



## **ENTERPRISE INCOME VERIFICATION (EIV) POLICY & PROCEDURES**

The following policy provides instruction and information to Alliance Asset Management staff on the acceptable use, disposition and storage of data obtained through HUD's EIV (Enterprise Income Verification System). The EIV system is used to assist owners and agents in streamlining the income verification process conducted during recertification of households residing in properties that have HUD subsidy contracts.

The data provided by the EIV system will be protected to ensure that it is only used for official purposes and not disclosed in any way that would violate the privacy of the individuals represented in the system data.

The information in the EIV system includes wage and income data about private individuals, as well as identifying information such as Social Security Number, Address, and Employment information. This policy describes methods to comply with HUD's required EIV safeguards.

### **EIV Coordinator**

The EIV Coordinator will have the responsibility of ensuring compliance with the security policies and procedures outlined in this document. These responsibilities include educating staff on HUD and Alliance Asset Management policies with regard to EIV security.

## **TECHNICAL SAFEGUARDS**

### **EIV Security Training Requirements**

Before granting access to the EIV information, each person must be trained in EIV Security policies and procedures.

EIV System Coordinators: Before accessing EIV, the Secure Systems Coordinator will obtain a letter from the property owner indicating that the owner gives permission to act as the EIV coordinator. Once that permission is obtained, the Coordinator will review the EIV training material provided by HUD and complete the appropriate Security Awareness Training, read and sign Rules of Behavior and review the EIV Policy. Upon completion of these tasks, the EIV Coordinator will submit, to HUD, the appropriate Coordinator Access Authorization Forms. Upon receipt of HUD approval, the EIV Coordinator will complete the EIV Coordinator setup process.

EIV System Users: Before requesting EIV User access, those seeking access will review the EIV training material provided by HUD and complete the appropriate Security Awareness Training, read and sign the Rules of Behavior and review the EIV Policy. Upon completion of these tasks, the EIV User will submit, to the EIV Coordinator, the appropriate User Access Authorization Form. If the EIV Coordinator feels that the EIV User candidate does not understand the security requirements, the EIV Coordinator will not continue with the EIV setup for that user.

Once the user request information is satisfactorily completed, the EIV Coordinator will complete the appropriate steps to provide EIV access to the user. In accordance with HUD requirements, the user's need for access will be reviewed every 6 months.

At least once a year, staff with EIV access will be required to:

- Review of the EIV Policy
- Complete the EIV Security Awareness –Federal Cyber Awareness Training

Staff that do not have access to the EIV system but, who view or use EIV data/reports provided by the EIV Coordinator for EIV User in order to perform their job functions must:

- Read and adhere to the Rules of Behavior
- Complete the EIV Security Awareness-Federal Cyber Awareness Training on an annual basis.

The Rules of Behavior must be signed and kept on file in the Master EIV Access File.

### **Access**

The EIV coordinator will restrict access to EIV data only to persons whose duties or responsibilities require access. EIV Coordinators will be required to request re-certification on an annual basis. EIV Coordinators are authorized to provide access only to those individuals directly involved in the resident certification process and/or compliance monitoring. EIV Coordinators will carefully review initial and bi-annual requests for access and certify only those users who will need access within the next 180 days.

The EIV coordinator will maintain a record of users who have approved access to EIV data, and will revoke (Terminate/Expire) the access rights of those users who no longer require such access or modify the access rights if a change in the user's duties or responsibilities indicates a change in the current level of privilege.

The resident data contained in EIV cannot and will not be used to verify the employment and income of residents residing in the Low Income Housing Tax Credit (LIHTC) or Rural Housing Services (RHS) Section 515 program units since neither the Internal Revenue Service (IRS) nor RHS are a party to the computer matching agreements HUD has with SSA and HHS. The fact that there is financing through other federal agencies involved in a particular property under one of the authorized HUD programs does not permit that federal agency to use or view information from the EIV system for verification or monitoring purposes.

