



PIH.RHIIP.TA Message # 2011-14 Distributed on March 16, 2011

The Department's Real Estate Assessment Center (REAC) is now monitoring PHA's form HUD-50058 reporting and compliance with mandated use of the Enterprise Income Verification (EIV) system. Below is a copy of the most recent letter that is being distributed to PHA's with EIV-reported deceased tenants. PHA's will be required to submit documentation to HUD Headquarters in Washington, DC to confirm PHA compliance with Public and Indian Housing Information Center (PIC) reporting and implementation of necessary corrective action(s) to reduce improper payments.

PHAs are reminded to comply with requirements outlined in PIH Notice 2010-19, with respect to mandated EIV system use to eliminate improper payments and administrative errors associated with:

1. Deceased Tenants
2. Invalid SSNs
3. Tenant Underreporting of Income

Copy of Letter Distributed to Executive Directors:

Dear Executive Director:

The Department's Real Estate Assessment Center (REAC) monitors Public Housing Agencies' (PHAs) reporting of information to the Public and Indian Housing Information Center (PIC) of assisted families and compares various PIC-reported information to data obtained from other Federal databases to validate the accuracy of tenant-reported Social Security Numbers (SSNs) and income information. The intended outcome of this monitoring is to confirm PHA compliance with PIC reporting and use of the Enterprise Income Verification (EIV) system to reduce improper payments within HUD rental housing assistance programs.

REAC's review of EIV's Deceased Tenants report from Quarter 1 of fiscal year 2011, indicates that your agency may not have submitted a timely updated form HUD-50058 to PIC and/or your agency may have made improper payments to landlords on behalf of deceased single member households, identified in the attached report (the password to open the file will be sent in a separate message). In an effort to mitigate risk associated with improper payments or incorrect family data reported in PIC, REAC requires your agency to take the following actions and submit documentation to PIH.ImproperPayments@hud.gov, **no later than 60 days from the date of this notice**, which demonstrates that your agency has not made an improper payment, improper payments made have been recovered from the landlord, or your agency has repaid its Housing Choice Voucher (HCV) program, the amount of improper payments which have not been recovered from the landlord.



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Required PHA Actions:

1. Confirm that the tenant is deceased.
2. If the tenant is deceased, prepare and submit an updated form HUD-50058 to PIC.
3. Notify the landlord of deceased tenant.
4. Discontinue Housing Assistance Payment (HAP) to landlord, effective the last day of the month in which the death occurred.
5. If landlord has received HAP for any month following the month in which the death occurred, recover the overpaid HAP through offsetting of subsequent landlord HAP checks or require the landlord to repay your agency within 30 days of PHA notice.
6. If your agency is unsuccessful in recovering overpaid HAP to the landlord, within 60 days of this notice, reimburse your agency's HCV net restricted assets (NRA) account from either, unrestricted net assets (UNA), central office cost center(COCC), or other non-Federal funds.
7. Submit below referenced documentation^[1] to PIH.ImproperPayments@hud.gov with a carbon copy to your local HUD office by no later than **May 15, 2011**.

Required Documentation

1. Tenant is not deceased:

- a) If the tenant is **not** deceased, the PHA must e-mail the following documentation to PIH.ImproperPayments@hud.gov:
- b) Current EIV summary report (dated within the last 60 days) which indicates that the current identity verification status is **Verified**; or
- c) Current documentation from SSA which confirms that the tenant is alive (if EIV shows an identity verification status of **Deceased**.)

2. Tenant is deceased:

- a) If the tenant is deceased and **no** HAP was paid for any month following the month in which the death occurred, provide the following documentation:
 - i. Landlord/tenant payment history for the following period: the month and year in which the death occurred through the current date;
- b) If the tenant is deceased and HAP was paid for any month following the month in which the death occurred, provide the following documentation:

^[1] Documentation which contains personally identifiable information (PII) must be redacted or submitted in password protected files.



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- i. Landlord/tenant payment history for the following period: the month and year in which the death occurred through the current date; **and**
- ii. Landlord/tenant payment history which shows that the improper payment(s) were recovered by offsetting subsequent HAP checks to the landlord; or
- iii. Copies of checks submitted by the landlord to your agency to repay overpaid HAP; or
- iv. Documentation from your agency's accounting software or records which shows that your agency has repaid the overpaid HAP to your agency's HCV NRA.

Acceptable Documentation:

Below is a list of acceptable documentation to demonstrate no improper payment was made or your agency recovered or repaid improper payments:

- EIV Summary Report (proof tenant is alive)
- Copy of SSA letters
- Tenant/Landlord Payment History
- Copy of validated deposit ticket(s) and check(s) submitted to the PHA to show repayment of HAP overpayments
- Copy of PHA validated deposit ticket(s) and check(s) to show transfer of funds from UNA, COCC, or other non-federal account to NRA
- Journal entry or other accounting records which show transfer of funds from UNA, COCC, or other non-federal account to NRA

Note: Please note that the payment history should be tenant-specific, as HUD does not need to see payments made on behalf of other tenants.

In accordance with the Improper Payments Elimination and Recovery Act of 2010 (enacted July 22, 2010), the Department has established a target fiscal year end goal of a 50% reduction in improper payments made on behalf of deceased single member households. The Department requires your agency's continued commitment and dedication to ensure that your available resources, including Federal funds, assist as many eligible families in your community, as possible.

If your staff has not already done so, they should review the following PIH Notices, which are attached to this message for your convenience, which outline reporting and monitoring requirements and provide guidance to assist your agency with minimizing improper payments on behalf of deceased single member households, through the use of HUD's EIV system.



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PIH Notice Number	Issuance Date	Title
2010-50	December 30, 2010	Effective User of the EIV System's Deceased Tenants Report to Reduce Subsidy Payment & Administrative Errors
2010-25	July 7, 2010	Timely Reporting Requirements of the Family Report (form HUD-50058 and form HUD-50058-MTW) into PIC
2010-19	May 17, 2010	Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System
2010-15	May 6, 2010	HUD Privacy Protection Guidance for Third Parties

Technical assistance for effective EIV access and utilization is available through the EIV Coordinators in the local HUD field offices and/or via the PIH.RHIIP.TA@HUD.GOV mailbox.

For additional information regarding this notice or reduction of improper payments, please contact Nicole Faison via email at PIH.ImproperPayments@HUD.GOV or (202) 475-7963. Thank you for your continued commitment to effective and efficient administration of HUD rental housing assistance programs.

Sincerely,

David A. Vargas, CPA
Deputy Assistant Secretary

^[1] Documentation which contains personally identifiable information (PII) must be redacted or submitted in password protected files.

Direct all questions regarding the content of this message to PIH.RHIIP.TA@HUD.GOV.



**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

Special Attention of:

Public Housing and Section 8 Program Administrators,
Public Housing Hub Office Directors; Public Housing
Field Office Directors; Program Center Coordinators;
Resident Management Corporations; Resident Councils;
Participants of Public Housing, Housing Choice Voucher
Voucher, Project-Based Certificate, and Project-Based
Voucher Programs; Section 8 Property Owners and
Landlords

Notice PIH 2010-50 (HA)

Issued: December 30, 2010

Expires: December 31, 2011

Cross References: 24 CFR 5.233,
HUD OIG Audit Report Number
2010-FW-0001,
Notice PIH-2010-09
Notice PIH-2010-15
Notice PIH 2010-19
Notice PIH 2010-25

SUBJECT: Effective Use of the Enterprise Income Verification (EIV) System's Deceased Tenants Report to Reduce Subsidy Payment & Administrative Errors

1. **Purpose:** This Notice explains the procedures Public Housing Agencies (PHAs) are required to implement to deal with families with deceased household members. The implementation of the procedures outlined in this Notice will ensure that PHAs submit accurate data to HUD via the Public and Indian Housing Information Center (PIC) and that PHAs do not make subsidy overpayments on behalf of deceased single member households. Where overpayments have been made, the PHA will recoup the overpayment from the landlord/owner of the rental property under the programs noted in Section 3 of this Notice, with the exception of the Public Housing program.
2. **Summary of Revisions:** Section 7 of this Notice modifies PIH-2010-09 to include reference to Notice PIH-2010-15, which outlines requirements for safeguarding personally identifiable information, such as social security numbers. Section 8 of this Notice modifies PIH-2010-09 to remove the requirement that the PHA notify the live-in aide to vacate the unit by the end of the month; and Section 15 of this Notice modifies PIH-2010-09 to clarify minimum and maximum time frames allotted for the removal of personal belongings from a public housing unit when the sole household member dies; to provide examples of how to correctly apply this guidance; and remind PHAs that they must comply with local and state tenant/landlord laws. Section 14 of this Notice modified PIH 2010-09 to remind PHAs of the timely PIC reporting requirement for updated forms HUD-50058 in accordance with Notice PIH-2010-25.

3. **Applicability:** This Notice applies to the following HUD-PIH rental assistance programs: Public Housing, Section 8 Moderate Rehabilitation, Project-Based Voucher, Project-Based Certificate; and Housing Choice Voucher programs.
4. **Background:** In January and September, 2008, the Department encouraged PHAs to utilize the Deceased Tenants Report available in the Enterprise Income Verification (EIV) system. In a letter sent to all PHA Executive Directors, the Department urged PHAs to use the report on a monthly basis to assist in identifying families with deceased household members, and reduce the occurrence of paying housing assistance on behalf of deceased single member households. The Department also urged all PHAs to take appropriate corrective actions to address families with deceased household members and update the form HUD-50058 (*Family Report*) to reflect accurate household composition and transmit the updated form HUD-50058 in a timely manner.

HUD has continued to provide informal guidance and training via satellite and webcast, related to effective use of the EIV system, including the Deceased Tenants Report.

Many PHAs have taken corrective actions to transmit more accurate data to HUD via PIC, and have reduced the number of deceased single member households continuing to receive ineligible rental assistance. PHAs with zero deceased household members reported on the Deceased Tenants Report are to be commended for their efforts.

However, there are some PHAs that have not followed HUD's informal guidance. According to HUD's Office of Inspector General (OIG), audit report number 2010-FW-0001, issued on November 29, 2009, PHAs have paid approximately \$7 million in questionable housing assistance payments for deceased tenants in single member households. The OIG also determined that PHAs did not update family composition on the form HUD-50058 in a timely manner, which resulted in incorrect information in PIC.

In accordance with the new regulatory requirement at 24 CFR 5.233(a)(2)(ii), which became effective on January 31, 2010, under the Final Rule: *Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System-Amendments*, published at 74 FR 68924 on December 29, 2009, all PHAs are required to use the EIV system to reduce administrative and subsidy payment errors in accordance with HUD administrative guidance. Accordingly, HUD is issuing this formal guidance to ensure that PHAs:

- a) Use EIV's deceased tenant information for effective decision making, corrective action implementation, and reporting activities;
 - b) Implement policies and procedures to minimize erroneous subsidy payments on behalf of deceased single member households; and
 - c) Provide accurate and reliable information to HUD via PIC.
5. **Effective Date:** This Notice is effective upon issuance.
 6. **Monitoring Deceased Tenants:** In accordance with PIH Notice 2010-19 issued on May 17, 2010, PHAs must generate the Deceased Tenants Report at least once a month. The purpose of generating the Deceased Tenants Report monthly is to eliminate and/or recover improper

payments being made on behalf of deceased Section 8 tenants and ensure PHAs are aware of unoccupied public housing units which should be prepared for occupancy and made available for occupancy by the next eligible family. PHAs who administer Section 8 programs are required to generate the report prior to disbursing the upcoming monthly housing assistance payment (HAP) to owners. PHAs who administer the public housing program are required to generate the report when generating the new monthly rent roll to flag deceased tenants. PHAs must review the report and follow up with the listed families immediately and take the necessary corrective actions outlined in this Notice.

