



Multifamily PBRA Program Enterprise Income Verification System Policy

I. Introduction

The purpose of this policy is to provide instruction and information about the acceptable use and handling of data obtained through the Enterprise Income Verification System (EIV). EIV is a web-based system that provides tenant employment, benefit, and income information. EIV contains personal information covered by the Privacy Act that may only be used for limited official purposes – tenant recertification and oversight of the tenant recertification process.

II. System Security

A. Technical Safeguards

EIV Users with Access to EIV

To reduce the risk of a security violation related to the EIV system's software, network, or applications, only individuals that have been trained and certified in the EIV system will have access rights to the EIV system. The EIV Coordinator will monitor and coordinate access to the EIV system.

All individuals who have access to the EIV system must have a valid WASS User ID and password. Each individual must not allow the use of his or her WASS User ID by another person. Additionally, each individual must not allow the use of his or her WASS User password by another person or reveal his or her WASS User password to another person.

To gain access to the EIV system, an individual must apply and be approved for access to EIV and must adhere to the EIV Rules of Behavior, as incorporated in the Coordinator Access Authorization Form and User Access Authorization Form.

All EIV users must be certified to use the system at initial access. Thereafter, EIV coordinators must be certified annually and EIV users must be certified bi-annually.

EIV Coordinators will terminate access of any user, including coordinators, when the user no longer has a business need to view EIV information. The EIV Coordinator will unassign the EIV role for those who no longer need access, unassign all roles for those who no longer work for Lake MHA, and delete the relationship when a coordinator no longer works for Lake MHA.

Non-EIV Users

Individuals who do not have access to HUD's Secure Systems but do have access to EIV data and reports in tenant files, must complete the Rules of Behavior for Use of Enterprise Income Verification (EIV) Information (for Individuals without Access to the EIV System) form.

Security Awareness Training

Users are required to complete the Cyber Awareness Challenge at least annually. This training is the same training required for those who transmit TRACS files. If the training has been completed to satisfy TRACS security training requirements, it will also satisfy EIV security training requirements, so long as it is not older than one year.

Individuals who do not have access to HUD's Secure Systems but have access to the EIV reports in the tenant file, must complete the Cyber Awareness Challenge each year for the time they maintain access.

B. Administrative Safeguards

To prevent unauthorized access to the EIV system and EIV private data, only authorized persons will have access to the EIV system and EIV data. All authorized persons must assist in ensuring administrative and physical safeguards.

Authorized Use

Lake MHA has established standard operating procedures for use of data, as provided below in section III. Employment and income data retrieved from EIV is used for certification and compliance purposes only. The entities allowed to access the information for limited official purposes, are set out in Notice H 2013-6, section XII. These entities include Lake MHA for the purposes of verifying employment and income at the time of recertification and reducing administrative and subsidy payment errors, HUD staff for monitoring and oversight of access and mandatory use of the EIV system, independent public auditors for financial audit purposes, the Office of the Inspector General investigators for auditing purposes, and those assisting tenants with the recertification process under certain conditions.

EIV data must not be shared with outside agencies or persons that do not participate in tenant recertification or oversight of tenant recertification, or with those who have not been given written consent as provided in section III.A., below, regarding disclosure of EIV data.

Required Notification of Security Breaches

Users are required to notify the EIV Coordinator and HUD National Help Desk at (888) 297-8689 of any unauthorized disclosures of EIV data or breaches of the EIV system or EIV data by unauthorized users. The EIV Coordinator will report any unauthorized disclosures of EIV data or breaches of the EIV system or EIV data by unauthorized users to HUD National Help Desk at (888) 297-8689, HUD's Privacy Act Officer, or HUD's Office of Inspector General, as appropriate.

Data Retention and Destruction

All EIV data will be kept, secured, and destroyed in accordance with this policy, as discussed in section III.E. below, and in accordance with HUD requirements.

C. Physical Safeguards

Computer Security

Prior to using the EIV system and accessing a tenant's private income information, users must ensure that the authorized release of tenant information consent forms (HUD-9887) are included in the tenant file.

When users are done working in the EIV system for the day or if the system will not be needed for a while, the user must log out of WASS and close the browser window. Users should lock the computer screen, log out, or shut down computer when not present at the user's desk or when the user is finished for the day. Users must not leave EIV data displayed on the computer screen when the computer is unattended.

Storing and Transmitting Electronic EIV Data

Users must store any electronic EIV data in a separate, restricted access directory. Users should not use external media to store EIV data unless labeled appropriately and encrypted using a NIST compliant vendor.

All emails containing EIV data must be encrypted using a NIST compliant vendor. The full nine-digit social security number of a tenant must not be included in emails or other electronic communications.

Hardcopy EIV Data

Users must not leave hardcopy EIV data unattended and should retrieve any hardcopy EIV data from printer as soon as printed. Users must properly file and secure or shred any printouts of EIV data.

