result in over or underpayment of HUD subsidy, e.g., tenants reported by SSA as being deceased, tenants receiving multiple subsidies, etc.

2. O/As must not suspend, terminate, reduce, make a final denial of rental assistance, or take any other adverse action against an individual based solely on the data in the EIV system.

3. When the tenant disputes the employment and income information in the EIV system, the O/A must independently verify the disputed information by obtaining third party verification directly from the third party source.

4. The O/A must notify the tenant of the results of any third party verification and request the tenant come into the office, within 10 days of notification, to discuss the results (see Chapter 8, Paragraph 8-17 of Handbook 4350.3 REV-1). The tenant may contest the findings in the same manner as applies to other information and findings relating to eligibility factors.

5. If the O/A determines that the tenant is in non-compliance with his/her lease because he/she knowingly provided incomplete or inaccurate information, the O/A must follow the guidance in Chapter 8, Section 3 of Handbook 4350.3 REV-1, for terminating the tenant's tenancy and Chapter 8, Paragraph 8-18 for the requirements on filing a civil action against the tenant to recover improper subsidy payments.

6. Where fraud is suspected, the O/A should report this to the HUD OIG Office of Investigation in the District that has jurisdiction in the state the project is located.

### B. Unreported or Underreported Income

If the O/A determines the tenant unreported or underreported his/her income, the O/A must go back to the time the unreported or underreporting of income started, not to exceed the 5-year limitation that the tenant was receiving assistance described on forms HUD-9887 and HUD-9887-A, and calculate the difference between the amount of rent the tenant should have paid and the amount of rent the tenant was charged. The O/A must notify the tenant of any amount due and their obligation to reimburse the O/A. A record of this calculation must be provided to

the tenant and also retained in the tenant's file. Tenants with unreported income that goes back further than 5 years can be reported to the OIG for fraud. (See Section IX.C on Tenant Repayment of Unreported or Underreported Income.)

The O/A must have the form HUD-50059(s) on file that was in effect during the period(s) that the tenant had unreported or underreported income, along with any supporting documentation, in order to calculate the amount the tenant must reimburse to the owner. The form HUD-50059(s) is the document whereby the tenant(s) certifies to the accuracy of the income included on the form. If the O/A does not have this historical information, the O/A cannot go back to the tenant for unreported or underreported income.

## C. Tenant Repayment of Unreported or Underreported Income

### 1. Tenant's Obligation to Reimburse

Tenants are obligated to reimburse the O/A if they are charged less rent than required by HUD's rent formula due to underreporting or failure to report income. The tenant is required to reimburse the O/A for the difference between the rent that should have been paid and the rent that was charged. (See Paragraph 18 of the HUD Model Lease for Subsidized Programs, Paragraph 14 of the Section 202/8 and 202/162 PAC lease and Paragraph 12 of the Section 202 and Section 811 PRAC leases found in Appendix 4 and Paragraph 8-13.A.5 of Handbook 4350.3 REV-1.)

**Note: Tenants are not required to reimburse the O/A for undercharges caused solely by the O/A's failure to follow HUD's procedures for computing rent or assistance payments. (See Chapter 8, Paragraph 8-20.B.2, of Handbook 4350.3 REV-1, addressing the O/A's obligation to reimburse HUD for overpayments of assistance due to the owner's failure to follow HUD's procedures.)**

### 2. Repayment Options

a. Tenants can repay amounts due:

(1) In a lump sum payment; or

(2) By entering into a repayment agreement with the O/A; or

(3) A combination of (1) and (2), above.

**Example**: A tenant may owe $1,000, make a lump sum payment of $300 and enter into a repayment agreement for the remaining $700.

b. Tenants who do not agree to repay amounts due in accordance with 2.a, above, will be in non-compliance with their lease agreement and may be subject to termination of tenancy. (See Paragraph 8-13.A.5 of Handbook 4350.3 REV-1.)

c. Tenants may also be required to repay funds to the O/A due to a:

(1) Civil action taken by the O/A, or

(2) Court action as a result of an OIG audit.

**3. Repayment Agreements**

a. The tenant and O/A must both agree on the terms of the repayment agreement.

The tenant may wish to consult with HUD's Housing Counseling Agency in their area to assist them in working with the O/A to reach agreeable terms for the repayment agreement. See the Housing Counseling Agency website for a listing of agencies for each state at http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm

(1) Monthly Payment

The tenant's monthly payment must be what the tenant can afford to pay based on the family's income.

The monthly payment plus the amount of the tenant's total tenant payment (TTP) at the time the repayment agreement is executed should not exceed 40 percent of the family's monthly adjusted income. The monthly payment may exceed 40 percent of the family's monthly adjusted income if the family agrees to the amount stated in the repayment agreement.

**Example:**

- Family's monthly adjusted income is $1,230.
- Family's monthly total tenant payment (TTP) is $369 (30% of the family's monthly adjusted income).
- 40% of the family's monthly adjusted income is $492.
- The monthly payment for the repayment agreement should not exceed $123 per month ($492 - $369 = $123) ($369 monthly TTP + $123 repayment = $492, 40% of the family's monthly adjusted income.)

(2) Repayment Time Period

The time period for repayment by the tenant of the amount owed.

> **Example**: The tenant agrees to repay $1,000, and agrees to monthly payments of $25. $1,000/$25 = 40 months (time period).

b. Effective with the issuance date of this Notice, **new** repayment agreements must:

(1) Include the total retroactive rent amount owed, the amount of lump sum paid at time of execution of the agreement, if applicable, and the monthly payment amount.

(2) Reference the paragraphs in the lease whereby the tenant is in non-compliance and may be subject to termination of their lease.

(3) Contain a clause whereby the terms of the agreement will be renegotiated if there is a decrease or increase in the family's income of $200 or more per month.

(4) Include a statement that the monthly retroactive rent repayment amount is in addition to the family's monthly rent payment and is payable to the O/A.

(5) Late and missed payments constitute default of the repayment agreement and may result in termination of assistance and/or tenancy.

(6) Be signed and dated by the tenant and the O/A. HUD recommends that the O/A have the head of household and, if applicable, the family member who had the unreported or underreported income sign the repayment agreement.

c. O/As must not apply a tenant's monthly rent payment towards the repayment amount owed that would result in an accumulation of late rent payments. The monthly payment due on the repayment agreement is in addition to the tenant's monthly rent payment.

**4. Disposition of Funds Received by O/A**

a. O/As are required to reimburse funds collected from the tenant to HUD in accordance with the requirements in Chapter 8, Paragraph 20 of Handbook 4350.3 REV-1.

(1) O/As should be familiar with their software's capability that allows for adding Miscellaneous Accounting Requests to the housing assistance payments (HAP) voucher (form HUD-52670) as the procedures vary from software to software. O/As should consult their software documentation or software provider if assistance is required.

(2) After verifying the tenant's income, the O/A must complete corrections to a prior certification(s) affected by the income change. O/As must not fail to correct the prior certification(s) in an attempt to avoid having large negative adjustments appear on the HAP voucher.

(3) Voucher adjustments:

(a) If the tenant is able to pay the entire amount due in one lump sum payment, no Miscellaneous Accounting Request is needed.

(b) If the tenant pays a lump sum payment and enters into a repayment agreement for the remaining amount due, the O/A must first reverse the adjustment created by correcting the prior certification(s) less the lump sum payment by adding an O/A initiated accounting adjustment (Owner Agent ReQuest - OARQ) Miscellaneous Accounting Request to the voucher.

> **Example:** If the total adjustment is -$1,240 (indicating that $1,240 in subsidy is being returned to HUD) and the tenant pays $480 in a lump sum, the OARQ request is for $760 ($1,240 - $480). The comment field must be completed describing the transaction, e.g. "Reversal of adjustments subject to repayment – Unit 1023 - John Smith."

(c) Adjustments for payments received from the tenant per the repayment agreement are made as addressed in (e), below.

**NOTE:** The comment field allows for 78 characters to describe the transaction.

(d) If the tenant is subject to a repayment agreement, the O/A must first reverse the full amount of the voucher adjustment created by correcting the prior certification(s).

> **Example**: If the total of the adjustments is -$1,240 (indicating that $1,240 in subsidy is being returned to HUD), the OARQ request will be for $1,240. This leaves the voucher unaffected by the retroactive corrections to a recertification(s). The comment field must be completed describing the transaction, e.g., "Reversal of adjustments subject to repayment – Unit 1023, John Smith."

(e) As the tenant makes payments per the repayment agreement, the O/A must enter them as negative amounts on the voucher as OARQ Miscellaneous Accounting Requests with the comment field completed explaining payment and costs retained.

> **Example**: The tenant pays $50, the OARQ will be for -$50. The comment field must be completed describing the transaction, e.g., "Repayment – Unit 1023- John Smith, zero cost retained."

If the O/A is deducting his/her costs from the payment received from the tenant, the OARQ Miscellaneous Accounting Request will be for the amount collected from the tenant less the O/A's costs.

> **Example**: The tenant pays $50 and the O/A's costs are $8, the OARQ would be for -$42. The comment field must be completed describing the transaction, e.g., "Repayment – Unit 1023 – John Smith - $50 collected less costs of $8."

