

ENTERPRISE INCOME VERIFICATION (EIV) USE POLICY

DISCLAIMER

HUD does not provide a “HUD approved” EIV use Policy. This policy represents Monarch Properties, Inc. policy. The material contained in this policy is not comprehensive of the continually emerging issues surrounding policies in HUD’s multi-family housing program. This Policy is derived from the HUD 4350.3, REV-1, Change 3 Occupancy Handbook released in 2009, HUD Notice 09-20, H 10-08, and other notices, and the EIV Guides.

Use of EIV Reports

EIV Income Reports will be used as 3rd-party electronic verification as prescribed by HUD. These reports are to be used for applicable HUD programs only as described in this policy and the EIV Security Policy that is part of the Resident Selection Plan. Under no circumstances will EIV be used as a tool to verify or monitor compliance for other programs such as Housing Tax Credits (Section 42) or Rural Development (515) at this time.

Use of EIV for Income and Discrepancy Reporting is part of the Rental Housing Integrity Improvement Project (RHIP) Initiative to reduce errors in assistance calculations and payments. The following written policies and procedures will ensure that residents are treated in a fair and consistent manner.

New forms/logs have been created to facilitate use of EIV consistent with HUD requirements.

General EIV Discrepancy Administration

EIV reports will be produced and reviewed by staff responsible for:

- HUD eligibility determination
- HUD discrepancy analysis
- HUD compliance monitoring
- HUD compliance training

Reports will be produced, secured and maintained in accordance with Management’s EIV Security Policy.

When information in EIV indicates potential errors in the eligibility determination or assistance calculation, documentation of the investigations of such errors will be maintained in:

- The resident/applicant file
- The EIV Discrepancy Log

EIV Discrepancy Logs are used to record responses to unresolved EIV discrepancies throughout the year. Since all EIV errors are not the result of errors in TRACS or resident non-compliance, it is helpful to maintain a record of response to errors in one place. EIV Discrepancy Logs will be maintained in a separate file and labeled for each year. The EIV Discrepancy Log is divided into 3 categories:



1. Existing Resident Discrepancies (From the Existing Resident Report)
2. Failed Verification/Deceased Resident Discrepancies
3. Income/Employment Discrepancies

Initial Implementation of EIV

EIV has been provided as a way to identify errors in income reporting and assistance calculations. Because information provided in EIV was previously unavailable, Management will review and, if necessary, investigate information for **all** households upon initial implementation of EIV.

Identity and income discrepancies will be discussed with residents. If appropriate, new certifications will be generated and “assistance paid in error” will be returned to HUD in compliance with HUD Handbook 4350.3 Revision 1, Chapter 8 and subsequent HUD communications.

If the Management discovers that any resident has violated the lease or HUD regulations, appropriate action will be taken up to and including termination of assistance and/or tenancy and pursuit of fraud.

Recordkeeping for all Discrepancies

Since EIV discrepancies of all types can impact program eligibility, Management will maintain detailed information about discrepancy investigation and resolution. This discrepancy information will be maintained in the resident file or in a separate folder as explained below in each section. Unresolved discrepancies will also be documented in the EIV Discrepancy Log.

For moved-out and deceased resident discrepancies, the information will be maintained in the resident file with the “move-out” information. Unresolved discrepancies will be documented in the EIV Discrepancy Log as mentioned above.

The resident file will be documented by attaching:

1. Copy of the Notice to the Resident
2. Copy of letters sent to Housing Providers or other parties to verify the EIV information
3. Copy of the certification that the resident signed disputing the information reflected in EIV

The Management will maintain detailed information about discrepancy investigation and resolution.

Invalid Data in EIV

There can be several valid causes for errors in EIV that would preclude any action:

1. Human error
2. System Error
3. Identity Theft

If the resident claims that the information provided by EIV is inaccurate, the resident must sign appropriate verification release forms and assist Management in efforts to obtain verification of

the information provided. Management will encourage the applicant/resident to contact third-party source(s) to correct any inaccurate data in their databases. (Contract Administrator, HUD, Housing Provider or Agency, etc.)