7. **How to Access the Deceased Tenants Report:** The Deceased Tenants Report identifies deceased household members (whose identity has been confirmed by the Social Security Administration (SSA))* who are included in the family's composition (including single member deceased households) as reported on Section 3 (Family Composition) of the form HUD-50058. The death information is provided by the SSA. Single member deceased households are denoted with a red asterisk (*) after the member's deceased date (see example one below). If the deceased date is listed as *N/A*, this means the date of death is not available (see example two below).

*The individual's social security number (SSN), date of birth, and surname reported on the form HUD-50058 must match SSA's database. Deceased information is not displayed for any individual whose EIV identity verification status is **failed** (including individuals with a PIC-generated alternate identification number).

Example 1:

Member Deceased Date

04/29/2009 *

Example 2:

Member Deceased Date

N/A *

Single Member Households. Effective April 19, 2010, EIV's Deceased Tenants Report was modified to isolate deceased single member households in addition to the previous consolidated report which contained deceased single and multiple member households. This implemented system modification will reduce PHA administrative burden in identifying deceased single member households.

Follow the following steps to access the Deceased Tenants Report:

- 1: To access the Deceased Tenant Report, log onto the EIV system at: https://hudapps.hud.gov/HUD_Systems. If you do not have access to the EIV system, complete and submit the EIV Access Authorization Form and Rules of Behavior and User Agreement (form HUD-52676) to the EIV Coordinator in your local HUD office. For more information, go to: <http://www.hud.gov/offices/pih/programs/ph/rhiip/uivsystem.cfm>.

- 2: Once logged into the system, scroll down the left side of the screen and double click on the **Deceased Tenants Report** link (located under the **Verification Reports** header). Select the program for which you desire to generate the report for (Public Housing, Section 8 or all PIH programs). You may also select a specific reexamination month; however, the system automatically defaults to **All** (which HUD recommends that you use). If you are responsible for more than one PHA, be sure to select the appropriate PHA code in the PHA drop down menu.
- 3: Double click the **Get Report** button. The report will then display on the screen and can easily be downloaded into Excel or printed for your convenience.

Note: ***WARNING: This report contains full social security numbers of tenants. You must ensure that this report is adequately safeguarded to prevent improper disclosure of personally identifiable information (PII) as provided in PIH Notice 2010-15, U.S. Department of Housing and Urban Development (HUD) Privacy Protection Guidance for Third Parties.***

Report Selection Criteria for Deceased Tenants Report

Program Type: Select either All PIH Programs, Section 8, or Public Housing

Reexamination Month: The default selection is All. However, the user may select a specific month.

PHA: The default selection is your PHA. If you have multiple PHAs assigned to your user ID, be certain to select the applicable PHA you wish to generate the report.

Verification Reports >> Deceased Tenants Report >> Report Selection

Welcome NICOLE X FAISON

- Back to Secure Systems
- Income Discrepancy Report
- Income Discrepancy Report
- Income Information
- By Head of Household
- By Reexamination Month
- New Hires Report
- Verification Reports
- Existing Tenant Search
- Multiple Subsidy Report
- Identity Verification Report
- **Deceased Tenants Report**

Report Selection

Program Type: All PIH Programs

Reexamination Month: All

Select Region:

PHA: AK001 AHFC

Get Report

Sample Deceased Tenants Report

PHA	Deceased Tenants Report for						for Program Type - Section 8 for Reexamination Month - ALL						
	Total Number Of Households Evaluated	Total Number Of Household Members Evaluated	Households With Deceased Members	% of Households With Deceased Members	# of Single Member Deceased Households	% of Single Member Deceased Households	Deceased Members	Members Deceased Less Than 1 Year		Members Deceased More Than 1 Year		Members Deceased With No Deceased Date	
								Count	%	Count	%	Count	%
	8,798	18,696	40	00.45%	18	45.00%	40	40	100.00%	0	00.00%	0	00.00%

[Printer Friendly Version](#)

[Download to Excel](#)

1 - 40 of 40 Households

Note: * = Deceased single member household. Immediate action required by PHA.

Deceased Tenants Report as of 12/14/2009					
HOH SSN:	HOH Name: ALLAN	HOH DOB: 11/17/1930			
Member SSN	Member Name	Member DOB	Member Deceased Date	Date Received by EIV	
	ALLAN	11/17/1930	09/14/2009 *	10/08/2009	
HOH SSN:	HOH Name: JANNIE	HOH DOB: 12/08/1948			
Member SSN	Member Name	Member DOB	Member Deceased Date	Date Received by EIV	
	JANNIE	12/08/1948	09/15/2009	10/08/2009	
HOH SSN:	HOH Name: ROBERT	HOH DOB: 01/21/1955			
Member SSN	Member Name	Member DOB	Member Deceased Date	Date Received by EIV	
	ROBERT	01/21/1955	03/09/2009 *	10/08/2009	
HOH SSN:	HOH Name: WILLIAM	HOH DOB: 09/09/1955			
Member SSN	Member Name	Member DOB	Member Deceased Date	Date Received by EIV	
	WILLIAM	09/09/1955	06/10/2009 *	10/08/2009	

8. **Administrative Actions Required by PHAs:** When the Deceased Tenants Report identifies an individual as being deceased, PHAs are required to take the following actions:

- a) Immediately send a letter to the head of household (HOH) or emergency contact person (if the HOH is deceased and there is no other adult household member) to confirm the death of the listed household member.
- b) **Section 8 Programs only** – Notify the owner in writing of the deceased HOH.

9. **Corrective Actions Required by PHAs for Single Member Households:**

- a) **Public Housing Program only:** Conduct a home visit to determine if anyone is residing in the unit. (Optional for Section 8 program)

If there are unauthorized persons (including a live-in aide) in the unit of a deceased single member household you must pursue judicial intervention to have them lawfully removed from the unit. You may be found liable for a wrongful eviction if you change the locks on the unit to prevent the unauthorized occupants from entering the unit. Follow your local Tenant and Landlord laws to regain possession of the unit.

- b) **Section 8 Programs only:** For deceased single member households or a household where the remaining household member is a live-in aide, PHAs are required to discontinue HAP to the owner no later than the first of the following month after the month in which the death occurred. See Section 16 of this Notice for determining amount of owner housing assistance overpayments.

Note: PHAs are required to immediately terminate program assistance for deceased single member households which will result in termination of the HAP contract and HAP to the owner in accordance with the aforementioned provisions. The owner is **not** entitled to HAP for any month following the month in which the death occurred. There are no exceptions to this policy.

10. **What to do when the remaining household member is a live-in aide:** When the HOH dies and the only remaining household member is the live-in aide, the live-in aide is not entitled or eligible for any rental assistance or continued occupancy in a subsidized unit. By definition, the live-in aide would not be living in the subsidized unit except to provide the necessary supportive services on behalf of the elderly or disabled HOH. The PHA may not designate the live-in aide as the new HOH or change the relation code (line item 3h on the form HUD-50058) of the live-in aide to make him or her an eligible household member (eligible for assistance) nor pay HAP on behalf of the live-in aide for any month after the month in which the HOH died.

11. **What to do if the HOH is deceased and the remaining household members are minors:** PHAs should have an established policy for dealing with situations when the HOH dies during tenancy and the remaining household members are minors. A common practice of PHAs includes (but is not limited to) allowing a temporary adult guardian to reside in the unit until a court-appointed guardian is established.

In accordance with its screening policies, the PHA may add the new guardian as the new HOH. PHAs are encouraged to work with the local Department of Social Services to ensure that the best interests of the children are addressed.

12. **What to do if an identified household member is incorrectly reported to be deceased:** There are very few instances when an error has been made in the SSA's Death Match File (DMF), where an individual is reported as deceased, but actually living. In the event that a household member is misidentified as deceased on the Deceased Tenants Report, PHAs should immediately notify the individual in writing and advise the individual to contact SSA so that SSA may correct its records. The individual may contact SSA at (800) 772-1213, or visit his/her local SSA office for assistance.

The PHA should also provide the individual with his/her section of the EIV Income Report, which shows the death information. PHAs are authorized to provide EIV information only to the individual the information pertains to. The PHA may provide the minor's information to the minor's adult parent or guardian.

Last, PHAs are required to make a note in the tenant file that the individual has been identified as deceased; however, the PHA has confirmed that the individual is actually alive.

Note: Only SSA can correct erroneous death information.

13. **Time frame for removal of individual from the Deceased Tenants Report:** The individuals that appear on the Deceased Tenants Report are based on current information reported on the form HUD-50058. The Deceased Tenants Report is updated every weekend. A deceased individual will be removed from the report when:

- a. The PHA transmits an updated form HUD-50058, that does not contain the previously identified deceased household member in Section 3 (Family Composition) of the form HUD-50058; or

- b. HUD obtains the updated and corrected information from SSA's DMF.

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 PHA 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 DMF 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 PHA 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 PHA confirmed that Mr. Williams was deceased. The PHA then completed and submitted an end of participation (EOP) form HUD-50058 on January 7, 2010. The Deceased Tenants Report was updated on the weekend of January 8, 2010. When the PHA accessed the Deceased Tenants Report on January 11, 2010, Mr. Williams was no longer on the report.

14. **Type of Action and Effective Date to Record on Form HUD-50058:** Below prescribes the applicable type of action and effective date the PHA is required to record on form HUD-50058 to report changes of family composition and income. In accordance with Notice PIH 2010-25, PHAs are required to submit an updated form HUD-50058 to PIC no later than 60 calendar days from the effective date of the action recorded on line 2b of the form HUD-50058.

- a. **Deceased Single Member Households.** Once the PHA has confirmed the death of the HOH of a single member household or a household where the surviving household member is the live-in aide, the PHA is required to complete and submit a form HUD-50058 with the following:

Line 2a – Type of Action = 6 (End of Participation)

Line 2b – Effective Date of Action = Date of Death from Deceased Tenants Report, or as noted below. (If date is listed as "N/A", enter the date of death as confirmed by Obituary, Death Record, or other information obtained.)

Section 8 programs: PHAs may list the date of death as the last day of the month in which the death occurred. The landlord is entitled to receive the full HAP amount for the month in which the tenant death occurred.

Public Housing program: PHAs are required to list the EOP date as the date on which the family or designee of the deceased tenant's estate returned the keys and signed a vacate notice; or the date the public housing lease was terminated; or the date the PHA legally regained possession of the unit, whichever occurs first.

- b. **Multiple Household Members with Deceased Head of Household – Surviving Adult Household Member.** Once the PHA has confirmed the death of the HOH, the PHA is required to complete and submit a form HUD-50058 with the following:

Line 2a – Type of Action = 3 (Interim Reexamination)

Line 2b – Effective Date of Action = Date of Death from Deceased Tenants Report (if date is listed as “N/A”, enter the date of death as confirmed by Obituary, Death Record, or other information obtained.)

Line 3a (Member 01) - delete the deceased HOH’s information and enter the information of the adult household member who has been designated HOH.

