

# What's New: Management and Occupancy Reviews, Social Security Numbers and Enterprise Income Verification (EIV)

North Tampa Housing Development Corporation

**Owner/Agent Workshop**

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# Session Instructor

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# Management and Occupancy Review (MOR) and Common Mistakes



# Management and Occupancy Review: Ways to Avoid Common Errors

## A. General Appearance and Security

- Appearance of building exterior, property grounds, common areas and leasing office
- Provide all security records in an auditable manner
- It is recommended to obtain grid searches / police call logs and document interaction with law enforcement



# Management and Occupancy Review: Common Errors Continued

## B. Follow-up and Monitoring of Project Inspections

- All items from the most recent REAC should be corrected and documented
- Work orders, receipts and proposals for completed and pending repairs must be kept
- Certification of completion of all EH&S and non-EHS items required for failed REACs



# Management and Occupancy Review: Common Errors Continued

## C. Maintenance and Standard Operating Procedures

- Work order system: no backlog and completion of work orders must be documented
- Established preventative maintenance schedule
- Overall unit vacancy time and unit reconditioning time must be tracked
- Minimize unit vacancy



# Management and Occupancy Review: Common Errors Continued

## D. Financial Management/ Procurement

- This section is not reviewed by NTHDC during the MOR



# Management and Occupancy Review: Common Errors Continued

## E. Leasing and Occupancy

- Tenant Selection Plan
- Waiting List (contents, order of selection)
- AFHMP
- Missing forms, forms not signed/dated
- Leases and timing of addendums
- Late submission of vouchers





# Management and Occupancy Review: Common Errors Continued

- Incomplete/missing screenings
- Recertification notices with incorrect information
- Insufficient or incorrect verification of income assets and deductions
- Documentation and timing of MO inspections
- Security deposit disposition and timing of the security deposit refund
- TTY/TDD number not listed



# Management and Occupancy Review: Common Errors Continued

## F. Tenant / Management Relations

- Lack of grievance procedures



# Management and Occupancy Review: Common Errors Continued

## G. General Management Practices

- Excessive calls to the Call Center
- Failure to implement corrective actions from previous MORs
- Failure to implement changes in HUD policies and procedures
- Not providing adequate training to on-site staff



# Superior Management and Occupancy Reviews



# Superior MORs

March 2009 –March 2010:

- 15 of the 119 MORs performed received a Superior Rating.



# Superior MORs Continued

- Excellent curb appeal
- No security issues
- Very high REAC scores
- Well established maintenance program
- Minimal unit vacancy time
- Little to no findings in the tenant files
- No pattern of tenant complaints to the NTHDC Call Center



# Superior MORs Continued

- Tenant services: provided at the property and / or a service coordinator
- Neighborhood Network Center
- Established training program for on-site staff



# Upfront Income Verification





# HUD Notice 10-02

O/As using the EIV system:

- Must provide each tenant household with the EIV & You brochure at the time of annual recertification along with a copy of the HUD Fact Sheet “How Your Rent is Determined”
- An acknowledgement of receipt must be maintained in the tenant file



# HUD Notice 10-02

- O/As must also provide applicant households who have been selected from the waiting list for screening and final application processing with a copy of the EIV & You brochure
- If the Existing Tenant Search is in use at MI, the tenant must be provided a copy of the brochure prior to MI



# Upfront Income Verification

- This final rule revises HUD's public and assisted housing program regulations to implement the upfront income verification (UIV) process and to require the use of HUD's Enterprise Income Verification (EIV) system
- Social Security Number for all family members
- Mandatory use of EIV



# Social Security Numbers

- Each participant must submit their Social Security Number at the next interim or regularly scheduled reexamination or recertification.



# Acceptable Proof of Social Security Number

- A valid SSN card issued by the SSA;
- An original document issued by a federal or state government agency, which contains the name of the individual and the SSN of the individual, along with other identifying information of the individual;
- Such other evidence of the SSN as HUD may prescribe in administrative instructions.