Management will not suspend, terminate, reduce, or make a final denial of any financial assistance or payment under a federal benefit program against an individual, or take other adverse action against

such individual, as a result of information produced by the EIV system without meeting with the resident and properly verifying the information and notifying the resident in writing of any adverse findings in the same manner as applies to other information and findings related to eligibility factors.

Applicant/Resident Refusal/Failure to Comply With Notices

Failure to respond to Management's requests from applicants for additional information and/or providing false or incomplete information will result in denial and removal from the Waiting List in accordance with the property's current Resident Selection plan.

If the resident refuses to sign the verification documents or attempts to refuse to return assistance paid in error, the Management will take appropriate action up to and including termination of assistance and/or tenancy and pursuit of fraud.

In addition, the resident will be provided with notice of material lease violation. Action will be taken based on the Management's policy and procedure regarding material lease violation.

Repayment Requirements for Valid Discrepancies

For valid discrepancies Management will follow up, as appropriate to the situation by doing the following:

- Create/correct appropriate certifications; and,
- Request that all "assistance paid in error" be returned to HUD in one lump sum; or,
- Require that all "assistance paid in error" is returned to HUD as scheduled in an executed re-payment agreement (Form TC-43hr or TC-44hr)
- Issue a "material lease violation" and begin the process to terminate assistance and/or tenancy

REPORTS:

Existing Resident Report

The **Existing Resident Report** will be used during the eligibility review and screening, to determine if the applicant or any member of the applicant household may be receiving HUD assistance at another location. Copies of the report will be maintained in the applicant/resident file.

All applicants **MUST** disclose if they are currently receiving HUD housing assistance. The Management will not knowingly assist applicants who will maintain a residence in addition to the HUD-assisted unit.

Nothing prohibits a HUD housing assistance recipient from applying to this property. However, the applicant must move out of the current property and/or forfeit any HUD voucher before HUD assistance on this property will begin.

There are situations where a dual assistance is allowed. A minor may reside in two different HUD assisted units if two parents live in separate units and share 50% custody of the minor; or when households “split” (one household member remains in a unit and the other household members move to a new unit. There may also be a required notification period that prevents the Management from removing a resident until the notice has been executed.

Quarterly Reports

Certain EIV reports will be produced and reviewed on a **quarterly basis**. The following reports will be produced and reviewed during the *first 10 days of the month corresponding with HUD voucher processing and the TRACS file transmission*.

Multiple Subsidy Report

The **Multiple Subsidy Report** will be reviewed every *quarter* between the *first and the 10th* of March, June, September and December. If any household member received or attempted to receive assistance in another HUD assisted unit while receiving assistance on this property, the household member will be required to reimburse HUD for assistance paid in error. This is considered a material lease violation and may result in penalties up to and including eviction and pursuit of fraud charges.

This report enables Management to coordinate move-out and move-in dates with the prospective resident and the Management of the property at the other location, as well. The individual’s program participation status will be confirmed with the Management of the other property **before admission** to this property. Applicants will be notified that assistance will *not* be provided in the new unit until the day after assistance stops in the residence identified in EIV report.

If the applicant or any member of the applicant household fails to fully and accurately disclose receipt of HUD assistance or rental history on the application, the applicant will be denied based on “misrepresentation” of information. If Management discovers a discrepancy, the applicant will be notified in writing and will have **14 business days** to respond to the inquiry.

Meeting with the Resident – Multiple Subsidy

If a resident appears on the Multiple Subsidy Report and the resident appears to be violating HUD’s rules regarding dual subsidy or multiple residences, the household will be sent an appropriate notice. The household will be required to meet with the Management or face termination and/or eviction as appropriate.

During the meeting, the resident will be asked if the information in EIV is accurate. The resident should sign appropriate verification release forms so that the Management can contact the other Housing Provider and, if necessary, determine the extent of the violation. The Management will determine appropriate action including termination of assistance, termination of tenancy, requirement to return assistance paid in error to HUD and pursuit of fraud after verification is complete.