(f) O/As should consult the TRACS Monthly Activity Transmission (MAT) User's Guide to obtain updated instructions on Miscellaneous Accounting Requests.

b. O/As may retain a portion of the repayments they actually collect from the tenants who have improperly reported their income at the time of certification or recertification to help defray the cost of pursuing these cases. **This is no longer limited to cases where the O/A has determined fraud**.

O/As may only retain an amount to cover their actual costs, which is the **lesser of**:

(1) Their actual costs, or

(2) 20 percent of the amount received from the tenant.

> **Example:** Amount received from tenant $500. Actual cost for pursuing and collecting amount due from tenant $125. The O/A is entitled to retain $100.
>
> 20% of $500 = $100 which is less than the actual cost of $125.

c. Amounts retained by O/As must be deposited into the project's operating account to offset the expenses incurred for these cases.

d. As with all income and expenses of the project, O/As must keep records of the receipt and disbursement of all amounts collected from the tenant for audit purposes. At a minimum, the owner must record:

(1) Date and amount(s) received from the tenant;

(2) Expenses incurred;

Examples of types of expenses incurred include staff time for verifying the unreported income; meeting with tenant; drafting repayment agreements; generating and sending monthly invoices to tenant; generating manual voucher adjustments; collection agency fees, if applicable; and, meeting state requirements.

(3) Amount(s) retained; and

(4) Voucher date(s) and amount(s) of reimbursement made to HUD.

**D. <u>Over-reported Income</u>**

1. Tenants may report decreases in their income (see Paragraph 16.b of the HUD Model Lease for Subsidized Programs, Paragraph 23.b for the Section 202/8 and Section 202/162 PAC lease and Paragraph 24.b for the Section 202 PRAC and Section 811 PRAC leases). In these instances, O/As must process an interim recertification in accordance with Handbook 4350.3 REV-1, Chapter 7, Paragraphs 7-11, 7-12 and 7-13.

2. If, at the time of recertification, there is an Income Discrepancy Report in the EIV system that reflects a decrease of $2,400 or more in wage, unemployment and/or Social Security income reported in the EIV system and the wage, unemployment and/or Social Security income in TRACS for the period of income used for the discrepancy analysis, the O/A must investigate the discrepancy.

(a) If, after investigating the discrepancy, the O/A determines that an error was made in calculating the tenant's income (e.g., third party verification not obtained, third party verification received but an error was made in calculating the tenant's income) and the income was over-reported, the O/A must complete corrections to the prior certification(s) affected by the income change. Once the corrections have been made, the O/A will determine the difference between the amount of rent the tenant paid and the rent that the tenant should have paid.

(b) The O/A must reimburse the tenant the amount of overpayment of rent in accordance with Chapter 8, Paragraph 8-21 of Handbook 4350.3 REV-1.

### E. Errors Discovered During a Monitoring Review

If, during their review of the tenant files, the CA determines that an error was made in the income calculation based on the income verifications on file that results in an under- or over-payment of rent by the tenant, the O/A must make the necessary adjustments to the tenant's rent for the period the error occurred. This will be a finding on the Management and Occupancy Review (MOR) and O/As will have 30 days to mitigate.

(a) The O/A must complete corrections to the prior certification(s) affected by the income change. Once the corrections have been made, the O/A will determine the difference between the amount of rent the tenant paid and the rent that the tenant should have paid.

(b) The O/A must follow the instructions in Chapter 8, Paragraphs 8-20 and 21 of Handbook 4350.3 REV-1 for reimbursement to the O/A by the tenant for underpayment of rent and for reimbursement to the tenant by the O/A for overpayment of rent.

## X. RETENTION OF EIV REPORTS

A. O/As **must** retain:

1. The Income Report, the Summary Report(s) showing Identity Verification Status as "Verified" and the Income Discrepancy Report(s) and supporting documentation must be retained in the tenant file for the term of tenancy plus three years.

2. Any tenant provided documentation, or other third party verification of income, received to supplement the SSA or NDNH data must be retained in the tenant file for the term of tenancy plus three years.

3. Results of the Existing Tenant Search must be retained with the application:

   (a) If applicant is **not** admitted, the application and search results must be retained for three years.

   (b) If applicant is admitted, the application and search results must be retained in the tenant file for the term of tenancy plus three years.

4. The master files for the New Hires Report, Identity Verification Reports, Multiple Subsidy Report and Deceased Tenants Report must be retained for three years.

See Attachment 6, Use of EIV Reports.

B. Once the retention period has expired, O/As must dispose of the data in a manner that will prevent any unauthorized access to personal information, e.g., burn, pulverize, shred, etc.

## XI. PENALTIES FOR FAILURE TO HAVE ACCESS TO AND/OR USE the EIV System

A. O/As will incur penalties if they:

1. Did not obtain access to the EIV system by January 31, 2010, because they did not submit a Coordinator Access Authorization Form (CAAF) to the Multifamily Help Desk by December 15, 2009, and/or did not complete the property assignment process by January 15, 2010, as instructed in Listserv and iMAX messages posted beginning mid-November 2009;

2. Did not begin using the EIV system as of January 31, 2010; or

3. Are not using the EIV system at the time of a MOR.

B. Penalties

The O/A:

1. Will receive a finding on the MOR report. See Attachment 8, MOR Findings for EIV System Compliance.

2. Will incur a penalty of a five percent decrease in the voucher payment for the month following the date the violation was found and each subsequent voucher payment until the MOR finding is cured. See Attachment 9, Assessing the Five Percent Decrease in Voucher Payment.

3. Must make an adjustment on the next scheduled voucher to adjust for the five percent decrease.

4. Will be monitored by the CA to ensure the adjustment is made.

C. The O/A will have 30 days to cure the finding.

1. The finding will be cured by obtaining access to and/or using the EIV system and the O/A will make an adjustment to the next scheduled voucher to collect the funds previously returned to HUD.

2. If the finding is not cured during the 30 day period, both the owner and the management agent, if applicable, will be flagged in HUD's Active Partners

Performance System (APPS). Once the finding is cured, the flag(s) will be removed.

D. When there is a change in ownership or management at a property, the new owner or management agent must obtain access to and begin using the EIV system within 90 days from the date the owner takes possession of the property or the effective date of the management agreement with the owner. Owners and/or management agents who fail to obtain access and begin using the EIV system within this timeframe may be subject to the penalties described above.

## XII. SECURITY OF EIV DATA

The data in the EIV system contains personal information on individual tenants that is covered by the Privacy Act. The information in the EIV system may only be used for limited official purposes:

### A. Official Purpose Includes

1. O/As, in connection with the administration of Multifamily Housing programs, for verifying the employment and income at the time of recertification and for reducing administrative and subsidy payment errors.

2. CAs (PBCAs and TCAs) and HUD staff for monitoring and oversight of the access and mandatory use of the EIV system. (See Attachment 8, MOR Findings for EIV Compliance, the *Rent and Income Determination Quality Control Monitoring Guide for Multifamily Housing Programs*, and the most recent EIV webcast for EIV monitoring requirements.)

3. IPAs, when hired by an owner to perform the financial audit of the project, for use in determining the owner's compliance with verifying income and determining the accuracy of the rent and subsidy calculations.

   Restrictions on disclosure requirements for IPAs:

   (a) Can only access EIV income information within hard copy files and only within the offices of the owner or management agent;

   (b) Cannot transmit or transport EIV income information in any form;

   (c) Cannot enter EIV income information on any portable media;

   (d) Must sign non-disclosure oaths (Rules of Behavior for Non-system Users) that the EIV income information will be used only for the purpose of the audit; and

   (e) Cannot duplicate EIV income information or re-disclose EIV income information to any user not authorized by Section 435(j)(7) of the Social Security Act to have access to the EIV income data.

**Note:** *Independent public auditor* means a Certified Public Accountant or a licensed or registered public accountant, having no business relationship with the private owner except for the performance of audit, systems work and tax preparation. If not certified, the Independent Public Accountant must have been licensed or registered by a regulatory authority of a State or other political subdivision of the United States on or before December 31, 1970. In States that do not regulate the use of the title "public accountant," only Certified Public Accountants may be used.

4. OIG investigators for auditing purposes.

5. See Section VI.C for information on disclosure of EIV information to individuals who are assisting in the recertification process and who are present during the recertification interview and process.

**B. <u>Official Purpose Does NOT Include</u>**

1. Sharing the information with governmental entities not involved in the recertification process used for HUD's assisted housing programs, e.g., the LIHTC program and RHS Section 515 program.

   As previously stated in the Note in Section II, this Notice does not apply to the LIHTC program for the O/A's completion of the LIHTC Tenant Income Certification (TIC) or for LIHTC compliance monitoring by state officials. It also does not apply to the RHS Section 515 program for certification of tenants who do not receive Section 8 assistance or for compliance monitoring by RHS staff for tenants receiving Section 8 assistance.

   Disclosing the EIV information to O/As for use under the LIHTC and RHS Section 515 programs is not allowed since neither the Internal Revenue Service (IRS) nor RHS are a party to the computer matching agreements with HHS and SSA. The fact that there is financing through other federal agencies involved in a particular property under one of the authorized HUD programs does not then permit that federal agency to use or view information in the EIV system that is covered by the computer matching agreements. The computer matching agreements are governed by the Privacy Act and the Social Security Act. For example, Sections 453(j)(7)(E)(ii) and (iv) of the Social Security Act limit disclosure of the data matched between HUD and HHS' NDNH to public housing agencies, the IG, the Attorney General, private owners, management agents and CAs. HHS subsequently approved disclosure of NDNH information to IPAs hired by an owner to conduct the financial audit of their property.