# Exceptions to Social Security Number Requirement

- Seniors (62 and over) \* with exceptions
- Under 6:
  - If a child under the age of 6 is added to a household and the child does not have a SSN, the SSN must be provided within 90 days of the date of MI.



# Exceptions to Social Security Number Requirement

- Individuals who do not contend eligible immigration status (not a member of the household.)



# Exceptions to Social Security Number Requirement

- O/A can adopt a policy to place an applicant on the waiting list if the SSN and documentation has not been provided
- If this is done it must be in the Tenant Selection Plan





# Exceptions to Social Security Number Requirement

- O/A can adopt a policy to skip over an applicant on the waiting list if SSN requirements have not been met.
- If this is done it must be in the Tenant Selection Plan
- HUD will issue guidance on how long an O/A can keep an applicant family who is noncompliant with SSN requirements on the waiting list



# Social Security Numbers for Seniors

Seniors are exempt if they meet BOTH of the following:

- Aged 62 or older as of January 31, 2010;
- AND
- Initial determination of eligibility was begun before January 31, 2010.
    - This includes if the tenant was living in another Section 8 unit elsewhere.



# Social Security Numbers - New Members

- When a participant requests to add a new household member who is under the age of 6 and has not been assigned a SSN, the participant shall be required to:
- Provide the complete and accurate SSN assigned to each new child (and the documentation) for each new child within 90 calendar days of the child being added to the household.



# Social Security Numbers - New Members

The processing entity shall grant an extension of one additional 90-day period if the processing entity, in its discretion, determines that:

- The participant's failure to comply was due to circumstances that could not have reasonably been foreseen
- Were outside the control of the participant.



# Social Security Number – Waiting List

- Applicants who cannot provide Social Security Numbers for all family members retain their place on the waiting list;
- However, all members must provide appropriate documentation of his or her Social Security Number before the household is admitted into the program.



# Enterprise Income Verification



# Enterprise Income Verification (EIV)

The use of HUD's EIV is required.

- For multifamily owners/agents, the implementation of the use of EIV became mandatory on January 31, 2010.
- Any MOR scheduled on or after February 1, 2010 Owner/Agent must have access to EIV.



# Verification Reports

- Identity Verification Reports
  1. Failed EIV Pre-screening Report
  2. Failed Verification Report
- Existing Tenant Search
- Multiple Subsidy Report
- Deceased Tenant Report





# Failed EIV Pre-Screening Report

Identifies tenants who failed the EIV pre-screening test due to invalid or missing personal identifiers (SSN, last name or DOB).

- For tenants listed on this report, income data will not be reflected.
- Owners must run this report monthly.



# Failed Verification Report

Identifies tenants that have had their personal identifiers (SSN, last name, date of birth) sent to SSA, but data could not be verified by SSA due to missing or invalid information.

- For tenants listed on this report, income data will not be reflected.
- Owners must review and run this report monthly



# Existing Tenant Search

- Shows whether an individual is or may be receiving subsidies in Public Housing and/or Multifamily Housing Programs
- Even though use of this report is optional, it should be used when processing an application in order to help reduce multiple subsidies
- If used, it must be stated in the Tenant Selection Plan. Documentation must be maintained and will be verified at MOR



# Multiple Subsidy Report

## Use/Benefits of Multiple Subsidy Report

- It must be run at least annually but HUD recommends quarterly. Must be run as described in O/A's policies and procedures
- It helps to reduce multiple subsidies
- O/A must follow up on all reports.
- Documentation of the report being used must be maintained



# Deceased Tenant Report

Identifies tenants who are reported by the Social Security Administration (SSA) to be deceased.

## Use/Benefits of the Deceased Tenant Report

- This report must be run no less than quarterly and as described in O/A's policies and procedures
- O/As must correct any errors found.



