

EIV:

# Enterprise Income Verification System

The Right Benefits to the Right Persons



# EIV Website

<http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/eivhome.cfm>

Sign up for the Multifamily Housing RHIP  
Listserv at:

<http://www.hud.gov/subscribe/maillinglist.cfm>



# EIV Webcast Training

Multifamily Enterprise Income Verification,  
December 16-17, 2008:

<http://www.hud.gov/webcasts/archives/multifamily-eiv.cfm>

EIV Webcast Questions and Answers:

<http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/training/eivwebcastqna61209.pdf>



# Mandatory Use of EIV

- Currently, use of EIV is voluntary.
- Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs; Final Rule dated January 27, 2009 makes the use of EIV mandatory effective September 30, 2009.
- O/As are strongly encouraged to gain access to and become familiar with EIV in preparation for full implementation.



# What is the EIV System?

An upfront income verification tool available to program administrators to validate tenant reported wage, unemployment, and social security income during mandatory annual and interim recertifications of income



# Security



# Computer Matching Agreements

## Social Security Administration (SSA)

- Social Security (SS)
- Supplemental Security (SSI)

## Department of Health and Human Services (HHS) National Directory of New Hires

- Monthly Employer New Hires (W-4)
- Quarterly Wage for Federal and Non-Federal Employees
- Quarterly Unemployment Data



# EIV Data Available To:

- Owners/Agents
- Contract Administrators (CAs)
- Independent Public Auditors (IPAs)
- HUD's Office of Inspector General (HUD-OIG)



# Independent Auditors May View EIV Reports

The following criteria must be followed:

- They will access NDNH information only within hard copy files and only within the offices of the O/A
- They will not transmit or transport NDNH information in any form
- They will not enter NDNH information in any portable media



# Independent Auditors May View EIV Reports (Cont.)

- They will sign non-disclosure oaths (or similar documentation) that the NDNH information will be used only for the purpose of the audit
- They will not duplicate NDNH information or re-disclose NDNH information to any user not authorized by 4359(j)(7) and identified within the CMA



# EIV Reports May Be Provided to Staff Without User Access

- Authorized EIV Coordinators or EIV Users are permitted to run EIV reports, print them out, and provide to staff
- Staff who view these reports do not need to be an EIV User
- Must be required to sign a Rules of Behavior form



# EIV Not Available To:

- Internal Revenue Service
- Rural Housing Services

Owners/Agents must use alternative verification for Tax Credit and RD verification purposes



# External User (non-HUD staff) Request for EIV Access

- See the “External (non-HUD Coordinator/User) Instructions for Applying for EIV Access for Multifamily Housing Programs” on HUD’s MF EIV website at:

<http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/tracseivaccessexternal.pdf>



# Hardcopy CAAF and UAAF

- **Rules of Behavior**
  - Explain the rules and responsibilities for viewing and using Privacy Act data contained in ELV, including the User's obligation to protect and secure such data from unauthorized use or viewing.



# Hardcopy CAAF and UAAF (Cont.)

- **User Agreement and Certification:**
  - Explains that by signing the form and gaining access to the system, the user agrees to comply with the rules and responsibilities outlined in the **Rules of Behavior**.
  - States the civil and criminal penalties for willful and inadvertent disclosure of EIV data.



# Hardcopy CAAF and UAAF (Cont.)

- Users must certify to completion of Security Awareness Training Questionnaire available on MF EIV website at:  
<http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/securityawareness.pdf>
- Coordinator applicants must certify they received owner approval to access data.