Line 3a – delete the information of the other adult household member, whose information you entered on Line 3a (Member 01)

Line 3w – enter the Social Security Number (SSN) of the former (deceased) HOH.

- c. **Multiple Household Members with Deceased Head of Household – with Surviving Minor Household Members.** Once the PHA has confirmed the death of the HOH, the PHA is required to complete and submit a form HUD-50058 with the following:

Line 2a – Type of Action = 3 (Interim Reexamination)

Line 2b – Effective Date of Action = Date of Death from Deceased Tenants Report (if date is listed as “N/A”, enter the date of death as confirmed by Obituary, Death Record, or other information obtained.)

Line 3a (Member 01) - delete the deceased HOH’s information and enter the adult household member’s information of the temporary or permanent guardian.

Line 3w – enter the Social Security Number (SSN) of the former (deceased) HOH.

- d. **Other Household Changes.** If, in scenario B or C above, there is also a change in family income and composition resulting in a change in the family’s total family share and/or unit size, the effective date on line 2b should be the effective date of the new total family share in accordance with PHA-established policies.

15. **Removal of Personal Belongings from Public Housing Unit (Applicable to the Public Housing program only):** Upon notification of the death, either by HUD’s EIV system or a third party, the family or designee of the deceased tenant’s estate should be allotted a minimum of fourteen (14) consecutive days to remove personal belongings from the unit in accordance with the guidance below. This guidance is designed to afford families a reasonable time frame to remove personal belongings from the public housing unit and enable the PHA to prepare the unit, as quickly as possible, for occupancy by the next eligible family in need of affordable housing.

While there is no HUD requirement for the time frame allotted to the family or designee of the deceased tenant's estate, HUD recommends an allotted time frame of fourteen (14) consecutive days, beginning the day after the date of notification, for the family or designee of the descendant's estate to remove personal belongings from the public housing unit unless:

1. There is a state or local law which requires a shorter or longer time frame to remove personal belongings. In those instances, the PHA must comply with local and/or state law; or
2. The rent has been paid for the month in which the death occurs, in advance of the date of death. In those instances, the family or designee of the deceased tenant's estate should be allotted time through the end of the month in which the rent has been paid, or fourteen consecutive days from the date the PHA is notified of the death, whichever is greater.
 - a. Example 1: As of August 1, 2010, Joe Jones has paid rent through August 31, 2010. Mr. Jones died on August 22, 2010, and the PHA is notified of the death by Mr. Jones' sister on August 23, 2010. The family or designee of the deceased tenant's estate has until September 6, 2010, to remove personal belongings from the unit, unless state or local landlord laws authorize a shorter or longer time period.
 - b. Example 2: As of August 1, 2010, Mary Smith has paid rent through September 30, 2010. Ms. Smith died on August 22, 2010, and the PHA is notified of the death by a 3rd party on August 24, 2010. The family or designee of the deceased tenant's estate has until September 30, 2010, to remove personal belongings from the unit, unless state or local landlord laws authorize a shorter or longer time period.
 - c. Example 3: As of August 1, 2010, John Doe has not paid rent for August 2010. Mr. Doe died on August 10, 2010, and the PHA is notified of the death by Mr. Doe's friend on August 12, 2010. The family or designee of the deceased tenant's estate has until August 26, 2010, to remove personal belongings from the unit, unless state or local landlord laws authorize a shorter or longer time period.

PHAs are reminded to comply with local and state established tenant-landlord laws with respect to lease termination, possession of premises upon death and removal of personal belongings from the public housing unit.

16. **Retroactive Repayment of HAP by Owners:** If an owner receives HAP for any month in which the owner is ineligible to receive HAP because of a deceased tenant, the PHA must immediately notify the owner in writing of the ineligible HAP and require the owner to repay the overpayment to the PHA within 30 days. If the owner does not comply, the PHA may deduct the amount due to the PHA from any amounts due to the owner under any other HAP contract. If there is no other HAP contract with the owner, the PHA may seek and obtain additional relief by judicial order or action in accordance with state and local laws.

Example: The Deceased Tenants Report dated December 14, 2009, indicates that Mr. Robert died on March 9, 2009. The landlord/owner is not eligible for HAP in any month following March 2009. The PHA erroneously paid the landlord/owner HAP of \$500 each month during the period of April 2009 through December 2009. The landlord/owner must repay the PHA \$4,500 (\$500 X 9 months).

In instances where a deceased single member household has been deceased for a period greater than one (1) month and the owner received HAP, the PHA may determine that the owner has breached the HAP contract. As such, the PHA may exercise any of its rights and remedies under the HAP contract, or any other available rights and remedies for such breach.

The PHA must notify the owner of such determination, including a brief statement of the reasons for the determination. The notice by the PHA to the owner may require the owner to take corrective action, as verified or determined by the PHA, by a deadline prescribed in the notice.

The PHA's rights and remedies for owner breach of the HAP contract may include recovery of overpayments, suspension of HAP, abatement or other reduction of HAP, termination of HAP, and termination of all HAP contracts. The PHA may seek and obtain additional relief by judicial order or action, including specific performance, other injunctive relief or order for damages.

17. Penalties for Non-Compliance with Use of EIV's Deceased Tenants Report :

Section 8 Programs : If the PHA overpaid HAP on behalf of a single member deceased household and fails to collect the overpayment from the owner, the PHA is required to reimburse 100 percent of the overpayment to the HCV HAP account from the Administrative Fee Equity account, Central Office Cost Center (COCC) account, or other non-Federal funds. In addition, if such errors impacted any funding baseline determinations, funding for the affected renewal periods may be adjusted.

Note: A PHA cannot reimburse prior year HAP costs with current year HAP funding because the funding carries forward but does not carry back.

HUD will monitor each PHA's Deceased Tenants Report on a quarterly basis. If at any time the report identifies deceased single member households who have been deceased for a period exceeding six months, and HUD determines that the PHA has not taken the necessary corrective action, the PHA may be subject to a withholding of its monthly administrative fee each month that the number of single deceased household members is greater than zero.

Public Housing Program: HUD will monitor each PHA's Deceased Tenants Report on a quarterly basis. If at any time, the report identifies deceased single member households who have been deceased for a period exceeding six months, and HUD determines that the PHA has not take the necessary corrective action, the PHA may be subject to a monetary penalty, as determined by the Assistant Secretary, each month that the number of single deceased household members deceased for a period of one year or longer is greater than zero. HUD may offset the PHA's monthly operating subsidy by the amount of the imposed penalty or require the PHA to pay the amount of the penalty from non-Federal funds, directly to HUD.

For any imposed penalty, HUD will notify the PHA in writing of such penalty and afford the PHA a 30-day period to appeal HUD's decision. Appeals must be postmarked no later than 30 days from the date of the penalty Notice and sent by certified mail or carrier service (UPS, FEDEX, DHL, etc.) to:

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Real Estate Assessment Center
Attention: Nicole Faison
451 7th Street, SW, Room PCFL1
Washington, DC 20410

Appeals by fax or email will not be processed. HUD will provide a written response to your appeal request within 60 days of receiving the appeal request.

18. **EIV System Training:** HUD offers free EIV system training via webcast and can be viewed by staff at any time at: <http://portal.hud.gov/portal/page/portal/HUD/press/multimedia/videos>. Past and future training opportunities, including training materials are available at: <http://www.hud.gov/offices/pih/programs/ph/rhiip/training.cfm>. As a condition of initial and continued EIV system access, all system users are required to view HUD Headquarters-provided EIV system training and annual Security Awareness training.

EIV system users must self-certify within the EIV system at the log-in page that the training has been completed. Staff is not required to possess a Certificate of Completion for EIV training in order to gain or continue accessing the EIV system, or be certified by the User Administrator on a semi-annual basis.

19. **For inquiries about this Notice contact:** your local HUD field office or Nicole Faison of HUD Headquarters' Office of Public and Indian Housing: Real Estate Assessment Center at (202) 475-7963, or via email at PIH.RHIIP.TA@HUD.GOV.
20. **Paperwork Reduction Act:** 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(s) 2577-0083. 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/

Sandra B. Henriquez, Assistant Secretary for
Public and Indian Housing



**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

Special Attention:

Public Housing Agencies; Public
Housing Directors

NOTICE: PIH-2010-25 (HA)

Issued: July 7, 2010

Expires: July 31, 2011

Cross References:

Notice PIH 2007-29(HA)

Notice PIH 2006-24 (HA)

Notice PIH 2006-03 (HA)

Notice PIH 2005-17 (HA)

Subject: Timely Reporting Requirements of the Family Report (form HUD-50058 and form HUD- 50058 MTW) into the Public and Indian Housing Information Center

- 1. Purpose.** The purpose of this Notice is to establish timeframes for **timely** reporting of the form HUD-50058 into the Public and Indian Housing Information Center (PIC), explain PIC modifications and clarify Family Self-Sufficiency (FSS) reporting requirements. The Department places great importance on the data it receives from public housing agencies (PHAs) in PIC. The Department relies on PHAs to submit accurate, complete and **timely** data in order to administer, monitor and report on the management of its rental assistance programs. In order to fully justify its budget requests to Congress, the Department needs full cooperation from all PHAs in meeting their reporting requirements in a timely manner. The data from form HUD-50058 and form HUD-50058 Moving to Work (MTW) also assists the Department in responding to natural disasters and emergencies.
- 2. Applicability.** This Notice applies to PHAs administering Housing Choice Voucher (HCV) programs (including the project-based certificate, project-based voucher and homeownership programs), the Section 8 Moderate Rehabilitation (MR) program, the Public Housing (PH) program and the MTW program. This Notice does not apply to Tribally Designated Housing Entities.
- 3. Timely Reporting.** Prior to this Notice, PHAs were required to submit 100 percent of their Family Reports into PIC for their active program participants (see Notices referenced above); however, there was no deadline established by which to submit these forms. Through this Notice, HUD is establishing a requirement to submit form HUD-50058 and form HUD-50058 MTW in a timely manner. The Department has determined that reports must be submitted no later than **60 calendar days** from the effective date of **any** action recorded on line 2b of the form HUD-50058 or form HUD-50058 MTW. HUD will monitor timeliness of reporting and may sanction a PHA for late reporting. PHAs are also required to submit a form HUD-50058 **each time** the PHA takes an action (particularly an interim reexamination) that corresponds to an applicable code in Section 2a of form HUD-

50058 or form HUD-50058 MTW. Section 2a codes are basically the same on both forms and are as follows:

- 1 = New Admission
- 2 = Annual Reexamination
- 3 = Interim Reexamination
- 4 = Portability Move-in (HCV only)
- 5 = Portability Move-out (HCV only)
- 6 = End of Participation
- 7 = Other Change of Unit
- 8 = Family Self-Sufficiency/Welfare to Work Addendum Only
- 9 = Annual Reexamination Searching (HCV only)
- 10 = Issuance of Voucher (HCV only)
- 11 = Expiration of Voucher (HCV only)
- 12 = Flat Rent Annual Update (non-MTW PH only)
- 13 = Annual HQS Inspection Only (HCV only)
- 14 = Historical Adjustment
- 15 = Void

For an explanation of these codes, you may reference the *Form HUD-50058 Instruction Booklet* available at the following website:

<http://www.hud.gov/utilities/intercept.cfm?/offices/adm/hudclips/forms/files/50058i.pdf>.