2. Disclosure of EIV information to Service Coordinators even though the tenant signs a release of information consent form authorizing the Service Coordinator to have access to their file is not allowed unless the Service

Coordinator is present during the interview and assisting the tenant with the recertification process. The statute authorizing the computer matching identifies those parties to whom the information can be disclosed and the statute does not include Service Coordinators.

## C. Disclosure to Persons Assisting Tenants with the Recertification Process

With the written consent of the tenant, EIV data may be shared with persons assisting the tenant with the recertification process. A Sample Tenant Consent to Disclose EIV Income Information has been included at Attachment 10 of this notice for convenience. Tenants who require assistance during the recertification process may have a representative present to assist them in their ability to participate in the recertification process; this includes review and explanation of the written third party income verifications. Disclosure of EIV information to these parties must be employment or income information pertaining only to the tenant who has provided his/her consent. These parties must not have access to EIV information for any other household members.

Parties to whom the tenant can provide written consent include:

- Service coordinators (only if they are present at and assisting the tenant with the recertification process)
- Translators/Interpreters
- Individuals assisting an elderly individual or a person with a disability
- Guardians
- Powers of Attorney
- Other Family Members

See Section VI.C, Disclosing an Individual's Information to Another Person or Entity.

## D. Penalties for Willful Disclosure or Inspection of EIV Data

1. **Unauthorized Disclosure** – felony conviction and fine up to $5,000 or imprisonment up to five (5) years, as well as civil damages.

2. **Unauthorized Inspection** – misdemeanor penalty of up to $1,000 and/or one (1) year imprisonment, as well as civil damages.

## E. Rules of Behavior (ROB)

1. **With EIV System Access**

   All EIV users who have access to the EIV system must adhere to the EIV ROB signed at the time of requesting access to the EIV system.

a. Instructions for requesting access to the EIV system for both internal HUD users and external users are posted on the Multifamily EIV website at: http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/eivapps.cfm

b. External users. The signed initial and current online (unsigned) access authorization forms containing the ROB must be kept on file along with the owner approval letters. Upon request, the forms must be made available to the entity monitoring EIV system compliance.

c. Internal users. A copy of the signed ROB will be kept on file by the TRACS/EIV Security Officer and a signed copy should also be retained by the EIV user.

d. Each HUD Program Center and Contract Administrator must have at least two staff members with access to the EIV system who can provide other staff members with EIV reports used for monitoring purposes.

2. **Without EIV System Access**

a. O/A staff, service bureau staff, HUD staff and CA staff who do not have access to the EIV system but who view or use EIV data/reports provided by authorized EIV Coordinators or EIV Users in order to perform their job functions, must adhere to the EIV ROB posted on the Multifamily EIV website at: http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/rulesofbehavior.pdf.

The ROB must be signed and kept on file. Upon request, the signed ROB must be made available to the entity monitoring EIV compliance.

**NOTE: HUD staff will check the "CA" box at the bottom of the form.**

b. IPAs hired by the owner to perform a financial audit must adhere to the ROB posted on the Multifamily EIV website at: http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/rulesofbehavior.pdf. The ROB must be signed by the IPA and kept on file. Upon request, the signed ROB must be made available to the entity monitoring EIV compliance.

## F. Security Training

1. EIV users are required to complete online security training annually. To meet this requirement, EIV users must complete the online Federal ISS Awareness training program. At the end of the training, EIV users must print and maintain the *Certificate of Completion* provided.

To complete online Security Awareness Training:

- Open your web browser.
- Type http://iase.disa.mil/eta/index.html#onlinetraining.
- Press Enter.
- Click on **Federal ISS Awareness** icon on the IA Education, Training and Awareness Screen.
- Click on **Launch New Information Systems Security Awareness** on the Information Systems Security Awareness screen.
- Proceed with the training.
- When the training is complete, print and maintain the *Certificate of Completion*.

**Note:** The Security Awareness Training described above is the same training required for those individuals who transmit TRACS files. If the training has been completed to satisfy TRACS security training requirements, this will also satisfy EIV security training requirements as well provided the completion date represented on the *Certificate of Completion* is not older than one year.

2. EIV users authorized by owners to have access to the EIV system on their behalf must also complete the applicable online Security Awareness Training Questionnaire for Multifamily Housing Programs upon initial access to the system and annually thereafter.

3. EIV users should:

   a. Review Section 4 on Security contained in the Multifamily EIV User Manual for Multifamily Housing Program Users posted at: http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/usermanual.pdf,

   b. Review the EIV Security Administration Manual posted at: http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/securityadminmanual.pdf

   c. View the Security training provided during the most recent EIV webcast, posted at: http://www.hud.gov/webcasts/archives/multifamily.cfm, and

4. O/A staff who do not have access to the EIV system but who use EIV reports to perform their job function must have security training annually as described in this section.

## G. Safeguarding EIV Data

### 1. Technical Safeguarding of Data

   a. All individuals who have access to the EIV system must have a valid WASS User ID and password and must use this ID and password for

accessing the EIV system. Upon receipt of the assigned WASS User ID, an individual must then apply to be approved for access to the EIV system.

b. To assist in ensuring that only those individuals who have a need to use the EIV system to perform their job function have access to the EIV system, users must be certified to use the system:
   (1) EIV Coordinators are certified at initial access and annually thereafter.

   (2) EIV Users are certified at initial access and bi-annually thereafter.

   If this certification is not made, the user's EIV access is terminated.

c. A Security Awareness Training Questionnaire, which supplements required annual security training, must be completed at the time of initial access to the system and annually thereafter. The EIV system is designed to block the entry of those individuals who have not successfully completed the questionnaire (i.e., answered 90 percent of the questions correctly).

**2. Administrative Safeguards**

a. Policies and procedures must be established to govern the use of the EIV system. These procedures should address:

   (1) Authorized use of the EIV system;

   (2) How to handle security breaches; and

   (3) Destruction of EIV data.

b. EIV manuals and the instructions in this Notice should be reviewed when implementing these administrative safeguards.

c. Posting of bulletins and flyers can assist in communicating how sensitive EIV data is and how this data should be handled.

**3. Physical Safeguards**

Physical safeguarding of EIV data refers to steps that must be taken to help ensure the data is safe when stored electronically or in hardcopy and when transmitting data electronically.

a. Storing and Transmitting of Electronic EIV Data

   (1) EIV data stored electronically must be in a restricted access directory or, if placed on portable media, labeled appropriately and encrypted using a NIST compliant vendor. Similarly, all emails containing EIV

data must be encrypted using a NIST compliant vendor. A list of compliant vendors can be found at: http://csrc.nist.gov/groups/STM/cmvp/documents/140-1/1401vend.htm.

(2) The full nine-digit SSN for a tenant must not be included in emails or other electronic communications.

**Note:** The downloading of EIV data to mobile devices is not allowed for IPAs.

b. Hardcopy EIV Data

EIV data that is printed out must not be left unattended. The documents should be retrieved as soon as they are printed and, if possible, use a restricted printer, copier, or facsimile machine. When faxing EIV data, ensure there is someone waiting and ready to retrieve the fax as soon as it is received (printed). When mailing EIV data, the data must be sent to an office of the O/A. EIV data must not be mailed to Independent Public Auditor offices (see Section XII.A.3).

c. Computer Security

The EIV system is set up to time out after 30 minutes of inactivity. This automatic safeguard should not be the only security measure taken. Individuals who use the EIV system should use a password protected screensaver and lock their computer when leaving their workspace. A user should not leave a computer unattended with EIV data displayed on the screen. It is also recommended that the EIV system be exited using the "X" at the top right of the screen which will remove the user from the entire WASS system.

d. Destroying EIV data

EIV data must be destroyed as soon as it has served its purpose as prescribed by HUD's policies and procedures and in accordance with HUD's prescribed retention period. Shredding, burning or pulverizing are all examples of acceptable ways to destroy EIV data.

## XIII. TOOLS AND RESOURCES

- Mf_eiv_comments@hud.gov mailbox
- EIV Multifamily Help Desk
  Telephone: 1-800-767-7588
  Email: Mf_Eiv@hud.gov

- Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System – Amendments; Final Rule http://edocket.access.gpo.gov/2009/pdf/E9-30720.pdf
- Multifamily Housing EIV Website: http://www.hud.gov/offices/hsg/mfh//rhiip/eiv/eivhome.cfm
- Enterprise Income Verification System User Manual for Multifamily Housing Program Users http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/usermanual.pdf
- EIV Multifamily Housing Programs Security Administration Manual http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/securityadminmanual.pdf
- Rental Housing Integrity Improvement Project (RHIIP) website http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm
- "Resolving Income Discrepancies Between Enterprise Income Verification (EIV) System Data and Tenant-Provided Income Information" http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/resincdisc.pdf
- Handbook 4350.3 REV-1, *Occupancy Requirements of Subsidized Multifamily Housing Programs* http://www.hud.gov/offices/adm/hudclips/handbooks/hsgh/4350.3/index.cfm
- EIV Instructional Webcasts http://portal.hud.gov/portal/page/portal/HUD/webcasts/archives/multifamily
- EIV Training conducted on December 16 and December 17, 2008, and December 2009; PowerPoint presentation http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/eivtraining.cfm
- A Guide to Interviewing for Owners of HUD Subsidized Multifamily Housing Programs http://www.hud.gov/offices/hsg/mfh/rhiip/casestudy/app_4.pdf
- HUD Notice H 2010-02 *EIV & You Brochure – Requirements for Distribution and Use* http://portal.hud.gov/portal/page/portal/HUD/program_offices/administration/hudclips/notices/hsg/files/10-02hsgn.doc
- EIV & You Brochure: http://www.hud.gov/offices/hsg/mfh/rhiip/eivbrochure.pdf
- Rent and Income Determination Quality Control Monitoring Guide for Multifamily Housing Programs http://www.hud.gov/offices/hsg/mfh/rhiip/qcguide.pdf

If you have questions regarding this Notice or need more information on the EIV system, please contact your local Contract Administrator or local HUD field office.