See “Applicant/Resident Refusal to Comply With Notices” above.

Invalid Data in EIV – Multiple Subsidy

If the resident claims that the information is invalid, the resident must sign appropriate verification release forms. The Management will contact the Housing Provider listed in EIV to verify the information provided by the resident.

There may be cases where attempts to verify the EIV data is unsuccessful. In these cases, the resident must certify that the residence information displayed in EIV is invalid and has been wrongly attributed to his or her personal identifiers (SSN, Last Name, and DOB).

See “Invalid Data in EIV” above.

Recordkeeping – Multiple Subsidy

See “Record Keeping– All Discrepancies” above.

In the case of “Multiple Subsidy” discrepancies, this information will be maintained in the resident file with the “Annual Certification” information. Unresolved discrepancies will also be documented in the EIV Discrepancy Log.

Deceased Tenant Report

The **Deceased Tenant Report** will be reviewed every *quarter* between the *first and the 10th* of March, June, September and December. This report identifies residents who are currently reflected in TRACS as existing/active residents and who have been identified by SSA as deceased. Management will confirm with the head-of-household, next of kin or emergency contact person to find out if the resident has passed away. For a deceased member of an existing household, Management will create an interim certification to update the household composition and re-calculate assistance in TRACS.

In the case where the deceased resident is the “**sole**” member of a household, Management will produce a move out HUD-50059A in accordance with the HUD Handbook 4350.3, REV-1.

For both of the above, documentation includes a death certificate, funeral home notice, obituary from the newspaper, etc.

If Management verifies that the resident is not deceased, Management will encourage the resident to contact the SSA to get the discrepancy resolved. In hardship cases, Management may opt to waive minimum rent if financial assistance is temporarily terminated.

New Hires Report



This report provides employment information for residents who may have started new jobs. The information in this report is updated quarterly. Since most employers report information on new hires to their state within 30 days of the hire date, Management may know within 60 days whether a resident has started a new job. To ensure timely rent adjustments, this report will be reviewed on a quarterly basis between the first and the 10th of March, June, September and December. Management will not deny, suspend, or reduce any benefits of a resident until appropriate steps have been taken to independently verify information relating to:

1. The amount of the wages, other earnings/income, or unemployment compensation involved;
2. Whether the resident actually has/had access to the wages, other earnings/income, or benefit; **and**,
3. The period(s) when, the resident actually received the wages, other earnings/income, or benefits.

The first thing Management will do when there is undisclosed new employment is review the resident's requirement to report (Reference the "HUD Model Lease", Paragraph # 16):

Residents have no requirement to report a new job if the household cumulative income increases by less than \$200 per month (\$2400 per year) or if the household income decreases. Under these circumstances Management is not required to contact the resident. In this case, the EIV printout will be maintained in the resident file and discussed with the resident during the next certification interview.

Meeting with the Resident – New Hires

If a resident failed to report as required in the HUD Model Lease, the household will be provided with a notice, in accordance with HUD Handbook 4350.3 Revision 1. The household will be required to meet with Management or face termination per HUD and EIV requirements. (See "Applicant/Resident Refusal/Failure to Respond" above)

During the meeting, the resident will be asked if the information in EIV is accurate. The resident will be required to sign appropriate verification release forms so that the hire date and income information can be verified with the employer. Based on the information provided, an interim certification will be created. The resident will be required to return to HUD any assistance paid in error.

Invalid Data in EIV – New Hires

If the resident claims that the information is invalid, the resident must sign appropriate verification release forms. Management will contact the employer listed in EIV to verify the information provided by the resident.

There may be cases where attempts to verify the EIV data is unsuccessful. In these cases, the resident must certify that the employer and employment information displayed in EIV is invalid and has been wrongly attributed to his or her personal identifiers (SSN, Last Name, and DOB).

The resident will be advised to contact the third-party income source(s), or contact the State Workforce Agency (SWA) to have that employer or agency remove the invalid income information from his or her records. In the meantime, use resident-provided documentation to verify resident income.