4. Other PIC Reporting Issues

A. Issuance of Voucher (action code 10). In the next PIC release scheduled for September 2010, the Department intends to modify the PIC system to prevent (first by warning and then by fatal edit) the submission of an action code 1 (New Admission), action code 2 (Annual Reexamination) when line 12b or 21c = y indicating that the family is moving into a new unit, action code 3 (Interim Reexamination) where line 12b or 21c = y, action code 4 (Portability Move-in) and action code 7 (Change of Unit), without prior submission of a form HUD-50058 or form HUD-50058 MTW with action code 10 (Issuance of Voucher). This will enable the Department to track and monitor a PHA's success rate (number of voucher issuances to achieve leasing). In addition, exception payment standard requests for exception areas under 24 CFR § 982.503(c) will not be approved if the data in PIC on voucher issuance is not available or does not support the request.

B. Family Self-Sufficiency (FSS) Reporting Requirements. This Notice also intends to clarify the reporting requirements for the FSS program. There are three report categories for the FSS Addendum: (1) Enrollment; (2) Progress; and (3) Exit. The PHA must always indicate the type of FSS report by completing item 17b of form HUD-50058 or 23b of form HUD-50058 MTW. FSS reports of all types must also be submitted within **60 days** of the effective date of the FSS action reported in 17c or 23c, respectively. In addition to the Enrollment and Exit reports that are completed at the beginning and end of the family's participation in the FSS program, a Progress Report must be completed at least annually during each family's participation in the FSS program. FSS reports may be included in form HUD-50058 or form HUD-50058

MTW for a family's annual or interim reexamination (action codes 2 and 3). Until further notice, only non-MTW agencies may submit the addendum separately as FSS Addendum Only (action code 8). However, if the FSS report is submitted as part of an annual or interim reexamination, the effective date in line 2b of form HUD-50058 or form HUD-50058 MTW must be the same as the effective date in 17c or 23c, respectively. If the effective date in line 2b of the annual or interim reexamination is not the same as the effective date of 17c, the FSS report **must** be submitted as an action code 8 for non MTW-agencies. When the FSS report is submitted as a FSS Addendum Only, the effective date in 2b must be the same as the date reported in 17c. The following items must be completed as part of each FSS report: 17a or 23a; 17b or 23b and 17c or 23c; 17h or 23h (1) through (6) and 17i or 23i. Items 17k or 23k (1), (2) and (3) (FSS account information) must be completed for the Exit report and all Progress reports. For any part of 17k or 23k where there is no escrow credit to report, enter 0. Please note that reporting for the Welfare to Work (WtW) program is no longer required.

5. **Paperwork Reduction Act.** 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). 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. The following active information collection contained in this Notice has been approved under OMB Control Number 2577-0083.
6. **Information Contact.** For inquiries about this Notice regarding the HCV or MR programs, please contact Phyllis Smelkinson, Housing Program Specialist, Housing Voucher Management and Operations Division, at (202) 402-4138. For inquiries regarding the PH program, please call Lisa Floyd, Housing Program Specialist, Public Housing Management and Occupancy Division, at 202-402-6275. You may also contact your local PIC Coach.

/s/
Sandra B. Henriquez, Assistant Secretary for
Public and Indian Housing



**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

Special Attention of:

Public Housing and Section 8 Program Administrators,
Public Housing Hub Office Directors; Public Housing
Resident Management Corporations; Resident Councils;
Applicants and Participants of Public Housing, Housing
Choice Voucher, Section 8 Moderate Rehabilitation,
and Project-Based Certificate and Voucher Programs

Notice PIH 2010 - 19 (HA)

Issued: May 17, 2010

Expires: May 31, 2011

Cross References: 24 CFR §5.233,
24 CFR §5.236, 24 CFR §908.101

**SUBJECT: Administrative Guidance for Effective and Mandated Use of the Enterprise
Income Verification (EIV) System**

- Purpose:** This Notice provides Public Housing Agencies (PHAs) with administrative guidance related to the mandated use of HUD's Enterprise Income Verification (EIV) system, as required in accordance with the new HUD regulation, 24 CFR §5.233, as issued in the *Final Rule: Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System-Amendments*, effective January 31, 2010, as published at 74 FR 68924, on December 29, 2009.
- Applicability:** This Notice applies to the following HUD-PIH rental assistance programs: Public Housing, Section 8 Moderate Rehabilitation, Project-Based Voucher, Project-Based Certificate, and Housing Choice Voucher (HCV) Programs.
- Background:** On December 29, 2009, HUD issued the final rule entitled *Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification (EIV) System-Amendments*, which requires PHAs to use the EIV system in its entirety to verify tenant employment and income information during mandatory reexaminations of family composition and income; and reduce administrative and subsidy payment errors in accordance with 24 CFR §5.236 and administrative guidance issued by HUD.

Using EIV as an upfront income verification (UIV) technique will be valuable in validating tenant-reported income during interim and annual reexaminations of family income; as well as streamlining the income verification process. This will result in less administrative burden in complying with third party verification requirements. Additionally, EIV will help to identify and cure inaccuracies in housing subsidy determinations, which will benefit PHAs, tenants, and taxpayers by ensuring that the level of benefits provided on behalf of families is proper and will prevent fraud and abuse within Public and Indian Housing (PIH) rental assistance programs.

4. **Effective Date:** This Notice is effective as of issuance date.
5. **The New HUD Regulation: 24 CFR 5.233.** Effective January 31, 2010, all PHAs are required to use the EIV system in its entirety. This means that PHAs must use all features of the EIV system to:
 - a. Verify tenant employment and income information during mandatory reexaminations of family composition and income in accordance with 24 CFR §5.236, and HUD administrative guidance; and
 - b. Reduce administrative and subsidy payment errors in accordance with HUD administrative guidance.
6. **What is the EIV System?** The EIV System is a web-based application, which provides PHAs with employment, wage, unemployment compensation and social security benefit information of tenants who participate in the Public Housing and various Section 8 programs under the jurisdiction of the Office of Public and Indian Housing (PIH). This system is available to all PHAs nationwide. Information in EIV is derived from computer matching programs initiated by HUD with the Social Security Administration (SSA) and the U.S. Department of Health and Human Services (HHS), for all program participants with valid personal identifying information (name, date of birth (DOB), and social security number (SSN)) reported on the form HUD-50058.

All PHAs are required to review the EIV Income Report of each family before or during mandatory annual and interim reexaminations of family income and/or composition to reduce tenant under reporting of income and improper subsidy payments. EIV is classified as an UIV technique (or automated written third party verification), which helps to identify income sources and/or amounts that the tenant may not have disclosed. This UIV technique in many instances will reduce the need to mail or fax third party verification request forms to an income source. EIV also provides various reports to assist PHAs with the following:

- a. Identifying tenants whose reported personal identifiers do not match the SSA database;
 - b. Identifying tenants who need to disclose a SSN;
 - c. Identifying tenants whose alternate identification number (Alt ID) needs to be replaced with a SSN;
 - d. Identifying tenants who may not have reported complete and accurate income information;
 - e. Identifying tenants who have started a new job;
 - f. Identifying tenants who may be receiving duplicate rental assistance;
 - g. Identifying tenants who are deceased and possibly continuing to receive rental assistance;
 - h. Identifying former tenants of PIH rental assistance programs who voluntarily or involuntarily left the program and have a reportable adverse status and/or owe money to a PHA or Section 8 landlord.
7. **How to obtain access to the EIV System.** All PHA staff (including PHA-hired management agents), who have a need to access the EIV system, is required to complete and submit the EIV Access Authorization Form & Rules of Behavior and User Agreement to their designated EIV Coordinator in the local HUD office.

The form is available online at:

<http://www.hud.gov/offices/pih/programs/ph/rhiip/uivsystem.cfm>.

The user's access must be approved by the PHA Executive Director or designee in order for the local HUD office to process all EIV access requests. Individuals who will not directly access the EIV system, but will have access to the EIV data in printed or electronic form is also required to complete the EIV Access Authorization Form & Rules of Behavior and User Agreement and maintain on file (do not submit the form to the local HUD office).

8. **The Verification Hierarchy.** PHAs should begin with the highest level of verification techniques.

PHAs are required to access the EIV system and obtain an Income Report for each household. The PHA is required to maintain the Income Report in the tenant file along with the form HUD-50058 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition.

If the Income Report does not contain any employment and income information for the family, the PHA should attempt the next lower level verification technique, as noted in the below chart.

Level	Verification Technique	Ranking
6	Upfront Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system (not available for income verifications of applicants)	Highest (Mandatory)
5	Upfront Income Verification (UIV) using non-HUD system	Highest (Optional)
4	Written third Party Verification	High (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV-reported employment and income information and is unable to provide acceptable documentation to support dispute)
3	Written Third Party Verification Form	Medium-Low (Mandatory if written third party verification documents are not available or rejected by the PHA; and when the applicant or tenant is unable to provide acceptable documentation)
2	Oral Third Party Verification	Low (Mandatory if written third party verification is not available)
1	Tenant Declaration	Low (Use as a last resort when unable to obtain any type of third party verification)

Note: This verification hierarchy applies to income determinations for applicants and participants. However, EIV is not available for verifying income of applicants.

Verification Technique Definitions

Third Party Verification Techniques

Upfront Income Verification (UIV) (Level 6/5): The verification of income before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals.

It should be noted that the EIV system is available to all PHAs as a UIV technique. PHAs are encouraged to continue using other non-HUD UIV tools, such as The Work Number (an automated verification system) and state government databases, to validate tenant-reported income.

Written Third Party Verification (Level 4): An original or authentic document generated by a third party source dated either within the 60-day period preceding the reexamination or PHA request date. Such documentation may be in the possession of the tenant (or applicant), and is commonly referred to as tenant-provided documents. It is the Department's position that such tenant-provided documents are written third party verification since these documents originated from a third party source. The PHA may, at its discretion, reject any tenant-provided documents and follow up directly with the source to obtain necessary verification of information.

Examples of acceptable tenant-provided documentation (generated by a third party source) include, but are not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices. Current acceptable tenant-provided documents must be used for income and rent determinations.

The PHA is required to obtain at a minimum, two current and consecutive pay stubs for determining annual income from wages. For new income sources or when two pay stubs are not available, the PHA should project income based on the information from a traditional written third party verification form or the best available information.

Note: Documents older than 60 days (from the PHA interview/determination or request date) is acceptable for confirming effective dates of income.

Written Third Party Verification Form (Level 3): Also, known as traditional third party verification. A standardized form to collect information from a third party source. The form is completed by the third party by hand (in writing or typeset). PHAs send the form directly to the third party source by mail, fax, or email.

It is the Department's position that the administrative burden and risk associated with use of the traditional third party verification form may be reduced by PHAs relying on acceptable documents that are generated by a third party, but in the possession of and provided by the tenant (or applicant). Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

The Department recognizes that third party verification request forms sent to third party sources often are not returned. In other instances, the person who completes the verification form may provide incomplete information; or some tenants may collude with the third party source to provide false information; or the tenant intercepts the form and provides false information.

The Department requires PHAs to rely on documents that originate from a third party source's computerized system and/or database, as this process reduces the likelihood of incorrect or falsified information being provided on the third party verification request form. The use of acceptable tenant-provided documents, which originate from a third party source, will improve the integrity of information used to determine a family's income and rent and ultimately reduce improper subsidy payments. This verification process will also streamline the income verification process.

Oral Third Party Verification (Level 2): Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique or identified by the family, via telephone or in-person visit. PHA staff should document in the tenant file, the date and time of the telephone call (or visit to the third party), the name of the person contacted and telephone number, along with the confirmed information.