## XIV. PAPERWORK REDUCTION

The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3520) and assigned OMB Control Number 2502-0204. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor,

and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

**/s/**

Carol J. Galante
Acting Assistant Secretary for Housing -
Federal Housing Commissioner

Attachment 1 – Failed EIV Pre-screening Report Error Messages
Attachment 2 – Failed Verification Report (Failed the SSA Identity Test) Error Messages
Attachment 3 – NDNH data elements
Attachment 4 – Income Discrepancy Report
Attachment 5 – Using EIV Data Flow Chart
Attachment 6 – EIV Reports Chart
Attachment 7 – EIV Income Report Component Information
Attachment 8 – MOR Findings for EIV Compliance
Attachment 9 – Assessing the Five Percent Decrease in Voucher Payment
Attachment 10 – Sample Tenant Consent to Disclose EIV Income Information

**Attachment 1: Failed EIV Pre-screening Report Error Messages**

| Failed EIV Pre-screening Report Error Messages | | | |
|---|---|---|---|
| | **Error Message Description** | **Explanation** | **Corrective Action** |
| 1 | Failed DOB check. | The date of birth is blank or null in line 42 of form HUD-50059. | Enter DOB on line 42 of form HUD-50059. Ensure only numbers are recorded. |
| 2 | Failed last name check. | The last name is blank or null in line 35 of form HUD-50059. | Enter last name on line 35 of form HUD-50059. Ensure only alpha characters are recorded. |
| 3 | Failed SSN check. | The SSN is not numeric or all 9s or LIKE (000%) or LIKE (__00%) or LIKE (%0000). | Enter valid SSN on line 45 of form HUD-50059. Do not use repetitive numbers if tenant has not disclosed a SSN. An alternate ID will be generated by TRACS for household members without a SSN.<br><br>O/A must follow up with those households with members with a TRACS generated ID to obtain documentation of the member's SSN, if applicable.<br><br>Tenants exempt from the SSN requirements will continue to have a TRACS generated ID in the SSN field on form HUD-50059.<br>Exempt from SSN requirement:<br>• Individuals who do not contend eligible immigration status, and<br>• Tenants who were 62 years of age or older on January 31, 2010, and whose initial determination of eligibility was begun before January 31, 2010. |
| 4 | Failed effective date check | The effective date of action is more than 15 months old. | Transmit a current recertification to TRACS. |

**Attachment 2: Failed Verification Report (Failed the SSA Identity Test) Error Messages**

| Failed Verification Report (Failed the SSA Identity Test) Error Messages | | | |
|---|---|---|---|
| | **Error Description** | **Explanation** | **Corrective Action** |
| 1 | Verification failed – SSN not found in SSA's records<br>Or<br>SSN is not in file<br>Or<br>The input SSN was not verified | The tenant's SSN recorded on line 45 of form HUD-50059 is not a valid number issued by SSA or listed in SSA records. | Request original SSN card from tenant or other acceptable form of documentation for verification of SSN.<br>Confirm SSN displayed on the card/verification document matches the SSN reported on line 45 of form HUD-50059.<br>For continued SSN failures, notify HUD OIG or other law enforcement agency. |
| | **NOTE: Encourage the tenant to contact the SSA to correct any inaccurate data in their databases if the personal identifiers on the form HUD-50059 and in TRACS are accurate. If SSA records are wrong, only the tenant can request SSA to correct his/her record by completing and submitting form SS-5, *Application for a Social Security Card.*** | | |
| 2 | Verification failed – SSN not found in SSA records XXXXXXXXX | Tenant SSN recorded on line 45 of form HUD-50059 is not a valid number issued by SSA. However, the SSN reflected in SSA records is listed at the end of the error message. | Update line 45 of form HUD-50059 with the SSA provided SSN. |
| 3 | Verification failed - Surname matched, but DOB did not match | The DOB recorded on line 42 of form HUD-50059 is not the same DOB reflected in SSA's records. | Ask tenant to provide documentation (i.e. birth certificate or state issued identification card) to verify DOB.<br>Update line 42 of form HUD-50059 with the SSA provided DOB |
| 4 | Verification failed – DOB matched but surname did not match with SSA records<br>or<br>Surname does not match; DOB was checked | The surname recorded on line 35 of form HUD-50059 is not the same surname reflected in SSA's records. | Ask tenant to provide documentation (i.e. SSN card, birth certificate, state issued identification card, marriage license or court documents) of the other name he/she is using.<br>Update line 35 of form HUD-50059 with the correct surname. |

| Failed Verification Report (Failed the SSA Identity Test) Error Messages | | | |
|---|---|---|---|
| | **Error Description** | **Explanation** | **Corrective Action** |
| 5 | Verification failed – SS/SSI benefits cannot be disclosed due to discrepancy in DOB MM/DD/YYYY | Tenant is receiving SS/SSI benefits; however, SSA cannot disclose the benefit amount because the DOB recorded on line 42 of form HUD-50059 is incorrect. The DOB reflected in SSA's records is listed at the end of the error message. | Request the tenant provide a current SS/SSI benefit letter.<br>Request tenant provide documentation (i.e. birth certificate or state issued identification card) to verify DOB.<br>Update line 42 of form HUD-50059 with the SSA provided DOB, if applicable. |
| 6 | Verification failed – SS/SSI benefits cannot be disclosed due to discrepancy in name. | Tenant is receiving SS/SSI benefits; however, SSA cannot disclose the benefit amount because the surname recorded on line 35 of form HUD-50059 is not the same surname reflected in SSA records. | Request tenant provide a current SS/SSI benefit letter.<br>Ask tenant to provide documentation (i.e. SSN card, birth certificate, state issued identification card, marriage license or court documents) of the other name he/she is using.<br>Update line 35 of form HUD-50059 with the correct surname. |
| 7 | Verification failed – surname matched but DOB did not match with SSA records MM/DD/YYYY | The DOB recorded on line 42 of form HUD-50059 is incorrect. However, the DOB reflected in SSA records is listed at the end of the error message. | Update line 42 of form HUD-50059 with the SSA provided DOB. |
| 8 | SSN is verified; individual is deceased<br>or<br>SSN is verified; individual is deceased MM/DD/YYYY | The tenant's SSN has been verified by SSA and the individual is deceased.<br>If a date follows the error message, this is the date of death as reflected in SSA records. | Contact tenant's adult family member, next of kin or contact person/entity provided by tenant on form HUD-92006.<br>Upon confirmation of death, update family composition on form HUD-50059, or a single member household, take appropriate action to terminate tenancy in accordance with program instructions and transmit the move-out form HUD-50059-A to TRACS. If applicable, return any overpayment of assistance. |

## Attachment 3: National Directory of New Hires (NDNH) Data Elements

The following data elements are requested by HUD from the NDNH database. The following provides information on those data elements that are optional for employers to provide to the various states. All of these data elements may not be elements normally displayed in the EIV system. For those data elements that are displayed in the EIV system, information may not be made available because the employer is not required to report the data to the state, therefore, no information is available in the NDNH database.

### Quarterly Wage File

- Employee SSN
- Employee Name
- Employer Name
- Employer Address
- Quarterly employee wage amount
- Date quarterly wage record processed by NDNH
- Federal Employee Identification Number (EIN) (optional for an employer to report)
- State EIN (optional for an employer to report)
- Department of Defense indicator, if any

### New Hire File

- Employee SSN
- Employee Last Name
- Employee First Name
- Employee Address (optional for an employer to report)
- Employer Name
- Employer Address
- Employee Date of Hire (optional for an employer to report)
- Employee State of Hire (optional for an employer to report)
- Employer Federal EIN (optional for an employer to report)
- Employer State EIN (optional for an employer to report)
- Employer's Second Address, if any (optional for an employer to report)
- Department of Defense indicator, if any
- Date New Hire Record processed by NDNH

### Unemployment Insurance File

- Claimant SSN
- Claimant Last Name
- Claimant First Name
- Claimant's Address (optional for an employer to report)
- Benefit Amount
- Unemployment reporting period

## Attachment 4: How The EIV System Calculates Income Discrepancies

The Income Discrepancy Report compares the tenant's projected **next year's** income as reported in TRACS to the actual income data compiled by the EIV system. **The O/A is not expected to reconcile dollar amounts to the penny when resolving discrepancies.**

### 1. Identifying the Period of Income (POI) for Discrepancy Analysis

The period of income provides the timeline reference governing the collection of the data used to determine whether or not a discrepancy exists between projected household income (as reported in TRACS) and actual income (EIV income data that was available at the time the projection was made). This period of income is determined in order to gather the actual income data needed to make a comparison to the projected income and determine whether a discrepancy exists.