Management will maintain detailed information about discrepancy investigation and resolution. Discrepancies will be maintained in the resident file with the “Annual Certification” information. Unresolved discrepancies will also be documented in the EIV Discrepancy Log.

Monthly Reports

Certain EIV reports will be produced and reviewed on a **monthly basis**. The following reports will be produced and reviewed during the *first 10 days of the month corresponding with HUD voucher processing and the TRACS file transmission*.

Failed EIV Pre-Screening and Failed Verification Reports

Failed Pre-Screening Reports indicate that Social Security Administration information (SSA) provided on HUD Form 50059 failed some level of edit.

Failed Verification Reports identify household members who failed the SSA identity match due to invalid personal identifiers often as a result of data entry errors:

- Incorrect Social Security Number; and/or
- Date of birth; and/or
- Incorrect last name

There are many other factors that can create errors in resident data and reports. The methods for addressing information on both valid and invalid reports are the same and are described below.

Data Entry Errors

Management will review the resident file to determine if a simple data entry error caused this discrepancy. If it is discovered that a data entry error was made, the corresponding 50059 must be corrected within **30 days**, signed by all adult household members, as specified by HUD, and transmitted to the Contract Administrator and/or HUD.

If the reason for the discrepancy cannot be identified after a simple file review, Management will contact the affected resident and notify him/her of the discrepancy. The resident will have **10 business days** to respond to the notice. “See Applicant/Resident Refusal/Failure to Respond” above.)

Management and the resident will discuss the discrepancy when the resident responds to the notice. In some cases, Management may request additional verification of the information provided. Management has the right to determine the accuracy of the documents provided.

If the correction generates a rent increase/assistance decrease, the Management will correct the certification and any subsequent certifications using the original certification effective date. The Management will provide a 30 day notice of rent increase to the household and the household rent will increase the first of the month after the 30 day notice expires.

If the correction generates a rent decrease/assistance increase, the Management will correct the certification and any subsequent certifications using the original certification effective date.

The Management will notify the resident of the rent change and make that change retroactive to the effective date of the certification. The rent credit will be applied to future rent.

Valid Discrepancies

If the information provided indicates that the resident was inaccurate and it *cannot* be corrected, Management will issue a notice of “material lease violation” and begin the process to terminate assistance and/or tenancy as appropriate.

Invalid Data in EIV – Failed Verification

If the resident claims that the information provided by EIV is inaccurate, the resident must sign appropriate verification release forms and assist Management in efforts to obtain verification of the information provided. Management will encourage the resident to contact the Social Security Administration to correct any inaccurate data in their databases.

In these cases, the **Pre-Screening Report or Failed Verification Report** will be printed. Management will document when the discrepancy was reviewed with the resident, when verification documents supported the information submitted on the resident’s 50059 certification, and what efforts were made to communicate that resident should attempt to resolve the discrepancy with the Social Security Administration.

Reporting at Move-in/Initial, Annual Certification, Interim Certification & Unit Transfer

Aside from the reports previously mentioned, EIV information will be reviewed for each resident household during the annual certification process. In addition, income reports will be reviewed for Move-in/Initial/Annual/Interim within **3 months** of submission of any HUD 50059 to TRACS in order to quickly identify any potential discrepancies that may affect the household’s assistance payments; **and**, at application for Unit Transfer - the Management will review income information provided by EIV when preparing the household’s certification.

Income Report

The income report will be used to verify certain income/employment information as specified in this policy. This report will be used as the preferred electronic 3rd party verification resource for this purpose per HUD’s instruction. (See “Use of EIV Reports” above.)

Social Security Benefits

The SSA match process begins at the beginning of each month with all of the data being loaded into EIV by the second week of the month. EIV retains the last eight actions processed by SSA for a resident. Social Security information provided by EIV includes:

- SSA
- SSI
- Dual Entitlement
- Medicare Part B Premium
- Disability Onset

Using the EIV Printout as 3rd Party Verification of Social Security Income

If the Social Security benefit information in EIV agrees with the amount that the resident reports, the Management will use the EIV printout as electronic 3rd-party verification of Social Security income and Medicare Part B expenses. No additional verification is required. This information will be printed and maintained in the resident file for the term of tenancy plus 3 years after tenancy ends.