### **User Name and Password Protections**

Secure Systems passwords will be changed in accordance with HUD Secure Systems requirements. Users will not share user names or passwords with any other employee or with anyone outside of Alliance Asset Management. EIV access granted to an employee or authorized user will be revoked when access is no longer required or prior to termination of that employee or user to ensure data safety. Termination of EIV Access and un-assigning property access through "Property Assignment Maintenance" is required.

The EIV file will be documented to indicate when user access was terminated by the EIV Coordinator. Documentation of termination will be maintained in the property EIV file.

### **Hardware Requirements and Safeguards**

All of the servers and workstations are password protected using Alliance Asset Management's security policy. Additionally, the system is protected with a comprehensive firewall and antivirus software that ensures that private

information is secure. Users shall only access EIV information through their designated workstation. At no time, may the system be accessed on a different computer, or a personal computer. Authorized users of EIV data are directed to avoid leaving EIV data displayed on their computer screens where unauthorized users may view it.

## **PHYSICAL SAFEGUARDS**

Alliance uses a combination of methods to provide physical security for resident file records. This includes, but is not limited to, limited file access to EIV users and coordinators only, and locking files to prevent non-users or those without signed Rules of Behavior and completion of Annual Cyber Awareness Training from having access.

### **Hardcopies**

Reports available through EIV printed to a shared printer shall not occur unless the EIV user plans to immediately retrieve the printouts. EIV printouts will be stored in the resident file in a separate manila envelope, in the event a Non-Authorized agency requests to examine the file. If EIV data must be faxed, ensure that someone is waiting and ready to retrieve the fax as soon as it is received (printed).

Under no circumstances should anyone save or scan EIV information to retain an electronic copy. In order to ensure compliance with HUD's security requirements, EIV information should only be produced in hard copy and maintained in accordance with the recordkeeping requirements outlined by HUD. All emails containing EIV data must be encrypted using a NIST compliant vendor. The full nine-digit SSN for a resident must not be included in emails.

## **ADMINISTRATIVE SAFEGUARDS**

### **Security Breaches**

Upon the discovery of a possible improper disclosure of EIV information or other security violation by an employee or any other person, the individual making the observation or receiving the information will contact the EIV Coordinator who will document all improper disclosures in writing providing details including who was involved, what was disclosed, how the disclosure occurred, and where and when it occurred. The EIV Coordinator will immediately review the report of improper disclosure and, if appropriate, the EIV Coordinator will remove EIV access.

All employees should carefully review the EIV Access Authorization Form to understand the penalties for improper disclosure of EIV data.

## **DATA DESTRUCTION**

EIV data in the resident files will be destroyed in a timely manner based on HUD's normal resident file retention period after tenancy ends. At that time, along with the resident file, all EIV originals will be shredded.

EIV Master File Reports will be retained for 3 years. Any reports over 3 years old will be destroyed and the Master File will be notated with the report type, the date the report was run, the date of destruction and the person who destroyed the report.

## **EIV Access Documentation**

The following EIV Access Documents will be kept in a Master EIV Access File:

- Owner Authorization Letter
- Original EIV Coordinator Access Authorization Form (CAAF) with HUD approval documented
- Subsequent EIV Coordinator CAAFs
- Current EIV Coordinator CAAFs
- Original EIV User Access Authorization Form (UAAF)
- Subsequent EIV UAAFs
- Current EIV UAAFs
- Certificates of Completion of the Annual Cyber Awareness Training
- Signed Rules of Behavior for each Coordinator, User and Non-User with access to EIV Reports

## **Consent of Release of Information**

A current Form HUD-9887 must be on file before accessing the employment or income data contained in the EIV system for the resident. Each EIV User will assure that a copy of Form-9887 and Form 9887-A has been signed by each member of the household age 18 years or older. The 9887 will be presented at move-in and at each annual recertification. If a household member turns 18 in the middle of a recertification cycle, that household member will be required to sign Form 9887 and Form 9887-A within 30 days of turning 18. The HUD 9887 Fact Sheet will be provided to all adult household members required to sign the form. By signing this HUD Form 9887 and HUD Form 9887-A, the applicant/resident authorizes HUD and/or the owner/agent to obtain and verify income and unemployment compensation information from various sources including, but not limited to the IRS, the Department of Health and Human Services and the Social Security Administration, current and former employers and state agencies. The forms will be valid for 15 months from the date they are signed.