The period of income uses the following timeline of events to assist in determining the specific time span that is taken into consideration when collecting and calculating income data.

- **Effective Date of Action** – This value represents the effective date appearing on the form HUD-50059 reported in TRACS for the identified tenant. It is used to calculate the Period of Income Start and End Date values selected for the Period of Income for Discrepancy Analysis.
- **Period of Income Start Date** – This date represents the starting point for the income period. It is calculated by the EIV system based on the effective date associated with the form HUD-50059 reported in TRACS for the tenant. It is assumed that the Period of Income Start date is 15 months prior to the effective date on the form HUD-50059 reported in TRACS.
- **Period of Income End Date** – This date represents the end of the period of income and is assumed to be 3 months prior to the effective date on the form HUD-50059 reported in TRACS. (This is the approximate time frame for the tenant interview.) The Period of Income End Date is 12 months from the Period of Income Start Date.

### 2. Identifying Projected Income

Projected income information is used as the baseline for discrepancy calculations. It is derived from the form HUD-50059 records stored in the TRACS database. The income projected information is used to determine whether or not a given household should have an Income Discrepancy Report. The determination is made using the following evaluation criteria.

- Selected form HUD-50059 records will come directly from the current TRACS database. There is no need to access the TRACS database to obtain projected household income information.
- The EIV system will review the current TRACS database to locate the most current form HUD-50059 record for a household that falls in the timeline of 3 to 15 months.
- Prior to the Effective Date of Action. The most recent record falling within that timeline is used as the source for projected income information.
- Form HUD-50059 records in TRACS with an effective date that falls within the specified 3 to 15 months timeline, and includes an action type of MI, AR, IR or IC, is included in the Income Discrepancy Report calculations.

| Action Types – Included in the Income Discrepancy Report Calculations | Definition |
|---|---|
| MI | Move In |
| AR | Annual Recertification |
| IR | Interim Recertification |
| IC | Initial Certification |

- Data from households that lack SSA verification or that fails the SSA verification will not be included in the calculations.
- If a form HUD-50059 record in TRACS does not meet the qualification criteria, the household is excluded from the Income Discrepancy Report.

### 3. Identifying the Actual Income Reported during the Period of Income

Actual income information is used to evaluate the accuracy of an income projection. It is compared to the projected income value stored on the form HUD-50059 in TRACS associated with the household. These values are:

| Income Code | Type of Income |
|---|---|
| B | Business |
| F | Federal Wage |
| M | Military Pay |
| W | Nonfederal Wage |
| U | Unemployment |
| SS | Social Security |
| SI | Supplemental Security Income |

**Note:** Other income the household receives, e.g., welfare benefits, most pensions, child support, etc., may be reported in annual income in TRACS but it is not used for the discrepancy analysis in the EIV system.

EIV income information is not considered to be conclusive proof if a tenant challenges that it is not current or complete. One factor is time lag in the collection of SSA and NDNH data. In such cases, the employment information, including the "new hires" information will help the O/A research the tenant's income.

### 4. Prorating Actual Income

When the period of income includes a Period of Income Start Date that coincides with income reporting quarters, the income is simply added for those quarters. In those cases where an income record overlaps the start or end of the period of consideration, the income is prorated, based on the following calculation.

- First Quarter income = (quarter income value / period of time) x length of time in period. For example, if the income is within the period of consideration for 2 or 3 months, the calculation would be (quarter income value / 3 months) x 2 months.

- Sum the quarter income that occurs within the period of consideration. This should be 3 quarters of data.
- Add the final quarter of income data. Quarter income = (quarter income value / period of time) x (length of time considered).

## 5. Calculating Income Discrepancies

Once projected and actual income data have been captured, the discrepancy evaluation process begins. The EIV system conducts two separate evaluations during the Income Discrepancy Report generation process. The outcome determines whether or not the results should be included in the Income Discrepancy Report.

Income discrepancies are calculated in the following manner:

**Discrepancy 1** – Entire period of consideration versus income projected is calculated as follows:

(Projected Annual Wages and Benefits from form HUD-50059 data in TRACS) – (Reported Annual Wages and Benefits as derived from EIV data.)

**Discrepancy 2** – Last quarter of period of consideration annualized against projection is calculated as follows:

- ❖ Actual EIV Income = final quarter income data (prorated as first and final quarter income in calculating total income for period of income against projection) x 4 quarters.
- ❖ Projected Annual Wages and Benefits from form HUD-50059 data in TRACS – Actual EIV Income

## 6. Discrepancy Analysis

Once the income discrepancy calculations are completed, the EIV system analyzes the results to determine whether an Income Discrepancy Report should be generated. The analysis compares the results to a pre-defined EIV system value – Discrepancy Cutoff.

The Discrepancy Cutoff variable establishes the monetary value that the calculated discrepancy must exceed in order for the household to be included on the Income Discrepancy Report. By default, this value is set to $2,400. This means that the discrepancy between the actual annual income value and the projected income must be at least $2,400 or greater in order for a discrepancy report to be generated. (The $2,400 is based on the requirement that tenants must report to the O/A when the family's income cumulatively increases by $200 or more per month – see Paragraph 7-10.A and the HUD Model Leases in Appendix 4 of Handbook 4350.3 REV-1.)

For example, if the projected income for a household was $10,000 but the actual income was $14,000, the difference of $4,000 is greater than the established cutoff value of $2,400, qualifying it to appear on the report. Conversely, if the projected income for a household was $10,000 but the actual income was $12,000, the difference of $2,000 is less than that of the established cutoff value of $2,400, disqualifying it from appearing on the report.

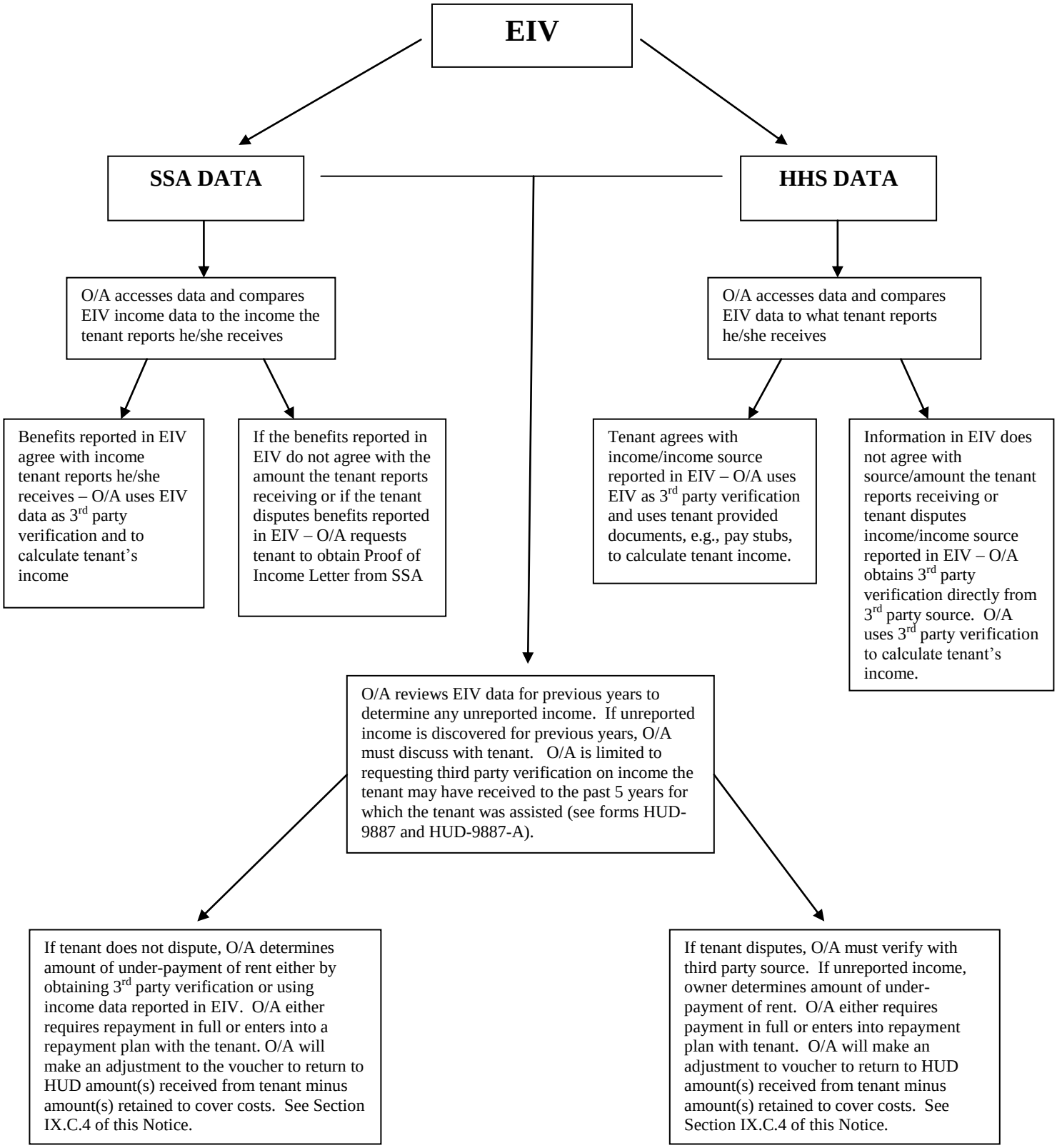
The Discrepancy Analysis section of the Income Discrepancy Report provides results of the income analysis process. It provides actual and annualized last quarter data. There is a column for each type of data – Actual and Annualized Last Quarter Data.