This verification method is commonly used in the event that the independent source does not respond to the PHA's faxed, mailed, or e-mailed request for information in a reasonable time frame, i.e., ten (10) business days.

Non-Third Party Verification Technique

Tenant Declaration (Level 1): The tenant submits an affidavit or notarized statement of reported income and/or expenses to the PHA. This verification method should be used as a last resort when the PHA has not been successful in obtaining information via all other verification techniques. When the PHA relies on tenant declaration, the PHA must document in the tenant file why third party verification was not available.

Exceptions to Third Party Verification Requirements

HUD is aware that in some situations, third party verification is not available for a variety of reasons. Oftentimes, the PHA may have made numerous attempts to obtain the required verifications with no success, or it may not be cost effective to obtain third party verification of income, assets, or expenses, when the impact on total tenant payment is minimal. In these cases, the PHA is **required to document in the family file the reason(s) why third party verification was not available.**

The exception to third party verification can be found at 24 CFR §960.259(c)(1) and §982.516(a)(2), which states, "The PHA must obtain and document in the family file third party verification of the following factors, **or must document in the file why third party verification was not available.**"

9. **Third party verification requirements.** In accordance with 24 CFR §960.259(c)(1) and 24 CFR §982.516(a)(2) for the Public Housing and the HCV programs, respectively, the PHA must obtain and document in the tenant file third party verification of the following factors, or must document in the tenant file why third party verification was not available: (i) reported family annual income; (ii) the value of assets; (iii) expenses related to deductions from annual income; and (iv) other factors that affect the determination of adjusted income.
10. **How to comply with and reduce administrative burden of third party verification requirements of family annual income.** PHAs can comply with and reduce administrative burden of third party verification requirements for employment, wage, unemployment compensation and social security benefits, and any other information that is verifiable using EIV by:
- a. Reviewing the EIV Income Report to confirm/validate tenant-reported income; and
 - b. Printing and maintaining an EIV Income Report (or an EIV Individual Control Number (ICN) page for interim reexaminations as prescribed in Section 12 of this Notice) in the tenant file; and
 - c. Obtaining current acceptable tenant-provided documentation to supplement EIV information; and
 - d. Using current tenant-provided documentation and/or third party verification to calculate annual income.

Note: Social Security benefit information in EIV is updated every three months. If the tenant agrees with the EIV-reported benefit information, PHAs do not need to obtain or request a benefit verification letter from the tenant. See PIH Notice 2010-03 for guidance on verifying Social Security benefit income through the EIV system.

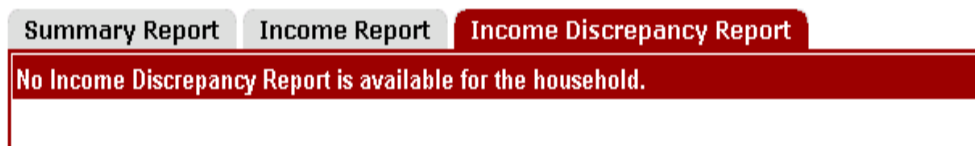
The PHA may also reduce the administrative burden of obtaining third party verification by relying on acceptable documents that are generated by a third party, but provided by the tenant. Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

11. **When the PHA is required to request written third party verification** The PHA must request written third party verification under the following circumstances:
- a. When the tenant disputes the EIV information and is unable to provide acceptable documentation to support his/her dispute (24 CFR §5.236(b));
 - b. When the PHA requires additional information that is not available in EIV and/or the tenant is unable to provide the PHA with current acceptable tenant-provided documentation. Examples of additional information, includes but is not limited to:
 - i. Effective dates of income (i.e. employment, unemployment compensation, or social security benefits)
 - ii. For new employment: pay rate, number of hours worked per week, pay frequency, etc.
 - iii. Confirmation of change in circumstances (i.e. reduced hours, reduced rate of pay, temporary leave of absence, etc.)

Note: 24 CFR §5.236(a), prohibits PHAs from taking adverse action based solely on EIV information.


12. Type of file documentation required to demonstrate PHA compliance with mandated use of EIV as a third party source to verify tenant employment and income information (24 CFR §5.233(a)(2)(i)).

- A.** For each new admission (form HUD-50058 action type 1), the PHA is required to do the following:
- i.** Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
 - ii.** Print and maintain a copy of the EIV Income Report in the tenant file; and
 - iii.** Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
- B.** For each historical adjustment (form HUD-50058 action type 14), the PHA is required to do the following:
- i.** Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
 - ii.** Print and maintain a copy of the EIV Income Report in the tenant file; and
 - iii.** Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
- C.** For each interim reexamination (form HUD-50058 action type 3) of family income and composition, the PHA is required to have the following documentation in the tenant file:
- i.** **ICN Page** when there is **no** household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report. (PHAs have the discretion to print the EIV Income report, however, only the ICN page is required.) See sample screen shot below.



Note: The ICN Page is available from the Summary Report tab. See sample screen shot below:

[Print-All](#)

Summary Report	Certification Page	Income Report	Income Discrepancy Report			
Head of Household Identifiers						
Name:	MIKILA					
Social Security Number:	***.**-****					
Date of Birth (mm/dd/yyyy):	XX/XX/1989					
Program Type:	Sec.8 Vouchers					
Project:						
Unit Address:	[REDACTED]					
Participant Code:						
Annual Reexamination Date:	05/01/2010					
Tenant Data from Form 50058 as of:	10/20/2009					
Most Recent Type of Action:	3-Interim Reexamination					
Effective Date:	10/01/2009					
Household Members						
Member SSN	Member First Name	Member Last Name	Date of Birth	Age	Relationship	Identity Verification Status
.**-*	MIKILA		XX/XX/1989	20	Head	Verified
.**-*	MALAYA		XX/XX/2009		Other youth under 18	Verified
The month and day values in the Date of Birth field have been masked for security reasons.						
Provide ICN				 <p>Click here to generate printer-friendly ICN page</p>		
Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.						
Report Generated By - H18XXX NICOLE X FAISON						

- ii. **EIV Income Report** when there is an income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report. See sample screen shot below.

Summary Report	Income Report	Income Discrepancy Report
Head of Household Information		
Name:	DEBRA [REDACTED]	
Social Security Number:	[REDACTED]	
Program Type:	Public Housing	
Project:	[REDACTED]	
Effective Date of Action:	03/10/2009	
Annual Reexamination Date:	02/01/2010	
Projected Annual Wages and Benefits from Form HUD-50058:	\$8,328.00	
Period Of Income for Discrepancy Analysis	12/10/2007 - 12/09/2008	
Discrepancy Analysis	Actuals	Annualized Last Quarter
Reported Annual Wages and Benefits from EIV Data:	\$24,919.06	\$26,131.00
Amount of Annual Income Discrepancy:	(\$16,591.06)	(\$17,803.00)
Amount of Monthly Income Discrepancy:	(\$1,382.59)	(\$1,483.58)
Percentage of Income Discrepancy:	(66.58%)	(68.13%)
<small>Note: Negative numbers represent potential under reporting of income. Please discuss this income discrepancy with the tenant. Positive numbers represent potential decrease in tenant income.</small>		
Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.		
<small>Report Generated By - H18XXX NICOLE X FAISON</small>		

- D.** For each annual reexamination of family income and composition, the PHA is required to have the following documentation in the tenant file:
- i. No Dispute of EIV Information:** EIV Income Report, current acceptable tenant-provided documentation, and *if necessary* (as determined by the PHA), traditional third party verification form(s). See examples 1 and 3 below.
 - ii. Disputed EIV Information:** EIV Income report, current acceptable tenant-provided documentation, and/or traditional third party verification form(s) for disputed information. See example 2 below.
 - iii. Tenant-reported income not verifiable through EIV system:** Current tenant-provided documents, and *if necessary* (as determined by the PHA), traditional third party verification form(s). See example 3 below.

Example 1: No Disputed EIV Information & Tenant Provided Documents

You are conducting an annual reexam with tenant, Mary Jones. Ms. Jones reports that she is employed at the ABC Box Company. You pull up the EIV income report for the Jones family, which shows quarterly wages from the ABC Box Company for the full year of 2008, and the first two quarters of 2009. Last year's (2009) annual reexam reflects wages from the same employer. There is no other income information on the report.

The PHA may streamline the income verification process by requesting Ms. Jones provide current pay stubs dated within the last 60 days of the interview or PHA request date. The PHA must obtain a minimum of two current and consecutive pay stubs from Ms. Jones. Since there is no disparity between tenant-reported and EIV-reported income, the PHA may obtain original and current tenant-provided pay stubs to calculate annual income.

The PHA may **not** use quarterly EIV wage (or unemployment benefit) information to calculate annual income since this information is at least six months old and more current income information (from pay stubs) is available.

Example 2: Disputed EIV Information & No Tenant-Provided Documents

You are conducting an annual reexam with tenant, Bob Miller. Mr. Miller reports that his only source of income is monetary support from his sister, Betty Miller. You pull up the EIV income report for the Miller family, which shows quarterly wages from the Home Depot for the full year of 2008, and the first two quarters of 2009. There is no other income information on the EIV report. Last year's (2009) annual reexam reflects no wage information and only source of income is other non-wage income (monetary support from family member).

You inform Mr. Miller that the EIV system shows wages from the Home Depot and ask him to provide you with current pay stubs. Mr. Miller states that he does not work there and has no pay stubs.

Because Mr. Miller disputes the EIV-reported income and is unable to provide documents to support his dispute, the PHA **must** request written third party verification from Home Depot. You mail a third party verification request form to the address listed for Home Depot.

A few days later, you receive the third party verification request form back from Home Depot, which indicates that Mr. Miller has been employed there since January 5, 2008, and a payroll summary report, showing Mr. Miller's bi-weekly gross and net pay since January 2008. Since the disputed EIV information has been confirmed to be correct by the independent third party source (Home Depot), the PHA will use the income information from the payroll summary report to calculate annual income. The PHA would also calculate the retroactive rent (using the information provided by Home Depot) since Mr. Miller failed to disclose his employment at the 2008 and 2009, annual reexams. The PHA would also inform Mr. Miller of this retroactive rent and take action according to PHA-established policies.

Example 3: Tenant Unreported Income, Income not Verifiable through EIV & Tenant- Provided Documents

You are conducting an annual reexam with tenant, Sharon Duvet. Ms. Duvet reports that her only source of income is child support and provides you with four current and consecutive child support pay stubs. You pull up the EIV Income Report for the Duvet family, which shows: hire date at the District Police Department effective January 9, 2005; quarterly wages from the District Police Department for the full years of 2005, 2006, 2007, and 2008, and the first two quarters of 2009. There is no other income information on the EIV Income Report. Last year's (2009) annual reexam reflects income from only child support. You inform Ms. Duvet that the EIV system is showing wages from the District Police Department and you ask her to provide you with current pay stubs. Ms. Duvet admits that she has been working at the District Police Department and indicates that she can provide you with current pay stubs. You inform Ms. Duvet that you will also have to calculate her retroactive rent for the previous years in which she did not disclose her employment. You go over the EIV-reported wages with Ms. Duvet and she indicates that she does not dispute the information.