## **REQUIRED EIV REPORTS**

The following reports will be reviewed and printed at intervals indicated. Any discrepancies will be resolved within 30 days of the report date.

The **Existing Resident Search** will be run and reviewed at the time the application is being processed for move in. The Search is run for each household member; including Live-in Aides. If the Report identifies that the applicant or a member of the applicant's household is residing at another location, discuss this with the applicant giving the applicant the opportunity to explain any circumstances relative to his/her being assisted at another location. Follow up with the respective PHA or O/A to confirm the individual's program participation status before admission, if necessary, depending on the outcome of the discussion with the applicant. If the applicant or any member is being assisted elsewhere, get written confirmation (in email format is sufficient) of the date that the assistance (subsidy) will end so that the move out and move in dates can be coordinated and assistance does not start at this property until the day after assistance is terminated with the other program. The Search results will be retained in the resident file along with any documentation obtained as a result of contacts with the applicant and the PHA and/or O/A at the other location. The Search will also have notations as to action taken if the applicant or any applicant household member is assisted elsewhere.

The **Identity Verification Reports** will be run Monthly.

### **Number of Households Not Verified (verification in process)**

The report is designed to assist owners/agents in determining why a household is not represented in the EIV system. No requirement to retain copies of this report.

### **Failed EIV Pre-Screening Report**

This report identifies residents who fail the EIV pre-screening test because of invalid or missing personal identifiers such as last name, date of birth or Social Security Number. This report will be used monthly to identify residents that

did not pass so that errors can be corrected. A follow up with residents identified on the report is necessary where discrepant personal identifiers were not corrected at the time of recertification. The accuracy of data entry in TRACS should be confirmed first; then a confirmation shall be made with the affected resident their SSN, DOB and/or last name. Documentation from the resident to verify any discrepant personal identifiers shall be obtained. Any discrepant information in the TRACS system shall be corrected. The Identity Verification Summary Report documented with action taken to resolve invalid or discrepant personal identifiers will be retained in the Master Report File.

#### **Failed Verification Report (Failed the SSA Identity Test)**

This report identifies household members who failed the SSA identity test because their personal identifiers do not match SSAs records, as well as, identifies deceased household members. This report will be used monthly to identify residents that did not pass the SSA identity verification test and the reason(s) they did not pass so that errors can be corrected. A follow up with residents identified on the report is necessary where discrepant personal identifiers were not corrected at the time of recertification. The accuracy of data entry in TRACS should be confirmed first; then a confirmation shall be made with the affected resident their SSN, DOB and/or last name. Documentation from the resident to verify any discrepant personal identifiers shall be obtained. Any discrepant information in the TRACS system shall be corrected. A copy of the report in a master "Failed EIV Pre-screening Report" file shall be filed. The report must be documented with action taken to resolve invalid or discrepant personal identifiers. Encourage the resident to contact the SSA to correct any inaccurate data in their databases if the personal identifiers on the form HUD-50059 and in TRACS are accurate. The Identity Verification Summary Report documented with action taken to resolve invalid or discrepant personal identifiers will be retained in the Master Report File.

NOTE: If a resident's information was corrected at the time of recertification but the EIV data has not yet been updated, this must be noted on the printed report and no further action is required.

The **New Hires Report** will be run quarterly.