# Securing Privacy Act Data: Protecting the Confidentiality of EIV Information

- **Income Information** reports contain sensitive data, including:
  - Social Security Number (SSN)
  - Full Dates of Birth (DOB)
  - First and Last Names
  - Physical Address of Tenant Families



# Securing Privacy Act Data: Protecting the Confidentiality of EIV Information (Cont.)

- Information is not to be shared with anyone not authorized to have it
- Prevent its use for fraudulent purposes (e.g. identity theft)



# Privacy Act 5 U.S.C. § 552a – Key Statutory Provisions

- **Individual Notice**: Individuals must be informed of the authority, principle purpose(s) for which the information is being collected and used, and the effect on the individual for not providing the requested information. (Privacy Act Notice)
- This is achieved through form HUD-9887, located at:

<http://www.hud.gov/offices/adm/hudclips/forms/files/9887.pdf>



# Privacy Act 5 U.S.C. § 552a – Key Statutory Provisions (Cont.)

- **Public Notice**: The public must be informed, by Federal Register Notice, of the system of records housing confidential individual information, routine uses of such information, and the policies and procedures of the agency regarding storage, retrieval, controls, retention, and disposal of records. (See EIV System of Records Notice, 71 FR 45066, dated August 8, 2006.)



# Privacy Act 5 U.S.C. § 552a – Key Statutory Provisions (Cont.)

- **Security Safeguards**: The agency must establish **administrative, technical, and physical** safeguards that owners/agents must implement at their properties to ensure the security and confidentiality of tenant records. See System Security Measures web page at :

<http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/security.cfm>



# EIV Data for Official HUD Use Only

- EIV data IS only to be disclosed to authorized individuals, and used in connection with the administration of HUD rental assistance programs.



# EIV Data for Official HUD Use Only (Cont.)

- Official HUD use includes
  - Verification of employment and income:
    - at recertification
    - can be used at other times but must be described in the O/A's policies and procedures
  - Monitoring and auditing O/A operations
  - Preventing and investigating cases of fraud, waste and abuse in HUD rental assistance programs



# EIV Data for Official HUD Use Only (Cont.)

- EIV **IS NOT** to be used to police tenants. For example, random checks of EIV data on a particular tenant must not be done.



# Sanctions

- Willful, and even unintentional, disclosure or inspection of ELV data can result in civil and criminal penalties



## Sanctions (Cont.)

- **Unauthorized Disclosure** – felony conviction and fine up to \$5,000 or imprisonment up to five (5) years, as well as civil damages.
- **Unauthorized Inspection** – misdemeanor penalty of up to \$1,000 and/or one (1) year imprisonment, as well as civil damages.



# Tenant or Family Consent

- Form HUD-9887 must be signed by all members of an applicant or tenant family who are at least 18 years of age and by each family head, co-head, or spouse regardless of age.
- Signed at move-in and at each annual recertification
- The signed form must not be older than 15 months



# EIV and Record Keeping

Term of Tenancy plus 3 years

(HUD Handbook 4350.3 Revision 1, Change 2  
Paragraph 5-23)



# EIV Reports



# Verification Reports

- **Verification Reports**: Allow users to search for tenant subsidies information and obtain household verification information.
- The overall goal in using these reports is to reduce the number and amounts of improper subsidy payments made on behalf of ineligible families.



# Verification Reports (Cont.)

- Verification Reports
  - Existing Tenant Search
  - Multiple Subsidy Report
  - Identity Verification Report
  - Failed Pre-Screening Report
  - Failed Verification Report
  - Deceased Tenant Report



# Existing Tenant Search

- Shows whether an individual is or may be receiving subsidies in Public and Indian Housing (PIH) and/or Multifamily (MF) Housing Programs
- If the person is not receiving any subsidies, EIV will display a message that no match has been found



# Existing Tenant Search (Cont.)

- HUD strongly encourages O/As to use the Existing Tenant Search before admitting new applicants into subsidized properties.
- Must be incorporated into the Tenant Selection Plan.



# Multiple Subsidy Report

- Search can be done in MF only or in MF and PIH
- Within MF Programs only:
  - Provides a list of tenants who receive assistance under more than one contract or project under the user's multifamily program portfolio.
- Within MF and PIH
  - Provides a list of tenants who receive assistance under both MF Housing and PIH programs.



# Multiple Subsidy Report (Cont.)

- HUD strongly encourages O/As use this report periodically and during family annual recertifications to check whether an existing subsidized family member, under the O/A's portfolio, is receiving more than one subsidy within MF Housing programs or within MF Housing and PIH.