- **Reported Annual Wages and Benefits from EIV Data** – This field identifies the actual income reported to the EIV system for the designated period of Income for Discrepancy Analysis.
- **Amount of Annual Income Discrepancy** – This field identifies the value of the discrepancy in the annual income that caused the household to be included in the report data. Negative currency values are represented in parentheses. For example, -$800 is represented as ($800). When this value caused the household to be included on the report, it appears in a bold typeface.
- **Amount of Monthly Income Discrepancy** – This field identifies the value of the discrepancy in the monthly income that caused the household to be included in the report data. Negative currency values are represented in parentheses. For example, -$800 is represented as ($800). When this value causes the household to be included on the report, it appears in a bold typeface.
- **Percentage of Income Discrepancy** – This field identifies the percentage by which the threshold cutoff value has been exceeded for this household. Negative percentage values are represented in parentheses. For example, -75% is represented as (75%).

## 7. Report Generation

The Income Discrepancy Report data gathering and calculations are computed automatically on a weekly basis. The data is collected, analyzed, and stored in the EIV system database according to the previously specified criteria. The obsolete data set is overwritten with the current data. Users relying on data from a particular Income Discrepancy Report are advised to print that report before it is overwritten.

## Attachment 5: Using EIV System Data Flow Chart



## Attachment 6: Use of EIV Reports

| USE OF EIV REPORTS | | | | | |
|---|---|---|---|---|---|
| **REPORT** | ***UPDATE** | | **REPORT USE** | **FILE DOCUMENTATION** | **RETENTION** |
| | **TSP** | **P&P** | | | |
| **Summary Report**<br><br>Summary of household information from the current, active certification in the TRACS file at the time of the income match.<br><br>Provides Identity Verification Status by identifying tenants whose personal identifiers:<br><br>• Match the SSA database - "Verified"<br>• Does not match the SSA database – "Failed"<br>• Have not been sent by HUD to SSA for validation or have not yet been matched by SSA for validation – "Not Verified"<br>• SSA's records indicate the person is deceased – "Deceased"<br><br>**See Section VII.A.1** | | X | Must be used at recertification (annual and interim)<br><br>• To validate a tenant's SSN<br><br>• To review and resolve discrepant or invalid personal identifiers of tenants with a "failed" or "deceased" status<br><br>**Note**: Nothing has to be done at the time of recertification with those tenants with an Identity Verification Status of "Not Verified". However, the Failed SSA Identity Test report must be checked monthly as a change in the Identity Verification Status may occur. | Summary Report(s) as verification of the SSN for all household members whose Identity Verification Status is "Verified".<br><br>Correspondence or documentation received to resolve a tenant's "Failed" or "Deceased" status.<br><br>Documentation for household members identified as exempt from disclosing and providing verification of a SSN:<br><br>• Tenants who were 62 years of age or older as of January 31, 2010 and whose initial determination of eligibility was begun before January 31, 2010; and<br>• Individuals who do not contend eligible immigration status<br><br>If the Summary Report in the tenant file shows an Identity Verification Status of "Verified" for all household members required to have a SSN, the Owner does not have to continue to print out the Summary Report at recertification unless there is a change in household composition or in a household member's identity verification status | **Tenant file**<br>Summary Report and supporting documentation must be retained in the tenant's file for term of tenancy plus 3 years.<br><br>**Note:** O/As may remove and destroy copies of verification documentation received from the tenant to verify their SSN once the Identity Verification Status shows "Verified". O/As are encouraged to minimize the number of tenant records that contain documents that display the full nine-digit SSN. |

***TSP = Tenant Selection Plan P&P = Policies and Procedures**

## Attachment 6: Use of EIV Reports

| USE OF EIV REPORTS | | | | | |
|---|---|---|---|---|---|
| **REPORT** | ***UPDATE** | | **O/A REPORT USE** | **FILE DOCUMENTATION** | **RETENTION** |
| | **TSP** | **P&P** | | | |
| **INCOME REPORTS**<br>**Note: A current, signed form HUD-9887 must be on file to view and/or use the income reports.**<br>**A current, signed form HUD-9887-A must be on file to obtain written third party verification of income.** | | | | | |
| **Income Report**<br><br>Provides employment and income reported by HHS and SSA for each household member that passes the SSA identity test.<br><br>Identifies tenants who:<br>• May not have reported complete and accurate income information<br>• May be receiving multiple subsidies<br><br>**See Section VII.A.2** | | X | Mandatory use at Recertification - Annual and Interim<br><br>May be used at other times as indicated in O/A's policies and procedures.<br><br>• Serves as third party verification of employment and income.<br><br>New Admissions:<br>• Review new admissions within 90 days after the move-in information is transmitted to TRACS to confirm/validate the income reported by the household.<br><br>Resolve discrepancies in reported income with the family within 30 days of the EIV Income Report date. | No Dispute of EIV Information:<br>• EIV Income Report<br>• Current, acceptable tenant provided documents<br>• Third party verification from the source, if necessary<br><br>Disputed EIV Information:<br>• EIV Income Report<br>• Third party verification from the source for the disputed information<br><br>Tenant-reported income not verified through the EIV system:<br>• EIV Income Report<br>• Current, acceptable tenant-provided documents, and/or<br>• Third party verification from the source<br><br>Any correspondence with/from tenant relating to disputes of the employment or income reported in the EIV system.<br><br>Form HUD-50059(s) | **Tenant File**<br>Retain copy of Income Report and supporting documentation with applicable form HUD-50059 for term of tenancy plus 3 years.<br><br>**Note:** The O/A must make copies of any tenant provided documents and return the originals to the tenant. |

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## Attachment 6: Use of EIV Reports

| USE OF EIV REPORTS | | | | | |
|---|---|---|---|---|---|
| **REPORT** | ***UPDATE** | | **O/A REPORT USE** | **FILE DOCUMENTATION** | **RETENTION** |
| | **TSP** | **P&P** | | | |
| **INCOME REPORTS Cont'd.**<br>**Note: A current, signed form HUD-9887 must be on file to view and/or use the income reports.**<br>**A current, signed form HUD-9887-A must be on file to obtain written third party verification of income.** | | | | | |
| **Income Discrepancy Report**<br><br>Identifies households where there is a difference of $2,400 or more in the wage, unemployment and SSA benefit information reported in the EIV system and wage, unemployment and SSA benefit information reported in TRACS for the period of income used for discrepancy analysis.<br><br>The report serves as a tool to alert O/As that there may be a discrepancy in the income reported by the tenant during the period of income used for the discrepancy analysis.<br><br>**See Section VII.A.3** | | X | Mandatory use at Recertification - Annual and Interim<br><br>Report may be used at other times as indicated in O/A's policies and procedures.<br><br>**Must print the report at the same time the Income Report is printed.**<br><br>Discrepancies must be reviewed and resolved at the time of recertification or within 30 days of the EIV Income Report date.<br><br>Review data in TRACS to make sure agrees with the form HUD-50059 data. Correct any discrepant data in the TRACS database. | All correspondence to/from the tenant regarding the income discrepancy.<br><br>Documentation received to resolve the discrepancy, including written third party verification of income, if applicable.<br><br>The file must be documented regardless of whether the O/A determines the discrepancy to be valid or invalid.<br><br>Corrected form HUD-50059(s), if applicable.<br><br>Repayment Agreement, if applicable. | **Tenant file**<br>Retain copy of Income Discrepancy Report and any documentation related to the resolution of the discrepancy, including any repayment agreements for term of tenancy plus 3 years. |

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## Attachment 6: Use of EIV Reports

| USE OF EIV REPORTS | | | | | |
|---|---|---|---|---|---|
| **REPORT** | ***UPDATE** | | **O/A REPORT USE** | **FILE DOCUMENTATION** | **RETENTION** |
| | **TSP** | **P&P** | | | |
| **INCOME REPORTS Cont'd.**<br>**Note: A current, signed form HUD-9887 must be on file to view and/or use the income reports.**<br>**A current, signed form HUD-9887-A must be on file to obtain written third party verification of income.** | | | | | |
| **No Income Report**<br><br>Identifies tenants who passed the SSA identity test but no income was reported by HHS or SSA.<br><br>This does not mean that the tenant does not have any income. O/A must obtain written third party verification of any income reported by the tenant.<br><br>Recommend "zero" income tenants be required to disclose and O/A re-verify income at least quarterly. These are tenants who report no income at all.<br><br>**See Section VII.A.4** | | X | As identified in O/A's policies and procedures. Interview tenants, asking the right questions to provide the tenant the opportunity to disclose any income. | Third party verification from income sources of other income reported by tenant, if applicable.<br><br>Correspondence/documents received for re-verification of zero income tenants.<br><br>. | **Tenant file**<br>Any documentation or third party verifications for other income reported by the tenant for term of tenancy plus 3 years. |