This report identifies residents who have started new jobs within the last six months. The information on this report is updated monthly. This report will be used quarterly to determine if any residents have started new employment whereby the resident hasn't reported a change in income or new income to the owner between recertifications and/or new employment was not reported at the time of recertification. When a resident is reported to have started a new job, we must confirm with the resident that the employment and/or unemployment information in the EIV system is correct. If the resident agrees that the employment and/or unemployment information in the EIV system is correct, then we must: request the resident to provide documentation, e.g., four current, consecutive check stubs that will support his/her current income being received; use the resident provided documentation for determining the resident's income unless additional information is needed or there is reason to reject the resident provided documentation. In these instances, third party verification must be obtained from the income source; annualize the resident's income using the current income projected forward for the next 12 months. Make copies of any resident provided documents for the resident file and return the originals to the resident. Retain the printed report and supporting documentation in the resident file. If the resident disputes the employment, wage or unemployment information in the EIV system or when the resident reports he/she is employed or receiving unemployment but there is no information in the EIV system, we must obtain third party verification from the employer to substantiate the residents report. The New Hire Summary Report will be notated with action taken in response to the New Hire and documented in the Master Report File.

Refer to the HUD Handbook 4350.3 Rev 1 Chg 4 Section 7-13 for the effective date of Interim Recertifications if the resident does not comply with the interim reporting requirements. If the resident failed to report employment at the Annual Certification, a correction will be made to the Certification and the resident will be required to pay HUD/Owner/Agent back any overpayment of assistance retroactively in accordance with 4350.3 Section 8-18 through 8-25.

The **Multiple Subsidy Report** will be run quarterly.

This report identifies individuals who may be receiving multiple HUD rental subsidies. This report will be used quarterly to identify any residents who are/may be receiving assistance at another location. A follow up with resident is necessary when a discrepancy identified was not resolved at the time of recertification. Discuss with the resident if the results of either of the searches shows that a resident is being assisted at another location. The resident must be

given the opportunity to explain any circumstances relative to his/her being assisted at another location. Follow up with the respective PHA or O/A, if necessary, to confirm that the resident is being assisted at the other location. Depending on the results of this investigation, we may need to take action to terminate the resident's assistance or tenancy. Print out and retain a copy of the Multiple Subsidy Summary Report in the Master "Multiple Subsidy Report" file along with notations as to the outcome of contacts with the resident and/or PHA or Owner. A copy of the Multiple Subsidy Detail Report for the resident plus any documentation supporting any contacts made or information obtained to determine if a household and/or household member is receiving multiple subsidies as well as documentation to support any action taken if a household and/or a household member is receiving multiple subsidies must be retained in the resident file. The Multiple Subsidy Summary Reports, with notations of action taken and results, will be documented in the Master Report File.

NOTES: If a resident's multiple subsidies were discussed and resolved at the time of recertification, this must be noted on the printed Multiple Subsidy Summary Report and no further action is required. HUD does not prohibit owners of partially subsidized projects from housing residents who are receiving assistance through the Housing Choice Voucher program. While these residents may appear on the Multiple Subsidy Report, HUD does not consider them as receiving double subsidy. In these instances, O/As must note on that report that the resident has a Housing Choice Voucher and is not receiving double subsidy.

The **Deceased Resident Report** will be run quarterly.

This report identifies residents who are participating in one of Multifamily Housing's rental assistance programs who are reported by SSA as being deceased. This report will be used quarterly to identify those residents reported by SSA as being deceased. When a death is listed on the report we will get confirmation, in writing, from the head-of-household, next of kin or emergency contact person or entity provided by the resident 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 in accordance with Chapter 7, Paragraph 7-13.D of Handbook 4350.3 REV-1. In the case of a deceased single member of a household, process a move-out using form HUD-50059-A. The effective date of the form HUD-50059-A will be retroactive to the earlier of 14 days after the resident's death or the date the unit was vacated (see Chapter 9, Paragraph 9-12.E of Handbook 4350.3 REV-1).

**Note:** Single member deceased households are denoted on the report with a red asterisk (\*) after the member's deceased date. Any overpayment of subsidy that was paid on behalf of the deceased resident must be repaid to HUD. Discrepant information must be corrected in the TRACS system within 30 days from the date of the report.

Encourage the resident to contact the SSA to correct any inaccurate data in their databases if the person shown as being deceased in the SSA database is not deceased. Print and retain a copy of the report in a master "Deceased Residents Report" file. The report must be documented with action taken to resolve any discrepancies. All correspondence or action taken for a particular resident must be retained in the resident file. If action was taken to remove the deceased resident from the household or a move-out processed if a single member household but the EIV data has not yet been updated, this must be noted on the printed report and no further action is required.