# Identity Verification Report

- Provides statistical information at HQ, by Project or by Subsidy Contract of the number of households and members who:
  - Were successfully verified by SSA
  - Failed ELV pre-screening process, or
  - Failed SSA verification
- O/As should pull this report monthly to identify failed verifications for resolution.



# Failed Pre-Screening Verification Report

- Identifies tenants for the selected contract(s) and/or property(ies) that were not sent to SSA for verification because they failed the EIV pre-screening test.
  - For example, SSN entered as 999-99-9999. TRACS extract would not recognize as a valid SSN, and therefore not send to SSA for data match.



# Failed Pre-Screening Verification Report (Cont.)

- HOH SSN
- HOH Name
- Contract Number
- Member SSN
- Member Name
- Error Description



# Failed Pre-Screening Verification Report (Cont.)

- Will alert O/As of errors in tenant identifiers for correction in TRACS necessary for SSA and HHS matching purposes.
- It is important for O/As to keep current and accurate records to maximize the effectiveness of the EIV system.
- O/As should pull this report monthly to identify families and members who failed the EIV pre-screening test.



# Failed Verification Report

- Identifies household members who failed the SSA identity match due to invalid personal identifiers.
  - Personal identifiers include:
    - Social Security Numbers
    - Dates of Birth
    - Last Name



# Failed Verification Report (Cont.)

- Effective January 2008, tenants that fail the SSA identity match due to invalid personal identifiers no longer appear as TRACS Discrepancies; they will only appear on the Failed Verification Report.
- Tenants that appear on the Failed Verification Report are still considered TRACS discrepancies.



# Failed Verification Report (Cont.)

## Corrective Action

- O/As need to confirm with tenant that his/her SSN, date of birth and/or last name are correct in TRACS.
- O/As should have third party verification or documentation to support the tenant's personal identifiers and the accuracy of the TRACS data.
- O/As must correct any incorrect information that may be in the TRACS system.



# Failed Verification Report (Cont.)

- If TRACS is accurate, direct tenant to contact the local SSA office.
- O/A should document all efforts to correct inaccurate tenant information found on the Failed Verification Report.



# Failed Pre-Screening and Failed Verification Reports

- After September 30, 2009 failure to address items identified on the Failed Pre-Screening and Failed Verification Reports will result in a finding on the Management and Occupancy Review.



# Deceased Tenant Report

- Provides basic information on households and household members who are reported by SSA as deceased.



# Deceased Tenant Report

- O/As should use this report monthly to identify families and members appearing on the report that are still receiving subsidy.
- O/As should follow up with HOH, next of kin, or emergency contact to confirm tenant is deceased, as report information is approximately 90% accurate.



# Deceased Tenant Report (Cont.)

- If the O/A finds that the tenant is not deceased, the O/A should encourage the tenant to contact the SSA to get the discrepancy resolved.
- Update form HUD-50059 or, if necessary, process a form HUD-50059 to terminate tenancy.



# Income Report

- The **Income Report** displays wage-related, benefit, and disability status information from third party income sources for active tenants in the Tenant Rental Assistance Certification System (TRACS).
- The report itself is considered independent third party verification of tenant-reported income.
- The NDNH income information in ELV is **not** to be used to calculate tenant's income without obtaining documentation from the tenant.



# Income Report (Cont.)

- Unemployment Benefits
- Social Security Benefits
- Dual Entitlement
- Medicare Data
- Supplemental Security Benefits
- Disability Status



# Income Report (Cont.)

- Tenant must agree with information provided on Income Report.
- Tenant must provide documentation to support income received.
  - For example, tenants who are working must provide 6-8 consecutive pay stubs (HUD Handbook 4350.3 Revision 1, Change 2, Appendix 3).