***TSP = Tenant Selection Plan P&P = Policies and Procedures**

## Attachment 6: Use of EIV Reports

| USE OF EIV REPORTS | | | | | |
|---|---|---|---|---|---|
| **REPORT** | ***UPDATE** | | **O/A REPORT USE** | **FILE DOCUMENTATION** | **RETENTION** |
| | **TSP** | **P&P** | | | |
| **INCOME REPORTS Cont'd.**<br>**Note: A current, signed form HUD-9887 must be on file to view and/or use the income reports.**<br>**A current, signed form HUD-9887-A must be on file to obtain written third party verification of income.** | | | | | |
| **New Hires Report**<br><br>Identifies tenants who have new employment within the last 6 months. Report is updated monthly.<br><br>**See Section VII.A.5** | | X | At least quarterly<br><br>Contact tenant regarding new employment<br><br>Confirm new employment with tenant. Request tenant provided documents to support current income and/or third party verification from employer, as applicable.<br><br>Process Interim Recertification to include new income, if applicable. | New Hires Report with notation of action(s) taken.<br><br>No Dispute of EIV Information:<br>• EIV Income Report<br>• Current, acceptable tenant provided documents<br>• Third party verification from the source, if necessary.<br><br>Disputed EIV Information:<br>• EIV Income Report<br>• Third party verification from the source for disputed information<br><br>Any correspondence with/from tenant relating to new employment and/or disputes of the employment or income reported in the EIV system.<br><br>Form HUD-50059(s)<br>. | **Master file**<br>Retain New Hires Summary Report in a master "New Hires Report" file for 3 years.<br><br>**Tenant file**<br>Retain New Hires Detail Report for the tenant along with any correspondence with tenant, third party verifications, form HUD-50059(s), etc., .for term of tenancy plus 3 years. |

***TSP = Tenant Selection Plan P&P = Policies and Procedures**

## Attachment 6: Use of EIV Reports

| USE OF EIV REPORTS | | | | | |
|---|---|---|---|---|---|
| **REPORT** | ***UPDATE** | | **O/A REPORT USE** | **FILE DOCUMENTATION** | **RETENTION** |
| | **TSP** | **P&P** | | | |
| **VERIFICATION REPORTS**<br>**Note: A form HUD-9887 is not required to view and/or use verification reports.** | | | | | |
| **Existing Tenant Search**<br><br>Identifies applicants who may be receiving assistance at another Multifamily or PIH location.<br><br>**See Section VII.B.2.a** | X | | At the time of processing an applicant for admission<br><br>Search each applicant and applicant household member to see if receiving assistance at another location.<br><br>Discuss with tenant circumstances relative to being assisted at another Multifamily or PIH property.<br><br>Follow up with respective PHA or O/A to confirm the individual's program participation status before admission.<br><br>Coordinate move-in/out dates with PHA or O/A. | Search results for each member of the household.<br><br>Results of any contact with applicant must be recorded on and/or with the search results for affected household member.<br><br>Results of any contact with PHA, owner, management agent where applicant is reported as receiving assistance must be recorded on and/or with the search results for affected household member. | **Application file**<br>If not admitted – retain search results and any supporting documentation with the application for 3 years.<br><br>**Tenant file**<br>If admitted – retain search results and any supporting documentation with the application for term of tenancy plus 3 years. |

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## Attachment 6: Use of EIV Reports

| USE OF EIV REPORTS | | | | | |
|---|---|---|---|---|---|
| **REPORT** | ***UPDATE** | | **O/A REPORT USE** | **FILE DOCUMENTATION** | **RETENTION** |
| | **TSP** | **P&P** | | | |
| **VERIFICATION REPORTS Cont'd.**<br>**Note: A form HUD-9887 is not required to view and/or use verification reports.** | | | | | |
| **Multiple Subsidy Report**<br><br>Identifies tenants who may be receiving rental assistance at more than one location.<br><br>**See Section VII.B.2.b** | | X | At least quarterly<br><br>Must search both queries:<br>• Search within MF<br>• Search within PIH<br><br>Provide tenant opportunity to explain any circumstances relative to his/her being assisted at another location.<br><br>Follow up with respective PHA or O/A, if necessary, to confirm tenant is being assisted at the other location. Depending on the results, may need to take action to terminate the assistance or tenancy and repay subsidy to HUD. | Search results<br><br>Documentation supporting any contacts made or information obtained to determine if household and/or household member is receiving multiple subsidies.<br><br>Documentation to support any action taken if household and/or household member is receiving multiple subsidies.<br><br>**Note:** If a tenant's multiple subsidies were discussed and resolved at the time of recertification, this must be noted on the printed report and no further action is required. | **Master file**<br>Retain Multiple Subsidy Summary Report and supporting documentation in a master "Multiple Subsidy Report" file for 3 years.<br><br>**Tenant file**<br>Retain a copy of the Multiple Subsidy Detail Report for the tenant along with any documentation of action taken for a household member for term of tenancy plus 3 years. |

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## Attachment 6: Use of EIV Reports

| USE OF EIV REPORTS | | | | | |
|---|---|---|---|---|---|
| **REPORT** | ***UPDATE** | | **O/A REPORT USE** | **FILE DOCUMENTATION** | **RETENTION** |
| | **TSP** | **P&P** | | | |
| **VERIFICATION REPORTS Cont'd.**<br>**Note: A form HUD-9887 is not required to view and/or use verification reports.** | | | | | |
| **Failed EIV Pre-screening Report**<br><br>Identifies tenants who have missing or invalid personal identifiers (last name, date of birth, SSN) in TRACS. These tenants will not be sent to SSA from the EIV system for the SSA identity test.<br><br>Identifies tenants who need to disclose a SSN, e.g., replace TRACS generated id number.<br><br>**See Section VII.B.2.c.(1)** | | X | Monthly<br><br>Follow up with tenants identified on the report where discrepant personal identifiers were not corrected at the time of recertification.<br><br>Check accuracy of data entry, e.g., numbers not transposed in SSN.<br><br>Contact tenant and confirm to verify discrepant personal identifiers<br><br>Correct TRACS data within 30 days of the date of the report. | Failed EIV Pre-screening Report documented with action taken to resolve invalid or discrepant personal identifiers.<br><br>**Note:** This report will include those persons who are exempt from the SSN disclosure and verification requirements. In these instances the O/A will note on the copy of the report retained in the "Failed EIV Pre-Screening Report" master file that tenant(s) is exempt from SSN requirements.<br><br>**Note:** If a tenant's information was corrected at the time of recertification but the EIV data has not yet been updated, this must be noted on the printed report and no further action is required. | **Master file**<br>Retain copy of report in a master "Failed EIV Pre-screening Report" file for 3 years.<br><br>**Tenant file**<br>Documentation to verify discrepant personal identifiers for term of tenancy plus 3 years. |
| **Failed Verification Report (Failed SSA Identity Test)**<br><br>Identifies tenants whose personal identifiers (last name, date of birth, SSN) do not match the SSA database.<br><br>**See Section VII.B.2.c.(2)** | | X | Monthly<br><br>Follow up with tenants identified on the report where discrepant personal identifiers were not corrected at the time of recertification.<br><br>Check accuracy of data entry, e.g., numbers not transposed in SSN.<br><br>Contact tenant and confirm to verify discrepant personal identifiers.<br><br>Correct TRACS data within 30 days of the date of the report. | Failed Verification Report (Failed SSA Identity Test) report documented with action taken to resolve invalid or discrepant personal identifiers<br><br>**Note:** If a tenant's information was corrected at the time of recertification but the EIV data has not yet been updated, this must be noted on the printed report and no further action is required. | **Master file**<br>Retain copy of report in a master "Failed EIV SSA Identity Test" file for 3 years.<br><br>**Tenant file**<br>Documentation to verify discrepant personal identifiers for term of tenancy plus 3 years.<br><br>. |

***TSP = Tenant Selection Plan P&P = Policies and Procedures**

## Attachment 6: Use of EIV Reports

| USE OF EIV REPORTS | | | | | |
|---|---|---|---|---|---|
| **REPORT** | ***UPDATE** | | **O/A REPORT USE** | **FILE DOCUMENTATION** | **RETENTION** |
| | **TSP** | **P&P** | | | |
| **VERIFICATION REPORTS Cont'd.**<br>**Note: A form HUD-9887 is not required to view and/or use verification reports.** | | | | | |
| **Deceased Tenants Report**<br><br>Identifies tenants reported by SSA as being deceased.<br><br>**See Section VII.B.2.d** | | X | At least quarterly<br><br>Confirm, in writing, with head of household, next of kin or contact person or entity provided by the tenant to determine whether or not the person is deceased.<br><br>If deceased, within 30 days from date of report:<br>• Update family composition, and, if applicable, income and allowance, on the form HUD-50059. See Paragraph 7-13D of Handbook 4350.3 REV-1 for effective date.<br>• Single member of a household, process move-out using Form HUD-50059-A. Effective date retroactive to earlier of 14 days after date of death or date unit vacated.<br>**Note:** Overpayment of subsidy must be returned to HUD.<br><br>Any discrepant data in TRACS must be updated within 30 days from the date of the report.<br><br>Encourage tenant to contact SSA if SSA's data is incorrect. | Deceased Tenants Report<br><br>Documentation obtained to resolve discrepancy.<br><br>Form HUD-50059 with change of family composition.<br><br>Form HUD-50059-A for move-out.<br><br>**Note:** If action was taken to remove the deceased tenant from the household or to terminate tenancy of a deceased single member of a household at the time of recertification but the EIV data has not yet been updated, this must be noted on the printed report and no further action is required. | **Master file**<br>Retain copy of report in a master "Deceased Tenants Report" file for 3 years.<br><br>**Tenant file**<br>Form HUD-50059 and/or Form HUD-50059-A plus any other documentation received for a particular tenant must be retained for term of tenancy plus 3 years. |