Since Ms. Duvet does not dispute the EIV-reported information, the PHA may use the tenant provided documents to calculate income and rent for the 2010 annual reexam, and use the EIV-reported earnings for years 2005 through 2008, to calculate the retroactive rent Ms. Duvet will owe. The PHA should require Ms. Duvet to provide her last pay stub from 2009, or her 2009 W- 2, to calculate the retroactive rent for 2009. The PHA will use the tenant-provided child support pay stubs (child support income is not available in EIV) to calculate annual income from this source.

13. **What if the tenant does not provide the PHA with requested information?** If the tenant does not provide the requested information, the PHA may mail or fax a third party verification request form to the third party source. The PHA is **required** to request third party verification when the tenant disputes EIV information and the tenant is unable to provide acceptable documentation to support disputed information. However, the PHA should **also** remind the tenant that s/he is required to supply any information requested by the PHA for use in a regularly scheduled annual or interim reexamination of family income and composition.

The PHA may **determine** that the tenant is not in compliance with program requirements and terminate tenancy or assistance, or both, if the tenant fails to provide the requested information in a timely manner (as prescribed by the PHA).

14. **How to use EIV to reduce administrative and subsidy payment errors.** EIV has the ability to identify other potential issues which may impact a family's level of assistance. EIV contains stand-alone reports, which a PHA may generate at any time (i.e. Deceased Tenants Report, New Hires Report, Multiple Subsidy Report, Identity Verification Report, Income Discrepancy Report, Debts Owed to PHAs & Termination Report, and Immigration Report). However, it should be noted that the information from these stand-alone reports are contained in the Income Report for each household. PHAs are required to address any and all potential issues at the time of the annual or interim reexam, as conveyed in the Income Report.

PHAs may use the stand-alone reports to monitor staff's progress in reducing the following administrative and subsidy payment errors by using the listed reports:

- a. Incorrect/invalid SSNs/name/date of birth – Identity Verification Report
- b. Follow-up with families who need to disclose a SSN – Immigration Report
- c. Duplicate rental assistance – Multiple Subsidy Report
- d. Unreported increase in income – Income discrepancy Report
- e. Improper payments on behalf of deceased tenants – Deceased Tenants Report
- f. Unreported new employment (PHAs with interim increase policy) – New Hires Report
- g. Adverse Termination/Outstanding Debt to PHA – Debts Owed to PHAs & Termination Search

In order to ensure PHAs are aware of potential subsidy payment errors, PHAs are **required** to monitor the following EIV reports on a monthly basis:

1. Deceased Tenants Report
2. Identity Verification Report
3. Immigration Report

In order to ensure PHAs are aware of potential subsidy payment errors, PHAs are **required** to monitor the following EIV reports on a quarterly basis:

1. Income Discrepancy Report
2. Multiple Subsidy Report
3. New Hires Report (if your agency has an interim increase policy)

15. **How to use the EIV Income Report as a third party source to verify tenant employment and income information.** The EIV Income Report provides a variety of information about each household member of the family. The report contains the following information for each household member:

- a. Personal identifiers: name, date of birth, and SSN
- b. Identity verification status (pending, verified, deceased, or failed)
- c. Employment information
 1. New Hire Information (W-4)
 - i. Date hired
 - ii. Employer name
 2. Employer name, address, and employer identification number of current and past employers
 3. Quarterly earnings
- d. Quarterly unemployment compensation
- e. Social Security benefit information
 1. Social Security (SS) benefits
 - i. Payment status code
 - ii. Date of current entitlement
 - iii. Current net monthly benefit amount (if payable)
 - iv. Gross monthly benefit history (last 8 changes in benefit amount)
 - v. Lump sum payment amount and date
 - vi. Payee name and address
 2. Dual Entitlement (Social Security benefits under another person's SSN)
 - i. Claim Number (the other person's SSN)
 - ii. Payment status code
 - iii. Date of current entitlement
 - iv. Current net monthly benefit amount (if payable)
 - v. Gross monthly benefit history (last 8 changes in benefit amount)
 - vi. Payee name and address
 3. Supplemental Security Income (SSI)
 - i. Payment status code
 - ii. Alien indicator
 - iii. Current net monthly benefit amount
 - iv. Current monthly state supplement benefit amount (if available)
 - v. Gross monthly benefit history (last 8 changes in benefit amount)
 - vi. Payee name and address
 4. Medicare data
 - i. Payee name and address
 - ii. Monthly hospital insurance premium amount, buy-in status, and buy-in start and end dates
 - iii. Monthly supplemental medical insurance premium amount, buy-in status, and buy-in start and end dates
- f. Disability status and onset date
- g. Identity verification status
- h. Indicator of possible multiple rental subsidy
- i. Indicator of debt and/or termination information from another PHA (effective September 2010)

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

To minimize tenant underreporting of income, PHAs are required to obtain an EIV Income Report for each family any time the PHA conducts an annual or interim reexamination of family income and composition.

In accordance with 24 CFR §5.236(b)(2)(3), PHAs are required to compare the information on the EIV report with the family-reported information. If the EIV report reveals an income source that was not reported by the tenant or a substantial difference in the reported income information, the PHA is required to take the following actions:

1. Discuss the income discrepancy with the tenant; and
2. Request the tenant to provide any documentation to confirm or dispute the unreported or underreported income and/ or income sources; and
3. In the event the tenant is unable to provide acceptable documentation to resolve the income discrepancy, the PHA is required to request from the third party source, any information necessary to resolve the income discrepancy; and
4. If applicable, determine the tenant's underpayment of rent as a result of unreported or underreported income, retroactively*; and
5. Take any other appropriate action as directed by HUD or the PHA's administrative policies.

*The PHA is required to determine the retroactive rent as far back as the existence of complete file documentation (form HUD-50058 and supporting documentation) to support such retroactive rent determinations.

Note: A substantial difference is defined as an amount equal to or greater than \$2,400, annually.

The tenant must be provided an opportunity to contest the PHA's determination of tenant rent underpayment. HUD regulations require PHAs to promptly notify tenants in writing of any adverse findings made on the basis of the information verified through the aforementioned income discrepancy resolution process. The tenant may contest the findings in accordance with the PHA's established grievance procedures, as required by HUD. The PHA may not terminate, deny, suspend, or reduce the family's assistance until the expiration of any notice or grievance period.

When there is an unsubstantial or no disparity between tenant-reported and EIV-reported income information, the PHA is required to obtain from the tenant, any necessary documentation to complete the income determination process. As noted previously, the PHA may reject any tenant-provided documentation, if the PHA deems the documentation unacceptable. The PHA may reject documentation provided by the tenant for only the following HUD-approved reasons:

1. The document is not an original; or
2. The original document has been altered, mutilated, or is not legible; or

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

The PHA should explain to the tenant, the reason(s) the submitted documents are not acceptable and request the tenant to provide additional documentation. If at any time, the tenant is unable to provide acceptable documentation that the PHA deems necessary to complete the income determination process, the PHA is required to submit a traditional third party verification form to the third party source for completion and submission to the PHA.

If the third party source does not respond to the PHA's request for information, the PHA is required to document the tenant file of its attempt to obtain third party verification and that no response to the third party verification request was received.

The PHA should then pursue lower level verifications in accordance with the verification hierarchy listed in section 8 of this notice.

16. **Tenant Repayment Agreement.** Tenants are required to reimburse the PHA if they were charged less rent than required by HUD's rent formula due to the tenant's underreporting or failure to report income. The tenant is required to reimburse the PHA for the difference between the tenant rent that should have been paid and the tenant rent that was charged. This rent underpayment is commonly referred to as retroactive rent. If the tenant refuses to enter into a repayment agreement or fails to make payments on an existing or new repayment agreement, the PHA **must** terminate the family's tenancy or assistance, or both. HUD does **not** authorize any PHA-sponsored amnesty or debt forgiveness programs.

All repayment agreements must be in writing, dated, signed by both the tenant and the PHA, include the total retroactive rent amount owed, amount of lump sum payment made at time of execution, if applicable, and the monthly repayment amount. At a minimum, repayment agreements must contain the following provisions:

- a. Reference to the paragraphs in the Public Housing lease or Section 8 information packet whereby the tenant is in non-compliance and may be subject to termination of tenancy or assistance, or both.
- b. The monthly retroactive rent repayment amount is in addition to the family's regular rent contribution and is payable to the PHA.
- c. The terms of the agreement may be renegotiated if there is a decrease or increase in the family's income.
- d. Late and missed payments constitute default of the repayment agreement and may result in termination of tenancy and/or assistance.

PHAs are required to determine retroactive rent amount as far back as the PHA has documentation of family reported income. For example, if the PHA determines that the family has not reported income for a period of five years and only has documentation for the last three years, the PHA is only able determine retroactive rent for the three years for which documentation is available.

The monthly retroactive rent payment plus the amount of rent the tenant pays at the time the repayment agreement is executed should be affordable and not exceed 40 percent of the family's monthly adjusted income. However, PHAs have the discretion to establish thresholds and policies for repayment agreements in addition to HUD required procedures.

Example:

- Family's monthly adjusted income is \$1,230.
- Family's monthly rent payment 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 (\$369 monthly rent + \$123 repayment = \$492, 40% of the family's monthly adjusted income.)

Repayment Time Period. The period in which the retroactive rent balance will be repaid is based on the monthly payments and original retroactive balance.

Example: The tenant agrees to repay \$1,000, by making a monthly payment of \$25 for 40 months.

Repayment Options. Tenants have the option to repay the retroactive rent balance as follows:

1. In a lump sum payment; or
2. Monthly installment; or
3. A combination of 1 and 2, above
 - a. For example, a tenant may owe \$1,000, make a lump sum payment of \$300 and enter into a repayment agreement for the remaining balance of \$700.

17. How long should the PHA maintain EIV printouts in a tenant file? The PHA's record retention policy will determine the length of time the PHA should maintain EIV printouts in a tenant file. PHAs are authorized to maintain the EIV Income Report in the tenant file for the duration of tenancy and no longer than three years from the end of participation (EOP) date. In accordance with revised regulation, 24 CFR §908.101, PHAs are required to maintain at a minimum, the last three years of the form HUD-50058, and supporting documentation for all annual and interim reexaminations of family income. All records are to be maintained for a period of at least three years from the effective date of the action.

18. Disclosure of an Individual's EIV Information. 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, unless the individual has provided written consent to disclose such information.

However, the PHA is not prohibited from discussing with the head of household (HOH) and showing the HOH how the household's income and rent were determined based on the total family income reported and verified.

EIV information and any other information obtained by the PHA for the purpose of determining eligibility and level of assistance for a PIH rental assistance program may not be disclosed to third parties for any reason (even for similar verifications under other programs, such as eligibility for low income housing tax credit units, other federal or state assistance programs), unless the tenant has authorized such disclosure in writing.

19. What to do if the EIV Information is incorrect.

Sometimes the source or originator of EIV information may make 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 the originator corrects the data, HUD will obtain the updated information with its next computer matching process. Below are the procedures tenants and PHAs should follow regarding incorrect EIV information.

Employment and wage information reported in EIV originates from the employer. The employer reports this information to the local State Workforce Agency (SWA), who in turn, reports the information to HHS' National Directory of New Hires (NDNH) database.

If the tenant disputes this information, s/he 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 PHA with this written correspondence so that it may be maintained in the tenant file. If employer resolution is not possible, the tenant should contact the local SWA for assistance.

Unemployment benefit information reported in EIV originates from the local SWA. If the tenant disputes this information, s/he 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 PHA with this written correspondence so that it may be maintained in the tenant file.