# Income Report (Cont.)

- Independent Third Party Verification must be obtained when:
  - tenant disputes EIV data
  - tenant is unable to provide acceptable and current income documentation
  - there is incomplete EIV data for a tenant
  - there is no EIV data for a tenant



# Income Report (Cont.)

- An Income Report is not available for applicants; therefore, third party verification must be obtained.



# Income Report (Cont.)

- Effective September 30, 2009, O/As must use ELV for third party verification of tenant income during mandatory interim and annual recertifications.



# Employment Verification

## Verification of Employment and Employment Income:

- 1) Tenant reports employment
- 2) Tenant reports employment income
- 3) O/A checks EIV and finds that employment matches resident's information
- 4) O/A requests last 6-8 consecutive pay stubs
- 5) O/A compares that income to EIV
- 6) If there is no difference in income, verification is complete
- 7) If there is a difference in income, verification is required
  - a) O/A contacts employer for 3<sup>rd</sup> party verification
  - b) 3<sup>rd</sup> party verification trumps EIV



# Income Report: Details

- Social Security (SS), Supplemental Security Income (SSI), Dual Entitlement (DE) benefits from the Social Security Administration (SSA)
- Wage (W-2), unemployment insurance (UI) benefits, and New Hires (W-4) information from HHS
- Medicare data and disability status information from SSA



# Employment Information: New Hires (W-4) Data

- The most recent employer information will appear first in the list of new hires data and will include:
  - Hire Date
  - Hire State
  - Federal Employer Identification Number (FEIN)
  - Employer Name and Address
  - Date Received by EIV



# Employment Information: New Hires (W-4) Data (Cont.)

- **Hire Date** and **Hire State** may not be displayed on the report. Federal Law does not require employers to report these for newly hired employees to each State Directory of New Hires (SDNH). However, a State may require an employer to submit such information.



# Wages

- Field Data for Wages include:
  - Pay Period (calendar quarterly pay period in which wages were paid)
  - Gross amount
  - FEIN
  - Date received by EIV
- Wages are reported quarterly for two years and the most recent quarter appears first in the table.



# Unemployment Insurance (UI) Benefits

- Field data include:
  - Pay period (calendar quarter in which the UI benefits were received)
  - Gross Amount
  - Date received by EIV



# Unemployment Insurance (UI) Benefits (Cont.)

- If complete UI benefit information is displayed, then this would indicate the tenant is receiving quarterly UI benefits.
- If the Gross Amount of UI benefits is \$0.00 and there are quarterly Pay Periods and a Date Received by EIV, this would indicate the individual is eligible for UI benefits, but he or she has not been paid UI benefits.



# Social Security Benefits

- Gross Benefit
- Payment Status Code
- Date of Current Entitlement
- Net Monthly Benefit
- Payee Address



# Dual Entitlement (DE) Benefits

- Claim Number
- Payment Status Code
- Date of Current Entitlement
- Net Monthly Benefit
- Payee Address



# Medicare Data

- **Premium** is the amount being paid for Hospital and Supplemental Medical Insurance.
- **Buy-in** indicates whether another person or organization is paying for, or has paid for, the tenant's Medicare premiums.
- **Buy-in Start and Stop** date is the month/year when the 3<sup>rd</sup> party started and stopped paying the tenant's Medicare Premium.



# Medicare Data: Income Exclusion/Medical Expense Deduction

- If the buy-in code is “Y” then another person or organization is paying the tenant’s Supplemental Medical Insurance Premium.
- The Supplemental Medical Insurance Premium amount is not counted as income and it is not an eligible medical expense deduction.
- The tenant’s **Gross Benefit** is counted as income.



# Medicare Data: Income Exclusion/ Medical Expense Deduction (Cont.)

- However, if the buy-in code is “N” the Supplemental Medical Insurance Premium amount is an eligible medical expense deduction.
- The tenant’s **Gross Benefit** amount is still counted as income and the **Supplemental Medical Insurance** amount is counted as a medical expense.



# Supplemental Security Benefits

- Will display SSI benefit information for the last 8 changes.



