



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

OFFICE OF HOUSING

Dear Owners and Management Agents:

The purpose of this letter is to assist you in complying with the Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of Enterprise Income Verification – Amendments final rule which became effective on January 31, 2010, and to request your assistance with the Department of Housing and Urban Development's (HUD's) efforts to make use of the Enterprise Income Verification (EIV) system as effective as possible. To assist you in implementing the requirements of the final rule, HUD has issued Notice H10-08, Implementation of Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System - Amendments; Final Rule which is available on HUDCLIPS at <http://www.hud.gov/offices/adm/hudclips/>.

Now that use of the EIV system is mandatory, you will find it a helpful tool to use at the time of recertification to verify a tenant's employment and income and that use of EIV will reduce your administrative burden in complying with third-party income verification requirements. The full and effective use of all of the features of EIV will enable HUD and Owners and Management Agents (O/As) to work together to increase the accuracy of rent and income determinations and ensure that the right benefits go to the right persons so that limited federal housing resources can assist those most in need. The use of EIV also supports the Rental Housing Integrity Improvement Project (RHIIP) and President Obama's Executive Order 13520, Reducing Improper Payments, signed on November 20, 2009.

The successful verification of employment and income through the EIV system depends on the form HUD-50059 information that is transmitted to the TRACS database being correct; namely an individual's Social Security Number (SSN), last name, and date of birth (DOB). This is why the final rule referenced above also revised the SSN disclosure and verification requirements to require that all applicants and tenants disclose their SSNs with few exceptions.

HUD asks that you immediately take the following steps, described in more detail below where appropriate, in order to ensure the effectiveness of the newly mandated EIV system:

- 1) **Get Access to the EIV System** as soon as possible if you do not have access yet;
- 2) **Implement the Revised SSN Requirements and Notify Applicants and Tenants About the Revised Requirements;**

Summary of Revised SSN Disclosure and Verification Requirements

Tenants - As of January 31, 2010, all individuals, **including those under the age of six**, must now disclose a valid SSN. The only exceptions to this requirement are for tenants age 62 or older as of January 31, 2010, whose initial determination of eligibility was begun prior to January 31, 2010, and individuals who have not claimed eligible

immigration status. **The exemption for persons 62 and older does not apply to new applicants coming into your property unless they were already receiving federal housing assistance somewhere else on January 31, 2010.** Individuals who have already disclosed a valid SSN do not have to redisclose their SSN. Affected tenants must provide verification of SSNs at the time of their next interim or annual recertification if the following criteria apply:

- They have not previously disclosed a SSN;
- They previously disclosed a SSN that HUD or the SSA determined was invalid; or
- They have been issued a new SSN.

Please see the final rule for additional requirements that must be met when a tenant requests to add a new household member.

The penalty for affected tenants' non-disclosure of SSNs is the termination of tenancy of the household. O/As may provide tenants with an additional 90 days past the recertification date to comply with the SSN requirements if the failure to comply is due to circumstances outside of the tenant's control and there is reasonable likelihood that the tenant will be able to comply by the deadline date. After this 90-day deferral, if the tenant has not met the SSN disclosure and verification requirements, the tenancy of the entire household must be terminated.

Applicants - Each member of an applicant's household except for those who do not claim to have eligible immigration status and persons 62 and older who were already receiving federal housing assistance somewhere else on January 31, 2010, must disclose such SSN before the household may be housed. However, they do not need to have or disclose their SSN in order to be placed on the waiting list. Furthermore, they may retain their place on the waiting list if all household members required to disclose a SSN cannot do so at the time a unit becomes available for them.

- 3) Correct Errors Identified in EIV Failed Identity Verification Reports** as required by Notice H09-20, Enterprise Income Verification (EIV), issued on December 7, 2009, in order to clear up invalid, discrepant or missing information in the TRACS database.

The two reports in EIV that list tenants with incorrect personal identifiers (SSN, last name or DOB) are the Failed EIV Pre-Screening Test and the Failed Verification Report (Failed the SSA Identity Test). The reports can be accessed by clicking on the Identity Verification Report link on the EIV Navigation Panel on the left side of the page. Nationwide, there are close to 14,000 individuals who have failed the EIV Pre-Screening Test and over 65,000 additional individuals who have failed the SSA Identity Test. This means that if all of these individuals have income, there is no income information in EIV for almost 80,000 tenants living in one of HUD's subsidized multifamily properties. Therefore, HUD needs your help in correcting the errors in the personal identifiers as soon as possible so that employment and income information is available in EIV for these individuals. Thereafter, Notice H09-20 requires you to access

the two failed verification reports monthly and pages 22-23 of the Notice provide further instructions on making the corrections.

4) Follow Up on Any Deceased Tenants Identified for Your Property(ies), on a Deceased Tenants List that will be sent to you separately, if applicable, to ensure that HUD is not paying subsidy on behalf of any tenant whom you verify is deceased. If you receive a Deceased Tenants List the following actions must be taken immediately:

- Confirm with the head-of-household, next of kin or emergency contact person or entity whether or not the person is deceased.
- If the person is deceased:
 - Update the family composition and income and allowances, if applicable, on the form HUD-50059. The effective date of the form HUD-50059 should be in accordance with the instructions in Paragraph 7-13D of Handbook 4350.3 REV-1, Occupancy Requirements of Subsidized Multifamily Housing Programs.
 - In the case of a deceased single member of a household, process a Move-out using form HUD-50059A. The effective date of the form HUD-50059A will be retroactive back to the earlier of 14 days after the tenant's death or the date the unit was vacated.
- Any overpayment of subsidy that was paid on behalf of the deceased tenant must be repaid to HUD.
- If the tenant is not deceased, encourage him/her to contact the SSA to correct any inaccurate data in SSA's databases.

To assist you in carrying out these steps, the following enclosures are either included with this letter, or can be downloaded from the HUD Multifamily RHIIP website at <http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>. Below is a description of these enclosures to assist you in carrying out the four steps described above.

Enclosure A – Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of Enterprise Income Verification – Amendments;
Final Rule

Enclosure B – Instructions for Applying for Access to the EIV System

Enclosure C – SSN Flyers and Application

In order to ensure that you are compliant with the revised regulations, HUD asks that you notify your applicants and tenants of the revised SSN requirements described below as soon as possible if you have not already done so. To assist you, this enclosure includes informative flyers for applicants and tenants and a copy of a SSN application (or SS-5 form) to be provided to those applicants and tenants without a SSN. The appropriate flyer and SS-5 form should be given to each applicant and tenant household.

HUD will be checking its systems regularly to make certain that actions are being taken by O/As to implement the SSN requirements and to rectify incorrect tenant information. In order to receive further updates regarding the EIV system, if you have not already done so, please sign up for the Multifamily Housing RHIIP (Rental Housing Integrity Improvement Program) Tips listserv, the link for which can be found at www.hud.gov/subscribe/index.cfm.

Thank you in advance for taking prompt action towards ensuring the accuracy of rent and income determinations through the use of EIV, thereby reducing improper payments and preserving the integrity of HUD's rental assistance programs. If you have any questions, please contact us at [phone] or [email].

Sincerely,

[Program Center Director]

Enclosures

Enclosure A – Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of Enterprise Income Verification – Amendments final rule

Enclosure B – Instructions for Getting Access to the EIV System

Enclosure C – SSN Flyers and Application

- 1) SSN Flyer for Applicants
- 2) SSN Flyer for Tenants
- 3) SS-5 Application for SSN

Note: If not included with this letter, the enclosures listed above can be found on the HUD Multifamily RHIIP website at <http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>.