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## Attachment 7: EIV Income Report Information

a. TRACS certification information
b. Personal Identifiers: name, date of birth and SSN
c. Employment information
    1. New Hire Information (W-4)
        (a) Date hired
        (b) Employer name
    2. Employer name, address and employer identification number (current and past employers)
    3 Quarterly earnings
d. Quarterly unemployment compensation
e. Social Security benefit information
    1. Social Security benefits (SS)
        (a) Payment status code
        (b) Date of current entitlement
        (c) Current net monthly benefit amount (if payable)
        (d) Gross monthly benefit history (last 8 changes in benefit amount)
        (e) Lump sum payment amount and date
        (f) Payee name and address
    2. Dual Entitlement (Social Security benefits under another person's SSN)
    3. Supplemental Security Income (SSI)
        (a) Payment status code
        (b) Alien indicator
        (c) Current net monthly benefit amount
        (d) Current monthly state supplement benefit amount
        (e) Gross monthly benefit history (last 8 changes in benefit amount)
        (f) Payee name and address
    4. Medicare data
        (a) Payee name and address
        (b) Monthly hospital insurance premium amount, buy-in status and buy-in start and end dates
        (c) Monthly supplemental medical insurance premium amount, buy-in status and buy-in start and end dates
    5. Disability status and onset date

All EIV Income Reports contain the date the report was generated and by whom and the date the EIV system received each type of information.

**Attachment 8: MOR Findings for EIV Compliance**
**(List is not all inclusive)**

| What is considered a Management and Occupancy Review (MOR) Finding? (Mandatory EIV System Use) | |
|---|---|
| 1. | O/A does not have access to the EIV system |
| 2. | O/A is not using the EIV system for recertifications effective June 1, 2010 |
| 3. | Missing/incomplete EIV documents as listed on the Addendum C.<br>(Email HUD Headquarters immediately to Terminate the coordinator's/user's access at the following address: mfeiv_alert@hud.gov)<br>• Name, property, MOR date and missing documentation<br>• Advise O/A mitigate and contact CA to reinstate access |
| 4. | Rules of Behavior for non-system users missing where applicable |
| 5. | EIV data being shared with other entities, e.g., state officials monitoring tax credit projects, rural Housing staff monitoring Section 515 projects, or Service Coordinators |
| 6. | EIV data not kept secure |
| 7. | O/A has not updated Policies and Procedures to include EIV system use |
| 8. | O/A has not updated Tenant Selection Plan to include use of Existing Tenant Search |
| 9. | EIV Income Reports are not in tenant files as third party verification |
| 10. | Tenant files do not have documentation to support EIV income discrepancy resolution |
| 11. | O/A is not using Existing Tenant Search |
| 12. | O/A is not reviewing New Hires Report |
| 13. | Unresolved Failed Verification (SSA Identity Test) and Pre-screening discrepancies |
| 14. | Deceased Tenants Report has not been reviewed and/or errors corrected |
| 15. | Multiple Subsidy Report has not been reviewed and/or errors corrected |
| 16. | O/A is not following HUD's record retention requirements |
| 17. | Missing/Incomplete form HUD-9887 |
| 18. | O/A is not providing tenants with the *EIV& You* brochure when selected from waiting list to move-in and at annual recertification |
| 19. | Individual with access to the EIV system or data has not had annual security training |
| 20 | O/A is sharing access IDs and passwords |

## Attachment 9: Assessing the Five Percent Decrease in Voucher Payment

| Description of Finding | 5 % Decrease Assessed? | Documents to be Provided | Owner Certification |
|---|---|---|---|
| **Access to the EIV System** | | | |
| Owner does not have access to the EIV system. | Yes | Owner must obtain access and provide documentation. | N/A |
| **Use of the EIV System** | | | |
| Owner is not using the EIV system at all. | Yes | Owner must follow procedures for specific report below. | N/A |
| **Existing Tenant Search** | | | |
| The report was not used during the applicant screening process of the tenant. | No | N/A | Certify the report will be used as a screening criteria as described in their tenant selection plan. |
| **Multiple Subsidy Report, Identity Verification Reports, Deceased Tenant Report, New Hires Report** | | | |
| Has never printed the report. | Yes | Owner must print current report and show evidence s/he is actively working the report. | Certify the report will be used as described in their policies and procedures. |
| Did not print out the current report. | No | Owner must print current report and show evidence s/he is actively working the report. | Certify the report will be used as described in their policies and procedures. |
| Has printed and provided the most current report but has not printed one or more reports in the past. | No | N/A | Certify the report will be used as described in their policies and procedures. |
| **Income Report** | | | |
| Tenant has provided pay stubs to determine income but income has not been verified through the EIV system or employer. | Yes | Owner must obtain third party verification of income from the employer. | Certify the report will be used to verify income or if EIV was not available the file will be documented to reflect this. |
| Tenant has provided pay stubs to determine income; income was verified through employer and not the EIV system. | No | N/A | Certify the report will be used to verify income or if EIV was not available the file will be documented to reflect this. |
| **Income Discrepancy Report, No Income Report** | | | |
| The report was not printed at the time of the certification. | No | N/A | Certify the report will be printed at the time of the certification and other times as described in owner's policies and procedures to ensure accuracy in household income. |

# Attachment 10: Sample Tenant Consent to Disclose EIV Income Information

| | |
|---|---|
| *Print name of tenant authorizing release* | *Print name of third party being authorized to view information* |

**A. Third party to view and/or discuss information for the sole purpose of recertification assistance is an:**

- ☐ Adult Household Member
- ☐ Translator / Interpreter
- ☐ Service Coordinator
- ☐ Guardian
- ☐ Temporarily Absent Family Member
- ☐ Individual Assisting Elderly Individual or Person with a Disability
- ☐ Other Individual (Include Relationship): _____

**B. Enterprise Income Verification (EIV) information to be viewed and/or discussed for the sole purpose of recertification assistance:**

- ☐ EIV Income Report
- ☐ EIV Income Discrepancy Report
- ☐ EIV No Income Report
- ☐ EIV New Hires Report
- ☐ Other EIV information: _____

**C. Penalties for Misuse of Information:**

The following federal law prohibits the misuse of the information viewed or discussed pursuant to this consent and certification. Tenants, authorized third parties, and HUD or authorized entities employees may be subject to these penalties.

"[W]hoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully - (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact; (2) makes any materially false, fictitious, or fraudulent statement or representation; or (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry; shall be fined under this title, imprisoned not more than 5 years or, if the offense involves international or domestic terrorism (as defined in section 2331), imprisoned not more than 8 years, or both. If the matter relates to an offense under chapter 109A, 109B, 110, or 117, or section 1591, then the term of imprisonment imposed under this section shall be not more than 8 years." 18 U.S.C. 1001.

"Any officer or employee of an agency, who by virtue of his employment or official position, has possession of, or access to, agency records which contain individually identifiable information the disclosure of which is prohibited by this section or by rules or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $5,000. 5 U.S.C. 552a(i).

"The Secretary [of Health and Human Services] shall require the imposition of an administrative penalty (up to and including dismissal from employment), and a fine of $1,000, for each act of unauthorized access to, disclosure of, or use of, information in the National Directory of New Hires established under subsection (i) of this section by any officer or employee of the United States or any other person who knowingly and willfully violates this paragraph." 42 U.S.C. 653(l).

Federal law also provides penalties for misusing Social Security numbers. 42 U.S.C. 408 (a) (6), (7) and (8).

Any applicant or participant affected by negligent disclosure of information may bring civil action for damages and seek other relief, as may be appropriate, against the officer or employee of HUD or the owner responsible for the unauthorized disclosure or improper use.

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**D. Certifications:**

I hereby authorize the third party listed on this consent to view and/or discuss the EIV information identified above for the sole purpose of assisting in the recertification of my housing assistance in accordance with the rights afforded to me by the Privacy Act of 1974. I understand further use of such information is prohibited by the Privacy Act and Social Security Act, and that it may not be disclosed, redisclosed, copied, duplicated, or removed from the property for any reason. I also have read and understand the penalties for such misuse of the information, as provided on this form.

| | | |
|---|---|---|
| *Signature of tenant authorizing release* | *Printed name of tenant authorizing release* | *Date* |

I hereby acknowledge and certify that I am permitted to view and discuss tenant information pertaining to the above named individual for the sole purpose of assisting the tenant in the recertification of his/her subsidy. I understand further use of such information is prohibited by the Privacy Act and Social Security Act, and that it may not be disclosed, redisclosed, copied, duplicated, or removed from the property for any reason. I also have read and understand the penalties for such misuse of the information, as provided on this form.

| | | |
|---|---|---|
| *Signature of authorized third party* | *Printed name of authorized third party* | *Date* |

EQUAL HOUSING OPPORTUNITY

**We Do Business in Accordance With the Federal Fair Housing Law**

(The Fair Housing Amendments Act of 1988)