# Income Reports

- Income Report
- No Income Report
- New Hires Report
- Income Discrepancy Report



# Income Report

Income Report must be used:

at recertification

- Annual
- Initial (not move-in)
- Interim

for verifying the employment and income of tenants



# Income Report

Serves as third party verification of income unless tenant disputes the employment or income information reported

O/A must print and retain in the tenant's file





# Income Report

If the tenant disputes the information reported:

- O/A must note on the Income Report that the tenant has disputed the information reported
- O/A must obtain third party verification directly from income source



# No Income Report

Tenants listed on this report have no income reported by SSA or Health and Human Services (HHS) and New Data New Hires (NDNH) but may still have income

No Income Report should be used:

- At recertification
- At other times as stated in O/A's policies and procedures



# No Income Report

HUD recommends the O/As have a policy to:

- Re-verify status of tenants reporting zero income at least quarterly
- Use EIV to determine if there was any income reported since last certification



# New Hires Report

Provides information on households who have started new jobs within the last six months

Information is updated monthly

Required at each recertification and recommended no less than quarterly

Use of the report must be documented



# Income Discrepancy Report

Income discrepancies occur when tenant income as reported in TRACS differs by more than \$2,400 from the actual income reported by SSA and HHS.

At the time of recertification, O/As are required to review and resolve any discrepancies in income reported on the Income Discrepancy Report and at other times as stated in the O/A's policies and procedures.



# Resolving Income Discrepancies

When income data in EIV is not the same as what is reported by the tenant, or the tenant disputes the EIV data, O/As must:

- Complete a third party verification.
- Notify tenant of results and request tenant come into office to discuss results.
- Arrange for repayment of over/under payment of subsidy, if applicable.



# Tenant's Obligation to Repay

Tenants are obligated by their lease agreement to reimburse HUD if they are charged less rent than required by HUD's rent formula due to not reporting or underreporting income.

Tenants are not required to reimburse for undercharges due to O/A's error.

Tenant is subject to termination of tenancy due to non-compliance with lease agreement.



# Repayment Options

1. Lump sum payment
2. Repayment Agreement





# What to Expect at an MOR



# EIV and the MOR

- Review of O/A Policies and Procedures
- Review of Tenant Selection Plan if using Existing Tenant Report as a screening criteria
- Review of selected tenant files
- Review of documentation to support EIV discrepancy resolution
  - Third party verifications
  - Telephone call documentation



# EIV and the MOR

- The use of EIV reports will be reviewed for consistency and completeness for all tenants
- EIV reports will be reviewed to determine if Owner/agent followed-up on unreported or inaccurately reported income by tenants
- If EIV information is kept in a separate file, make sure that all files related to any tenants selected for review during an MOR are made available to the reviewer



# EIV Related MOR Findings

- O/A does not have access to EIV
- Missing/incomplete EIV documents as listed on the Addendum C
- EIV data not kept secure
- Missing/Incomplete form HUD-9887
- O/A is sharing access IDs and passwords
- O/A is not following HUD's record retention requirements
- Rules of Behavior for non-system users missing where applicable



# EIV Related MOR Findings

- EIV data being shared with other entities, e.g., state officials monitoring tax credit projects, Rural Housing staff monitoring Section 515 projects, or Service Coordinators
- O/A is not using EIV for recertifications effective June 1, 2010
- EIV Income Reports are not in tenant files as third party verification
- Tenant files that do not have documentation to support EIV discrepancy resolution



# EIV Related MOR Findings

- O/A is not reviewing New Hires Report
- Unresolved Failed Verification and Pre-screening Discrepancies
- Deceased Tenant Report has not been reviewed and/or errors corrected
- Multiple Subsidy Report has not been reviewed and/or errors Corrected
- O/A is not providing tenants with the EIV & You brochure at move-in and recertification



# EIV Related MOR Findings

- O/A has not updated Tenant Selection Plan to include use of Existing Tenant Report
- O/A has not updated Policies and Procedures to include EIV use



EIV Owner/Agent documents that  
will be reviewed during the MOR





# EIV Owner/Agent documents

Required items to be completed and maintained on site and provided during MOR.