Including the Medicare Part B Deduction in the Assistance Calculation

The Medicare Part B premium will be used as part of the medical expense deduction only when an “N” is indicated in the “Buy-in” column. When the Medicare premium is being paid by the state or another entity, there will be a “Y” in the Buy-in column with a corresponding “Buy-in Date”. In these cases, the Medicare Part B amount will not be used to calculate the medical expense.

Incorporating the Cost of Living Adjustment (COLA) Increase

Since the SSA cost of living adjustments (COLAs) are not included in EIV until the actual month of **January**, Management will begin using the COLA increase starting with January - February certifications by any of the following methods: (Note: SSA broadcasts their COLA increases to the general public during November and December of each year.)

- Use the current EIV Income Report that agrees with the information disclosed by the resident. Then Management will calculate the COLA increase; or,
- Use the resident’s current Award Letter that includes the COLA increase; or,
- Use an Award Letter that is not more than 120 days old that does not include the COLA increase. Then Management will calculate the COLA increase.

This ensures that all residents with recertifications effective in those months are treated equally.

For households whose annual certification is effective in **March or later**, the EIV printout reflecting the COLA increase **will** be used.

If information is not available in EIV yet, the Management will use a current benefit letter (no older than 120 days from the date of receipt) provided by the Social Security Administration or by the resident. Be sure to include a clarification explaining “why” 3rd party verification was not included in the files.

Unexplained Social Security Deductions

While the EIV SSA report provides information on Medicare premiums, it does not provide information on additional deductions such as Medicare Part D (prescription drugs) premiums, repayment agreement information or garnishments.

If there is an unexplained difference between the gross benefit and the net payment, the Management will ask the resident to disclose any deductions they may have from their SSA benefits and, when necessary, will request that the resident obtain a current Award Letter from SSA to verify these amounts. For example, if the resident is paying his/her Medicare premium and the

difference between the gross and net SSA benefit exceeds the amount of the Medicare premium, Management will contact the resident, determine the reason for the difference, and if applicable, obtain additional third party verification to support any of the deductions that may affect the resident's income or allowable expenses.

According to Previous HUD Notice 08-20 and current HUD Notice 09-20, it is up to Management to determine whether additional verification is necessary. Monarch Properties, Inc. policy will be to always obtain the additional verification to ensure that the proper rent and subsidy are calculated.

Obtaining Alternative/Additional Verification of Social Security Income

If the information in EIV does not agree with the amount that the resident reports he/she receives or when the resident disputes the EIV data, the Management must request that the **resident** obtain a current Award Letter from SSA. Information from the current Award Letter will be used as third party verification and for determining the resident's income and medical expense deduction, if applicable.

If there is no information in EIV reported for the resident, the Management must request that the resident obtain a current Award Letter from SSA. Information from the current Award Letter will be used as third party verification (in accordance with HUD Notice 08-03 and HUD Notice 09-20) and for determining the resident's income and medical expense deduction, if applicable.

Residents who need to request a current Award Letter may contact SSA by calling 1-800-772-1213 (TTY 1-800-325-0778) or by requesting it over the internet at:

<https://secure.ssa.gov/apps6z/iss/main.html>

Social Security Administration (SSA) Form 7004 form may be used by Managements to request a resident's Social Security Earnings Statement. The statement provides a record of the resident's Social Security earnings history, year-by-year, and provides an estimate of benefit payments that the resident and the resident's household may qualify for now or in the future. The resident may have the benefits statement mailed directly to the O/A to satisfy the independent third party verification requirement.

See: **<http://www.ssa.gov/mystatement> for more information.**

If Management finds it necessary to use some other alternative form of verification see Appendix 3, Acceptable Forms of Verification, of Handbook 4350.3 Revision-1. In addition, if the Management uses a benefit letter, or some other form of verification provided by the resident, the Management will document the file and explain why third party verification was not used.