# Disability Status

- Will indicate whether or not a family member(s) is considered disabled by SSA standards
- Disability status information is not 100% accurate; therefore, O/As may need to follow up with 3<sup>rd</sup> party sources to verify the tenant's disability status. See HUD Handbook 4350.3 Revision 1, Change 2, Appendix 3 for Acceptable Forms of Verification.



# Income Discrepancy Report

- Shows households whose family actual income is \$2,400 or greater than the family reported projected income.



# Income Discrepancy Report: Definitions

- **Actual Income**: SS, SSI, Dual Entitlement, wage, and benefits reported from **SSA** and **HHS**.
- **Projected Income**: SS, SSI, Dual Entitlement, wage, and UI benefit amounts entered on **the 50059** and transmitted through TRACS.



# Income Discrepancy Report: Definitions (Cont.)

- **Period of Income (POI):**
  - **Start Date**: 15 months prior to family's annual recertification date.
  - **End Date**: 3 months prior to family's annual recertification date.



# Employment Income/UI Discrepancy

- Meet with tenant
- If tenant states ELV information is accurate, O/A should follow up with employer to verify hire date and income information.
- If tenant states ELV information is not accurate, O/A should follow up with employer to confirm the information provided by the tenant.



# Social Security Income Discrepancy

- Meet with tenant
- If states EIV information is accurate, O/A can use the EIV report as electronic third party verification and process the certification.
- If tenant states EIV information is not accurate, O/A should obtain a current (less than 120 days old) benefit letter from SSA to confirm the information provided by the tenant.
- SSA Form 7004 may be used to request the tenant's Social Security Earnings Statement.



# Examples of Invalid Income Discrepancies

- Tenant Income on 50059 was coded incorrectly
- Tenant had change in income (i.e. lost job)
- Transcription error
- Third party income source incorrectly reported income amounts for tenant
- Identity theft



# How Far Back Can You Go?

- According to RHIP ListServ message #122, the owner will limit investigation of unreported income to income received by the resident within the last five years (assuming the resident has received assistance at the property for those five years).



# Repayment

- O/As should follow HUD Handbook 4350.3 Revision 1, Change 2, Chapter 8, Section 4 in addressing discrepancies.
- The Handbook states that if the tenant is unable to repay the full amount owed then the owner and tenant should enter into a repayment agreement.



# Repayment (Cont.)

- HUD states that “repayment plans should be reasonable with the expectation that the overpaid subsidy will be recovered in as short a period as possible.”



# Repayment (Cont.)

- Paragraph 8-20.B.1 states, “The owner is not required to reimburse HUD immediately for overpayments of assistance where the overpayment was caused by the tenant's submission of incorrect information.

Repayments are required when and as tenants repay in accordance with an agreed-upon repayment plan.”



# Monitoring EIV Use



# Form HUD 9834

- Addendum C:
  - Owner Approval Letters
  - List of Coordinator(s) and User(s) who currently have access to EIV
  - CAAF/UAAF
    - Original (can be copy of original) must be signed
    - Electronic copy showing current recertification
  - Security Awareness Training Questionnaires
  - Written Policies and Procedures



# Review of EIV Approval Forms

- If appropriate access documentation is not provided CA must
  - write up an Observation on the MOR
  - email HUD to terminate the coordinator/  
user roles



# Form HUD-9887

- When on-site CA must verify the existence of a current form HUD-9887 signed by all appropriate household members.
- No valid signed/dated HUD-9887 on file is a Finding on the MOR.



# O/A EIV-related Policies and Procedures

- If O/A has not documented EIV Policies and Procedures this will be noted in Section G of form HUD-9834 and written as an Observation.
- Will become a Finding once EIV becomes mandatory.



# EIV Records

- Tenant files must contain:
  - Applicable EIV reports and supporting documentation which relate to tenant income, expenses, allowances, etc.
  - Tenant documentation, e.g., pay stubs, award letters, etc.
  - Documentation to support EIV discrepancy resolution.



# Next EIV Webcast

- Tentatively scheduled for October 21 and 22, 2009.