- CAAF (hard copy)
- UAAF (hard copy)
- Owner Approval Letters (if applicable)
- Written Procedures/Policies
- Security Procedures/Policies



# EIV Owner/Agent documents

Documents that must be available for review- \*\* if missing at MOR, your EIV access will be terminated.

- The Initial CAAF (HUD signed, approved hard copy) must be available on site for the Coordinator.



# EIV Owner/Agent documents continued...

- The Initial UAAF (Coordinator signed, approved hard copy) must be made available for all users assigned to the property
- The Owner approval letter (letter submitted to HUD designating the Coordinator) must be available on site
- Written policies and procedures for use of EIV



# EIV Owner/Agent documents continued...

- Written policies and procedures must be in place and available to the reviewer. They must address all access, security, and document maintenance/retention policies/procedures in accordance with EIV guidelines



# EIV Policies and Procedures

## Written EIV data user procedures/policy

- Written policies and procedures for using the EIV employment and income data and reports at the time of recertification.
- In addition, O/As who elect to use any of the 6 reports at times other than at recertification, it must also be included in their policies and procedures for staff to follow. Example: TSP should reflect if Existing Tenant Search used at MI.



# EIV Policies and Procedures continued...

## Written Security procedures/policy – disclosure

- Written procedures/ policy for the security of the data gathered. File data security- access to files, storage, disposal.
- Rules of Behavior (9/09) form available and required for all non-coordinators and non-users- such as key staff that processes certifications, financial auditors, etc...



# EIV Policies and Procedures continued...

- No access for programs not specified- such as 515/8 and LIHTC



# EIV Tenant file documents

- 9887/9887A

A signed and dated 9887/9887A must be on file prior to accessing tenant data in EIV- for every adult in household. The 9887/9887A must be current. It is valid for 15 months from signature date

- EIV & You Brochure (7/27/09)





# EIV Tenant file documents continued...

## EIV reports

- EIV reports to be kept in the tenant files (unless program disclosure issues)
- What about the Florida Sunshine Act?  
All records must be made available for review & all exempted information must be redacted from the public record **prior** to producing the file for inspection & copying.



# EIV Tenant file documents continued...

## Additional verifications as needed

- 3<sup>rd</sup> party verifications for all sources of income in which there is a discrepancy between what EIV lists and what is reported by the tenant. Such as:

Current social security award letter, Medicare Part D prescription and/or insurance premiums,  
Other income discrepancies



# EIV Tenant file documents continued...

## Additional verifications as needed

- 4-6 consecutive pay stubs or 3<sup>rd</sup> party verification for employment income



# EIV Tenant file documents continued...

## Documentation/Corrective Action for unreported Income in accordance with the 4350.3 HUD Handbook

- Notice to tenant of the unreported income
- Corrected HUD 50059 retroactive to the 1<sup>st</sup> of the month after the date the unreported income began.
- Documentation of payment in full or repayment plan.



# EIV Tenant file documents continued...

## Uniform use of EIV for all tenants

- If Existing Tenant Search is being doing at MI to check for double subsidy, it must be done for every MI
- If utilizing multiple reports, must be competed for all tenants
- All EIV documents must be kept for 3 yrs after MO.



# Some Helpful Hints/Documents for EIV

**EIV Training and Outreach Presentation Dec 16-17,  
2008:**

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

**EIV Webcast Questions- Dec 16-17, 2008:**

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



# Some Helpful Hints/Documents for EIV

**Enterprise Income Verification (EIV) Security Awareness Training questionnaires for Multi-Family Housing Programs- Issued May 2008:**

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

**New EIV & You Brochure- July 2009**

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

**New Rules of Behavior Acknowledgement form: 9/09**

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



# Some Helpful Hints/Documents for EIV

**Tenants who need to request a current Award Letter may request a new letter from 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>**

**O/As should refer to the EIV User Manual for Multifamily Housing Program Users for information on accessing the reports and for further descriptions of the reports. The manual is posted at:**

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





Questions?