Wage and Unemployment Compensation

For existing residents, EIV provides wage and unemployment benefit data contained in the National Directory of Multiple subsidy (NDNH) maintained by HHS. EIV retains NDNH employment and income data for a resident for two years.

EIV identifies all adult household members and provides wage and unemployment benefits for all active adults who:

- Are at least 18 years of age
- Pass the SSA/EIV verification
- Are not listed on the 50059 as a live-in aide

Employment & Employment Income Verification

The NDNH Wage information can be used to verify a resident's employment. If information provided by the resident matches the employment information on the EIV Income Report, this is considered 3rd-party electronic verification of employment.

The Management understands that the EIV System does **not provide "real-time" information**. There is a delay between the time income is earned and the time income is reflected in EIV. Therefore, the Management will use the income calculated *using verification documents provided by the resident* and compare it to the income amounts provided in EIV.

For example: Use the Income Report in EIV as third party verification that the resident is employed, receiving unemployment, etc., and use 6-8 consecutive pay stubs or current unemployment award letter, etc. provided by the resident for determining the resident's income.

Further Guidance:

If the EIV provides *less than 1 full quarter* of income information from the current employer(s), no comparison will be done with the report and the Management will use the income calculated using verification documents provided by the resident; **or**,

If the most recent information in EIV provides *at least one full quarter* of income information from the current employer(s), the Management will calculate projected income based on earnings history available in EIV as follows:

- If the income calculated, using verification documents provided by the resident, is equal to or higher than the income amount calculated using EIV, Management will use the higher value and no additional verification will be required.
- If the income calculated, using verification documents provided by the resident is lower than the income calculated using EIV, then Management will initiate 3rd party verification directly to the source to determine the resident's income, hire date, etc..

NOTE: Employers are not required to report the "Hire Date" when submitting their data **to the state**.

Unemployment and Unemployment Income Verification

Since Unemployment income is generally "reported" in EIV "after" the benefit has stopped, EIV Unemployment income will not be used to project income for the next 12 months. However, this information will be compared to the previous 50059(s) to monitor resident reporting compliance. Third party verification may be needed if the resident cannot provide his/her award statement.

Irregular Income - Using Income Reflected for the Past 12 Months

As referenced in HUD Handbook 4350.3 Revision 1, Chapter 5, some circumstances present more than the usual challenges to estimating anticipated income. Examples of challenging situations include a family that has sporadic work or seasonal income or a resident who is self-employed. In all instances, owners are expected to make a reasonable judgment as to the most reliable approach to estimating what the resident will receive during the year. In many of these challenging situations, mid-year or interim recertifications may be required to reflect changing circumstances.

Management is allowed to elect to use historical income to assist in projecting income, for the new 50059. The EIV Income Report will be used as a tool to identify past income and verify past employment. In these cases, EIV may be used as electronic 3rd-party verification only if the resident agrees with the information provided in EIV. If complete information is unavailable or the resident claims that the information does not accurately reflect future income, the resident will be asked to sign appropriate verification release forms and/or produce alternative verification documents such as tax returns, bank statements or other documents indicated by HUD Handbook 4350.3.

NOTE: Using historical income versus projected income is an exception to standard policy and must be approved by the Occupancy Compliance Supervisor.

Recordkeeping – Income Reports

Income reports used for verification will be printed and maintained in the resident file in accordance with EIV Recordkeeping Requirements. Reports obtained through EIV will be retained in the resident files for the “term of tenancy plus three years”. After three years, EIV printouts will be destroyed in accordance with the Managements record destruction policy which includes shredding of paper files, erasing electronic files and destructions of any portable media such as CDs.

EIV Discrepancy Reporting

By regulation, resident income information must be reviewed and verified on at least an annual basis.