### **Income Reports**

**Summary Report.** This report is a summary of information taken from the current, active certifications contained in the TRACS file at the time of the income match. It also provides the Identify Verification Status for each household member. This report is used as verification that a resident's Social Security Number has been "verified" by SSA as being a valid SSN.

This report will be run within 90 days after the move in certification transmission to TRACS. The Summary Report will be documented in the resident file. If the Summary Report shows a status of "not verified" for any household member, continue to run the report throughout the 90-day period until a status of "verified" is showing for each household member. If a status of "verified" cannot be attained within that 90-day period, the Summary Report will be run again at the next Interim or Annual Certification. This Report must also be run again (within 90 days of the Interim or Annual Certification being transmitted to TRACS) after a new household member is added.

**Income Report.** This report provides employment and income information reported in the National Directory of New Hires and Social Security Administration databases for all household members who passed the SSA identity test and identifies household members who may be receiving multiple subsidies by displaying the following message: “This member may be receiving multiple subsidies.”

This report will be run within 90 days after the move in certification transmission to TRACS. The report will be compared to the move in certification 50059 information to check for the validity of the income information reported at the time of move in.

**This report will not be run at the time of any Interim Certification that is the result of a change in household composition or income. This report will be run at every Annual Certification.** The Income Report identifying the NDNH employment, wage and unemployment income information in the EIV system is used as third party verification of the resident's employment and/or unemployment. The report will be printed prior to the recertification and the information it contains will be confirmed with the household. If the household confirms the information, the Income Report is used as a third party source to verify of receipt of SS benefits and to calculate that income. The monthly Medicare premium reported as paid by each household member will be annualized and included as medical expenses. If any household member has any supplemental Medicare premiums (prescription coverage) deducted from their Social Security Benefit, the resident will be asked to provide third party documentation to substantiate the additional coverage(s) and premium(s). A copy of the SSA award or benefit letter or Proof of Income Letter is not required unless the resident disputes the SSA information in the EIV system. (The Income Report will not be used as a third party source in calculating income for any programs other than HUD’s Multifamily assistance programs). This report will be used to verify employment. If the employer listed on the Income Report is the current employer, the resident will be asked to provide the last 4 paystubs and anticipated employment income will be calculated based upon those paystubs. The Income Report will be retained in the resident file.

**Income Discrepancy Report.** The Income Discrepancy Report identifies households where there is a difference of \$2,400 or more annually in the wages, unemployment compensation and/or Social Security benefit income reported by NDNH and SSA and the wages, unemployment compensation and/or Social Security benefit income reported in TRACS for the period of income (POI) used for the discrepancy analysis. This report is a tool to alert owners that there may be a discrepancy in the income reported by the resident during the POI used for the discrepancy analysis. All discrepancies identified on the report must be reviewed to determine whether or not the discrepancy is valid. The owner is not expected to reconcile dollar amounts to the penny when resolving discrepancies. The report identifies residents whose income may have been under- or over-reported. Negative numbers on the report represent potential resident under reporting of income while a positive number represents a potential decrease in a resident’s income. In either case, the owner must investigate all discrepancies identified to determine whether or not they are valid. We will review and resolve any discrepancies in income reported on the Income Discrepancy Report with the household at the time of recertification or within 30 days of the EIV Income Report date.

This report is to be run and printed at the same time that the Income Report is run and printed. **NOTE:** It is important that the Income Discrepancy Report be printed at the same time as the Income Report as each week a completely new report is generated based on the current information in the system for a resident. The old report is over-written with the current data.

The Income Discrepancy Report will be run within 90 days of the move in certification transmission to TRACS and for each Annual Certification and all Interim Certifications that are a result of a change in household composition or income.

### **Filling EIV Reports**

The property will have a Master EIV Reports file. The Master file will contain the Identity Verification Summary

Reports, New Hires Summary Report, Deceased Resident Report and Multiple Subsidy Summary Report. Each report will be annotated to include action taken in response to the report contents and the resolution results.