SS and SSI benefit information reported in EIV originates from the SSA. If the tenant disputes this information, s/he should contact the SSA at (800) 772-1213, or visit the local SSA office. SSA office information is available in the government pages of the local telephone directory or online at <http://www.socialsecurity.gov>.

Note: The tenant may also provide the PHA with third party documents which are in the tenant's possession to support their dispute of EIV information. The PHA, with the tenant's consent, is required to submit a third party verification form to third party sources for completion and submission to the PHA, when the tenant disputes EIV information and is unable to provide documentation to validate the disputed information. The tenant's failure to sign the consent form is grounds for termination of tenancy and/or assistance in accordance with 24 CFR §5.232.

Debts owed to PHAs and termination information reported in EIV originates from the PHA. If a current or former tenant disputes this information, s/he should contact the PHA (who reported the information) directly in writing to dispute this information and provide any documentation that supports the dispute. If the PHA determines that the disputed information is incorrect, the PHA will update or delete the record from EIV. Former tenants may dispute debt and termination information for a period of up to three years from the end of participation date in the PIH program.

Identity Theft. Seemingly incorrect information in EIV 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. However, a person using an individual's SSN can get other personal information about that individual and apply for credit in that individual's name. So, if the tenant suspects someone is using his/her SSN, s/he should check their Social Security records to ensure their records are correct (call SSA at (800) 772-1213); file an identity theft complaint with the local police department and/or Federal Trade Commission (call FTC at (877) 438-4338, or visit their website at: <http://www.ftc.gov/bcp/edu/microsites/idtheft/>); and s/he should also monitor their credit reports with the three national credit reporting agencies (Equifax, TransUnion, and Experian). The tenant should provide the PHA written documentation of filed identity theft complaint. (Refer back to paragraph on Employment and wage information regarding disputed EIV information related to identity theft).

Tenants may request their credit report and place a fraud alert on their credit report with the three national credit reporting agencies at: 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: www.equifax.com
Telephone: (800) 685-1111

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

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

20. **Security of EIV Data.** The data in EIV contains personal information on individual tenants which is protected under the Federal Privacy Act. The information in EIV may only be used for limited official purposes, as noted below.

A. Official Purposes Include :

1. PHAs, in connection with the administration of PIH programs, for verifying the employment and income at the time of interim and annual reexaminations.
2. HUD staff for monitoring and oversight of PHA compliance with HUD program requirements.
3. Independent Auditors hired by the PHA or HUD to perform a financial audit for use in determining the PHA's compliance with HUD program requirements, including verifying income and determining the accuracy of the rent and subsidy calculations.

Restrictions on disclosure requirements for Independent Auditors:

- (a) May only access EIV income information within family files and only within the offices of the PHA or PHA-hired management agent;
- (b) May not transmit or transport EIV income information in any form;
- (c) May not enter EIV income information on any portable media;
- (d) Must sign non-disclosure oaths that the EIV income information will be used only for the purpose of the audit; and
- (e) May not 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.

B. Official Purposes Does NOT Include :

1. Sharing the information with governmental or private entities not involved in the reexamination process specifically used for PIH rental assistance programs.

Disclosing the EIV information to other private or public entities for purposes other than determining eligibility and level of assistance for PIH rental assistance programs is prohibited since these entities are not a party to the computer matching agreements with the HHS and SSA. The fact that these entities may find the EIV beneficial for similar eligibility and determination purposes for other low-income housing programs or public benefits, does not permit these entities 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. Specifically, sections 453(j)(7)(E)(ii) and (iv) of the Social Security Act (42 USC §653j) limit disclosure of the data matched between HUD and HHS' National Directory of New Hires (NDNH) database to PHAs, Independent Auditors, the Inspector General (IG) and Attorney General, private owners, management agents, and contract administrators of Multifamily Housing programs.

C. 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.

21. **Penalties for Noncompliance with Mandated EIV System Use.** PHAs may be subject to sanctions and/or the assessment of disallowed costs associated with any resulting incorrect subsidy or tenant rent calculation or both. It should be noted that HUD may impose a sanction on any PHA who does not have access to the EIV system or the PHA has access to the system, however, has not used the system within the last six months. To avoid sanctions or disallowed costs, PHAs should follow all formal and informal guidance provided to PHAs via webcast trainings, PIH Rental Housing Integrity Improvement Project (RHIIP) periodic electronic mailings, and any other HUD Headquarters'-generated guidance.

EIV System Tip Sheets (ETS). PHAs are required to comply with guidance provided via ETS and HUD Headquarters-sponsored EIV training, via webcast and satellite. PIH will also post ETS to the PIH RHIIP technical assistance web pages at:

<http://www.hud.gov/offices/pih/programs/ph/rhiip/training.cfm>, and send via email to all subscribers of the PIH RHIIP mailing list. ETS is designed to explain effective use of the EIV system to ensure PHAs' compliance with the third party verification requirements and reduce administrative and subsidy payment errors, so that PHAs may avoid penalties for failure to use the EIV system in its entirety.

22. **EIV System Training Information.** As a condition of initial and continued access to the EIV System, HUD and PHA staff are required to complete Annual Security Awareness training and EIV system training (initial (complete system training) and update (interim system changes) training) when offered by HUD Headquarters (HHQ). This training requirement also applies to those individuals who will not access EIV, but will view or handle printed and/or electronic EIV data. Individuals who will view and/or handle printed EIV information are required to complete only annual Security Awareness training (EIV system training is optional for these individuals). EIV training provided by third parties (other than HUD Headquarters) does not fulfill the mandatory EIV training requirement.

HHQ offers training in Washington, DC and via webcast at least once a year. EIV system users who need to complete EIV training may view EIV training webcasts at: <http://www.hud.gov/webcasts/archives/iv.cfm>. HUD offers a *Certificate of Completion* for a period of six months following the broadcast date, for those who desire confirmation of completed training.

However, it should be noted that a certificate is not required in order for an individual to be granted access to the EIV system or be certified for continued EIV system access. The most recent PIH RHIIP/EIV training was held on January 28, 2010. EIV system users may request a *Certificate of Completion* for this training through October 30, 2010.

Training information is posted at the following websites:

<http://www.hud.gov/offices/pih/programs/ph/rhiip/training.cfm> and is emailed to all subscribers of the PIH RHIIP mailing list. To subscribe to this mailing list, paste the following URL into your browser, enter your email address, and click OK:

<http://www.hud.gov/subscribe/signup.cfm?listname=Public%20and%20Indian%20Housing%20Rental%20Housing%20Integrity%20Improvement%20Project&list=PIH-RHIIP-L>

Instructions for requesting a *Certificate of Completion* is posted at

<http://www.hud.gov/webcasts/archives/iv.cfm> or

<http://www.hud.gov/offices/pih/programs/ph/rhiip/training.cfm>, and is automatically emailed to all subscribers of the PIH RHIIP mailing list.

EIV system users must complete HHQ-offered training as follows:

Training Offered	Training Must be Completed By
October 1 st – March 31 st	April 29 th
April 1 st – September 30 th	October 30 th

New employees, who begin employment after March 31st, are required to complete the training by October 30th.

New employees, who begin employment after September 30th, are required to complete the training by April 29th, of the following year.

Note: Employees must complete the training **prior** to accessing the EIV system and/or printed EIV reports.

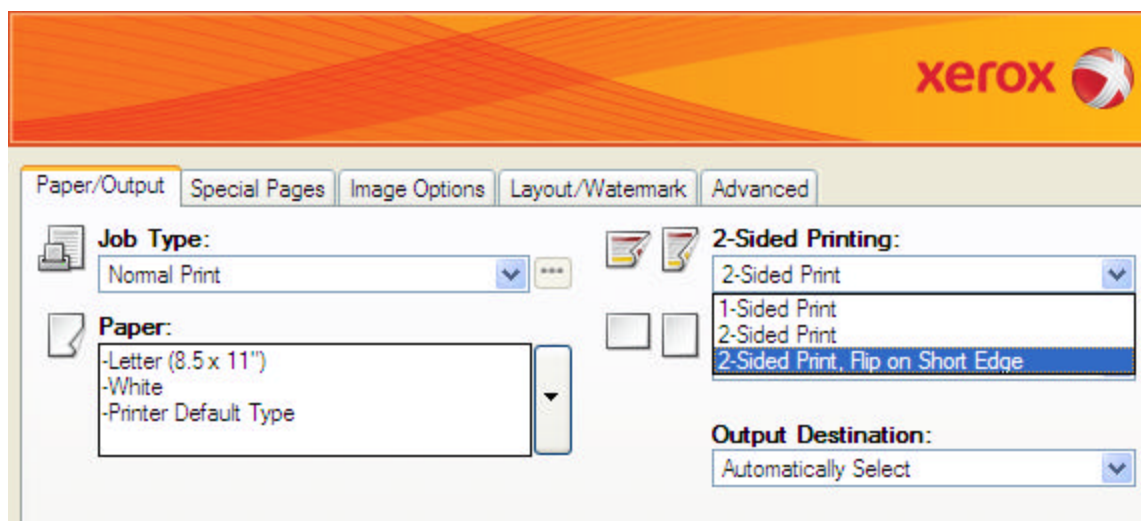
23. **Updating of PHA Policies and Procedures.** PHAs are required to immediately implement all new and modified regulatory requirements of the *Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System-Amendments*.

The Department recognizes that many PHAs have already begun to modify existing policies and procedures to reflect use of EIV during all mandatory annual and interim reexams. PHAs should immediately update their policies and procedures to reflect these new regulatory provisions.

24. **Notice to Applicants and Tenants.** PIH is providing PHAs with the attached EIV system information guide that PHAs may provide to applicants and tenants of PIH rental assistance programs. PHAs are **not** required to distribute this document. However, PHAs are strongly encouraged to provide applicants and tenants with the *What You Should Know About EIV Guide* to educate families about EIV and inform them of how it affects their family.

There are two versions of the document: 1) with a signature block; and 2) without a signature block. HUD does not require applicants or tenants to acknowledge receipt of the document; however, PHAs may, at their discretion, require the family to acknowledge receipt of the guide. If your PHA will require families to acknowledge receipt of the guide, provide the family with a copy of the guide to take with them, and maintain a signed copy in the family file folder.

The guide is a two page document or one double-side printed document. To print the file on one page (if your printer has two-sided printing capability), select **Print Properties** when printing the document, select **2-Sided Print, Flip on Short Edge**, and then print. This document is not available for ordering from HUD. Simply click and print the guide.



Currently, the guide is only available in English, however, in the future; HUD may make this document available in other languages. As a subscriber to the PIH RHIIP mailing list, you will automatically receive the guide in other languages, when they become available.

Tip: Print on color paper to add a little flare!