Reviewing Income Discrepancy reports on an annual basis provides Management with information necessary to monitor and, if necessary, re-calculate rent and assistance. The reports help monitor compliance by providing information about residents who may have failed to Report (Income Report):

- Social Security benefits
- Past or current employment and employment income
- Unemployment benefits

Income Discrepancy Report

Income Discrepancy Reports will be reviewed immediately before and after certification. Management is required to review and, if necessary, resolve any discrepancies in income reported on the Income Discrepancy Report.

Management will compare the SSA, SSI, wage and unemployment compensation information reported on the HUD-50059 and, if applicable, third party verifications, with the employment and income information reported in EIV to determine whether or not there is a valid discrepancy.

Management will obtain independent verification of disputed EIV data such as that provided by SSA and NDNH, in accordance with 24 CFR 5.236. See “Applicant/Resident Refusal/Failure to Report” above.

Effective Date Changes in Household Rent/Assistance for Interim Certifications Initiated as a Result of Income Discrepancy Investigation

According to the HUD Model Lease residents are responsible for reporting income changes **within 30 days** of the change.

With the use of the employment and income information from the Enterprise Income Verification System, Management may discover that some residents have not disclosed all of their income information. Management must go back to the time the unreported or underreported income started. Management will limit investigation of unreported income to income received by the resident not to exceed the 5-year limitation as discussed on forms HUD-9887 and HUD-9887-A (assuming that the resident has resided at the property for that length of time).

Then Management will calculate the difference between the amount of rent the resident should have paid and the amount of rent the resident was charged. A record of this calculation must be provided to the resident and also retained in the resident’s file. (Use forms TC-43hr (HUD) or TC-44hr (236/Basic) Recoupment Worksheet)

All HUD-50059(s) affected along with any supporting documentation must be kept per the “Government Pay Back Policy” found in the “Administrative Policy” section of the Management Company Policy.

In some cases, reduction of income is not reported. This usually occurs when a household member’s income fluctuates and income calculations were performed when Management and the resident agreed on a non-standard method to project income. In these cases, if Management discovers that the household income, as reflected on the 50059 is actually lower, and the resident has complied with all HUD and Management reporting requirements, then the Management will re-calculate the 50059 and refund any overpayment of rent. The refund will be applied as a **“rent credit”**.

Investigating Income Discrepancies

Management will review income discrepancies and compare the information in EIV with information included in the resident file. Because EIV information is historical and resident income calculations are generally “projected” the file may already include documentation that explains the discrepancy.

Valid Income Discrepancies

If review of the Income Discrepancy Report and review of the supporting Income Report indicate that the resident has failed to disclose an income decrease, Management **will** send a notice to the resident. If they do not respond within **10 days** they will **not** receive the rent credit, if

warranted. If they do respond and rent/subsidy is affected, an Interim certification will be completed effective the first of the month following the 10-day notice.

If review of the Income Discrepancy Report and review of the supporting Income Report indicate that the resident has failed to disclose new income or increases in income as required, the Management will send a notice to the household. The resident will have **10 days** to participate in a meeting with the Management to discuss the discrepancy.

Failure to respond to the notice will result in termination of assistance and/or residency the first of the month following the 10-day notice.

During the meeting, the resident will be asked if the information in EIV is accurate. If the information is accurate, the resident must sign appropriate verification release that will enable the Management to determine if assistance was paid in error.

Based on the information verified, an interim certification will be created. The resident will be required to return to HUD any "assistance paid in error".

See "Applicant/Resident Refusal/Failure to Report" and "Repayment Requirements for Valid Discrepancies" above.

Invalid Data in EIV – Income Discrepancy

If the resident claims that the information provided in EIV is invalid, the resident must sign appropriate verification release forms. The Management will contact the employer listed in EIV to confirm the information provided by the resident.

If the resident refuses to sign the verification documents, the Management will take appropriate action up to and including termination of assistance and/or tenancy.

QUESTIONS:

This policy has been developed to assist Management staff, applicants and residents in understanding how reports provided by HUD's Enterprise Income Verification System will be used. Adherence to the policy by Management ensures consistent and fair treatment of all applicant and current residents.