The Detail Reports will be documented in the resident file and will have notes regarding communication with the resident, actions taken and any third party verifications done.

The Existing Resident Search for each household member will be documented in the resident file.

### **Resolving Income Discrepancies**

We will make sure the information in TRACS agrees with the information on the form HUD-50059 in the resident file. If it is determined that the information in TRACS differs from the information found on the resident's current HUD-50059, retransmit the current HUD-50059 to correct the TRACS database. This is important since the income discrepancies reported in the EIV system are determined by comparing the wage, unemployment and Social Security benefits income reported by NDNH and/or SSA with the wage, unemployment and Social Security benefits income reported by the household and transmitted to TRACS. Any unreporting, underreporting or over-reporting of income by the resident and reported on current or historical forms HUD-50059 must be identified. HUD Handbook 4350.3 Section 8-18 and 8-19 procedures will be used for addressing discrepancies, errors and fraud.

The definition of improper payments includes payments for the incorrect amount, both overpayments and underpayments. (See the Glossary for the definition of improper payments. Also, see the HUD Handbook 4350.3 Exhibit 9-7, Income Discrepancy Report, for a description of the POI used for discrepancy analysis.)

We are required to obtain written independent verification of disputed EIV data such as that provided by SSA and HHS' NDNH, in accordance with 24 CFR 5.236. Following are steps we must take to resolve income discrepancies.

1. Notify and discuss any discrepancy with the resident.
2. Request current documents from the resident (i.e., original, most recent (four to six) consecutive pay stubs; original SSA benefit award letter dated within the last 120 days; etc.), in accordance with Chapter 5, Paragraphs 5-13 and 5-17, Determining Income and Calculating Rent, of Handbook 4350.3 REV-1, *Occupancy Requirements of Subsidized Multifamily Housing Programs*.
3. Request written third party verification of any income source that the resident disputes.
4. Confirm effective dates of unreported income.
5. Provide the resident the right to contest the findings.
6. Determine any retroactive rent due to the owner/agent/HUD in cases where we have confirmed that the resident failed to report income.
7. Execute a repayment agreement with the resident, when the resident is unable to pay the amount due in full, in accordance with HUD Handbook 4350.3 Section 8-20 A.
8. Adjust the rent, as necessary, in accordance with HUD Handbook 4350.3 Section 7.

We may 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 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.

For more information on how to resolve income discrepancies between EIV system data and resident-provided income information, check the EIV for Multifamily Housing Programs Users website at:

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

### **Suspected Identity Theft**

Incorrect information in the EIV system 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. A person using an individual's SSN can get other personal information about that individual and apply for credit in that individual's name.

If the resident suspects someone is using his/her SSN, we will advise him/her that he/she should:

- A. Check their Social Security records to ensure their records are correct (call SSA at 1-800-772-1213);
- B. File an identity theft complaint with the Federal Trade Commission (call FTC at 1-877-438-4338, or visit their website at: <http://www.ftc.gov/bcp/edu/microsites/idtheft/>); and
- C. Monitor his/her credit reports with the three national credit reporting agencies (Equifax, TransUnion, and Experian).

We will advise the resident that they may request their credit report and place a fraud alert on their credit report with the three national credit reporting agencies at: <http://www.annualcreditreport.com> or by contacting the credit reporting agency directly. We will provide each agency's contact information as listed below:

#### National Credit Reporting Agencies Contact Information

Equifax Credit Information Services, Inc.

P.O. Box 740241

Atlanta, GA 30374

Website: <http://www.equifax.com>

Telephone: (800) 685-1111

Experian

P.O. Box 2104

Allen, TX 75013

Website: <http://www.experian.com>

Telephone: (888) 397-3742

TransUnion

P.O. Box 6790

Fullerton, CA 92834

Website: <http://www.transunion.com>

Telephone: (800) 680-7289 or (800) 888-4213

#### **Suspected Fraud**

Where fraud is suspected, we will report this to the HUD OIG Office of Investigation in the District that has jurisdiction in the state the project is located.