25. Rental Housing Integrity Improvement Project (RHIIP)/EIV Resources. For your convenience, PIH EIV information is available on the web at the below listed URLs. Many of your questions can be answered by viewing information that is posted on the HUD web pages. Bookmark these pages:

Overview of Upfront Income Verification (UIV) Technique:

<http://www.hud.gov/offices/pih/programs/ph/rhiip/uiv.cfm>

Training and Technical Assistance (including webcast training materials):

<http://www.hud.gov/offices/pih/programs/ph/rhiip/training.cfm>

EIV System, Access Authorization Form, and User Manuals:

<http://www.hud.gov/offices/pih/programs/ph/rhiip/uivsystem.cfm>

Subscribe to PIH RHIIP Mailing list:

<http://www.hud.gov/subscribe/signup.cfm?listname=Public%20and%20Indian%20Housing%20Rental%20Housing%20Integrity%20Improvement%20Project&list=PIH-RHIIP-L>

PIH EIV Webcasts Archives:

<http://portal.hud.gov/portal/page/portal/HUD/webcasts/archives/iv>

Latest EIV News: <http://www.hud.gov/offices/pih/programs/ph/rhiip/uivnewsflash.cfm>

Income Discrepancy Resolution:

<http://www.hud.gov/offices/pih/programs/ph/rhiip/indisres.cfm>

Public Notices: <http://www.hud.gov/offices/pih/programs/ph/rhiip/pubnotices.cfm>

Report Fraud, Waste & Abuse to HUD OIG:

<http://www.hud.gov/offices/pih/programs/ph/rhiip/uivreporting.cfm>

PIH Notices: <http://www.hud.gov/offices/pih/publications/notices/>

26. **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 USC §3520) and assigned OMB control number(s) 2577-0083 and 2577-0266. 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.
27. **For inquiries about this Notice contact:** the designated EIV Coordinator in the local HUD field office or Nicole Faison of HUD Headquarters' Office of Public and Indian Housing at (202) 475-7949, or via email at PIH.RHIIP.TA@HUD.GOV.

/s/

Sandra B. Henriquez, Assistant Secretary for
Public and Indian Housing

Attachments:

1. *What You Should Know About EIV Guide* (with signature block)
2. *What You Should Know About EIV Guide* (without signature block)



**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

SPECIAL ATTENTION OF:

Directors of HUD Regional and Field
Offices of Public Housing;
Public Housing Agencies that
Receive Funds under
Any Public and Indian Housing
Program

NOTICE PIH 2010- 15 (HA)

Issued: May 6, 2010

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Cross References:

**Subject: U.S. Department of Housing and Urban Development (HUD) Privacy Protection
Guidance for Third Parties**

- 1) **Purpose:** This notice informs all Public Housing Authorities (PHAs) about their responsibilities for safeguarding personally identifiable information (PII) required by HUD and preventing potential breaches of this sensitive data. HUD is committed to protecting the privacy of individuals' information stored electronically or in paper form, in accordance with federal privacy laws, guidance, and best practices. HUD expects its third party business partners, including Public Housing Authorities, who collect, use, maintain, or disseminate HUD information to protect the privacy of that information in accordance with applicable law.
- 2) **Background:** Section 6 of the Housing Act of 1937, the Privacy Act of 1974, 5 U.S.C. § 552a (Privacy Act), The Freedom of Information Act (FOIA), 5 U.S.C. § 552, and Section 208 of The E-Government Act are the primary federal statutes that limit the disclosure of information about public housing residents and recipients of the Housing Choice Voucher program. In addition, the Housing and Community Development Act of 1987, 42 U.S.C. § 1437d(q)(4), 42 U.S.C. § 1437d (t)(2), 42 U.S.C. § 3543, and the Stewart B. McKinney Homeless Assistance Act of 1988, 42 U.S.C. § 3544, further regulate the treatment of this information.
 - a) General HUD program requirements are set forth in 24 C.F.R. Part 5. Compliance with the Privacy Act and other requirements for grants and contracts is spelled out in 24 C.F.R. § 5.212 which states:
 - i) *Compliance with the Privacy Act.* The collection, maintenance, use, and dissemination of SSNs, EINs, any information derived from SSNs and Employer Identification Numbers (EINs), and income information under this subpart shall be

conducted, to the extent applicable, in compliance with the Privacy Act (5 U.S.C. 552a) and all other provisions of Federal, State, and local law.

- ii) *Privacy Act Notice.* All assistance applicants shall be provided with a Privacy Act notice at the time of application. All participants shall be provided with a Privacy Act notice at each annual income recertification.

The Federal Acquisition Regulation (FAR), 48 C.F. R. Subpart 1524.1, sets forth that compliance with the requirements of the Privacy Act be included in HUD contracts at clause 52.224-2, which provides in part:

...(a) The Contractor agrees to—

- (1) Comply with the Privacy Act of 1974 (the Act) and the agency rules and regulations issued under the Act

Similar language is included in all HUD Grant Agreements requiring the Grantee to comply with the provisions of the Privacy Act of 1974 and the agency rules and regulations issued under the Act. (See Attachments 1 and 2 for the above provisions)

- b) Additional federal guidance on privacy protection is in OMB privacy-related memoranda, including:
 - i) OMB M-01-05, Guidance on Inter-Agency Sharing of Personal Data – Protecting Personal Privacy
 - ii) OMB M-03-22, OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002
 - iii) OMB M-04-26, Personal Use Policies and ? File Sharing? Technology
 - iv) OMB M-05-08, Designation of Senior Agency Officials for Privacy
 - v) OMB M-06-15, Safeguarding Personally Identifiable Information
 - vi) OMB M-06-16, Protection of Sensitive Agency Information
 - vii) OMB M-06-19, Reporting Incidents Involving Personally Identifiable Information and Incorporating the Cost for Security in Agency Information Technology Investments
 - viii) OMB Memo, September 20, 2006, Recommendations for Identity Theft Related Data Breach Notification Guidance
 - ix) OMB M-07-16, Safeguarding Against and Responding to the Breach of Personally Identifiable Information
 - x) OMB M-09-29, FY 2009 Reporting Instructions for the Federal Information Security Management Act and Agency Privacy Management

- c) Definitions

As used in this Notice, the following terms are defined as:

- i) Personally Identifiable Information (PII). Defined in OMB M-07-16 as “. . . information which can be used to distinguish or trace an individual’s identity, such as their name, social security number, biometric records, etc. alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother’s maiden name, etc.”
 - ii) Sensitive Personally Identifiable Information. PII that when lost, compromised or disclosed without authorization could substantially harm an individual. Examples of sensitive PII include social security or driver’s license numbers, medical records, and financial account numbers such as credit or debit card numbers.
- 3) **Guidance on Protecting Sensitive Privacy Information:** The Privacy Act requires that federal agencies maintain only such information about individuals that is relevant and necessary to accomplish its purpose. The Privacy Act also requires that the information be maintained in systems or records – electronic and paper – that have the appropriate administrative, technical, and physical safeguards to protect the information, however current. This responsibility extends to contractors and third party business partners, such as Public Housing Authorities, who are required to maintain such systems of records by HUD.
- a) Contractors and third party business partners should take the following steps to help ensure compliance with these requirements:
 - i) **Limit Collection of PII**
 - (1) Do not collect or maintain sensitive PII without proper authorization. Collect only the PII that is needed for the purposes for which it is collected.
 - ii) **Manage Access to Sensitive PII**
 - (1) Only share or discuss sensitive PII with those personnel who have a need to know for purposes of their work. Challenge anyone who asks for access to sensitive PII for which you are responsible.
 - (2) Do not distribute or release sensitive PII to other employees, contractors, or other third parties unless you are first convinced that the release is authorized, proper and necessary.
 - (3) When discussing sensitive PII on the telephone, confirm that you are speaking to the right person before discussing the information and inform him/her that the discussion will include sensitive PII.
 - (4) Never leave messages containing sensitive PII on voicemail.

- (5) Avoid discussing sensitive PII if there are unauthorized personnel, contractors, or guests in the adjacent cubicles, rooms, or hallways who may overhear your conversations.
- (6) Hold meetings in a secure space (i.e., no unauthorized access or eavesdropping possible) if sensitive PII will be discussed and ensure that the room is secured after the meeting.
- (7) Treat notes and minutes from such meetings as confidential unless you can verify that they do not contain sensitive PII.
- (8) Record the date, time, place, subject, chairperson, and attendees at any meeting involving sensitive PII.

iii) Protect Hard Copy and Electronic Files Containing Sensitive PII

- (1) Clearly label all files containing sensitive PII by placing appropriate physical labels on all documents, removable media such as thumb drives, information systems, and application. Examples of appropriate labels might include ? For Official Use Only? or ? For (Name of Individual/Program Office) Use Only. ?
- (2) Lock up all hard copy files containing sensitive PII in secured file cabinets and do not leave unattended.
- (3) Protect all media (e.g., thumb drives, CDs, etc.,) that contain sensitive PII and do not leave unattended. This information should be maintained either in secured file cabinets or in computers that have been secured.
- (4) Keep accurate records of where PII is stored, used, and maintained.
- (5) Periodically audit all sensitive PII holdings to make sure that all such information can be readily located.
- (6) Secure digital copies of files containing sensitive PII. Protections include encryption, implementing enhanced authentication mechanisms such as two-factor authentication and limiting the number of people allowed access to the files.
- (7) Store sensitive PII only on workstations that can be secured, such as workstations located in areas that have restricted physical access.

iv) Protecting Electronic Transmissions of Sensitive PII via fax, email, etc.

- (1) When faxing sensitive PII, use the date stamp function, confirm the fax number, verify that the intended recipient is available, and confirm that he/she has received the fax. Ensure that none of the transmission is stored in memory on the fax

machine, that the fax is in a controlled area, and that all paper waste is disposed of properly (e.g., shredded). When possible, use a fax machine that uses a secure transmission line.

- (2) Before faxing PII, coordinate with the recipient so that the PII will not be left unattended on the receiving end.
- (3) When faxing sensitive PII, use only individually-controlled fax machines, not central receiving centers.
- (4) Do not transmit sensitive PII via an unsecured information system (e.g., electronic mail, Internet, or electronic bulletin board) without first encrypting the information.
- (5) When sending sensitive PII via email, make sure both the message and any attachments are encrypted.
- (6) Do not place PII on shared drives, multi-access calendars, the Intranet, or the Internet.

v) Protecting Hard Copy Transmissions of Files Containing Sensitive PII

- (1) Do not remove records about individuals with sensitive PII from facilities where HUD information is authorized to be stored and used unless approval is first obtained from a supervisor. Sufficient justification, as well as evidence of information security, must be presented.
- (2) Do not use interoffice or translucent envelopes to mail sensitive PII. Use sealable opaque solid envelopes. Mark the envelope to the person's attention.
- (3) When using the U.S. postal service to deliver information with sensitive PII, double-wrap the documents (e.g., use two envelopes – one inside the other) and mark only the inside envelope as confidential with the statement ? To Be Opened By Addressee Only.?

vi) Records Management, Retention and Disposition

- (1) Follow records management laws, regulations, and policies applicable within your jurisdiction.
- (2) Ensure all Public Housing Authority locations and all entities acting on behalf of the Authority are managing records in accordance with applicable laws, regulations, and policies.
- (3) Include records management practices as part of any scheduled oversight protocols.
- (4) Do not maintain records longer than required.
- (5) Destroy records after retention requirements are met.
- (6) Dispose of sensitive PII appropriately – use cross-cut shredders or burn bags for hard copy records and permanently erase (not just delete) electronic records.

vii) Incident Response

- (1) Supervisors should ensure that all personnel are familiar with reporting procedures.
 - (2) Promptly report all suspected compromises of sensitive PII related to HUD programs and projects to HUD's National Help Desk at 1-888-297-8689.
- 4) **Information Contact.** Inquiries about this notice should be directed to Donna Robinson-Staton in the Office of the Chief Information Officer, at 708-5495 ext. 8073.
- 5) **Paperwork Reduction Act.** The information collection described in this Notice has been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C 3520). In accordance with the PRA, 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/

Sandra B. Henriquez, Assistant Secretary for
Public and Indian Housing