If faxing EIV data, users must ensure that someone is waiting and ready to retrieve the fax as soon as received. EIV data must not be mailed to independent auditor officers.

Tenant Files are to be stored in the locked file room or secured in staff offices when not in use. Only authorized persons will have access to the locked file room and the EIV data in tenant files.

III. EIV Use

A. Consent & Disclosure

Applicants

Form HUD-9887, *Notice and Consent for the Release of Information*, does not need to be on file in order to use the Existing Tenant Search in the EIV system at the time of application processing and tenant screening. For more information on the Existing Tenant Search, see Lake MHA's Tenant Selection Plan.

HUD's EIV & You brochure will be provided to applicants with the initial application for housing.

Tenants

Form HUD-9887 and HUD-9887-A, *Applicant's/Tenant's Consent to the Release of Information*, must be on file before accessing EIV employment or income data of a tenant and before requesting information about the tenant from a third-party source. They are not required for accessing the Verification Reports but are necessary to use the EIV Income Reports. Both forms limit Lake MHA from requesting information about a tenant to "within the last 5 years when the tenant received assistance.

The forms must be signed and dated by:

- (1) Each adult member of a household regardless of whether he or she has income.
- (2) The head of household, spouse or co-head, regardless of age, and each family member who is 18 years of age or older, at move-in, at initial certification (when tenant begins receiving a subsidized rent), and annual recertification.
- (3) A family member when he/she turns 18.

If a tenant turns 18 and has not signed HUD-9887 and HUD-9887-A, Lake MHA will not use the EIV Income Reports for that tenant until signed. Tenants turning 18 years of age between annual recertifications will be notified that they are required to sign HUD-9887 and HUD-9887-A in accordance with the requirements set out in the Tenant Selection Plan.

HUD's EIV & You brochure will be offered to tenants annually as part of recertification.

Disclosure of EIV Information

The EIV data of an adult household member will not be shared with, or a copy provided or displayed to, other household members or persons assisting with the tenant recertification process unless written consent to disclose the information has been provided. Persons assisting with the tenant recertification process may include service coordinators, translators/interpreters, individuals assisting an elderly individual or a person with a disability, guardians, powers of attorney, and other family members. However, Lake MHA can discuss with and show the head of household how the household's income and rent were determined based on total income reported and verified.

B. Income Reports

Income Summary Report

The Income Summary Report provides 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 Identity Verification Status for each household member – verified, failed, not verified, or deceased.

Lake MHA will use this report:

- (1) For new admissions – within 90 days after move-in information is transmitted to TRACS.
- (2) At the time of annual recertification to review and resolve the status of any household member(s) with a “Failed” or “Deceased” status. (Not required if safe harbor verification is used).
- (3) As verification that a tenant’s SSN has been “Verified” by the Social Security Administration (SSA) as being a valid SSN.

Lake MHA will retain in the tenant file:

- (1) The Summary Report(s) as verification of the SSN for all household members whose Identity Verification Status is “Verified.”
- (2) Any correspondence or documentation received to resolve a “Failed” or “Deceased” status.
- (3) Any documentation of household members not required to disclose and provide verification of a SSN, such as:
 - a. Tenants who were 62 years of age or older as of January 31, 2010, and whose initial determination of eligibility was begun before January 31, 2010, and
 - b. Individuals who do not contend eligible immigration status. These individuals will continue to have a TRACS generated identification number in the SSN field. Because no employment or income information will be provided in the EIV system for these individuals, third party verification of income will have to be obtained.

Income Report (Detailed)

The Income Report provides employment and income information reported in the National Directory of New Hires (NDNH) and SSA databases for each household member who passes the SSA identity test. It also identifies household members who may not have reported complete and accurate income information or may be receiving multiple subsidies.

Lake MHA will use this report:

- (1) For new admissions – within 90 days after move-in information is transmitted to TRACS.
- (2) At the time of annual recertification but not required if safe harbor verification is used.
- (3) To resolve any income discrepancies with the household within 30 days of the Income Report date.

Third-Party Verification for Wage, Employment/Unemployment Income Information:

- (1) Lake MHA will use the EIV Income Report identifying tenant NDNH employment, wage, and unemployment income information as third-party verification but **will not** use this information to calculate the tenant's income.
- (2) If the tenant agrees with the employment information in the EIV system, Lake MHA will request the tenant to provide documentation to support his or her current income. Lake MHA will use the tenant provided documentation to annualize the tenant's income unless additional information is needed or there is reason to reject the information. At that point, Lake MHA will seek third-party verification from the income source.
- (3) If the tenant disputes the employment information in the EIV system, or if the tenant reports he or she is employed or is receiving unemployment but there is no information in the EIV system, Lake MHA will seek third-party verification from the source.

Third-Party Verification for Social Security Benefit Information:

- (1) Lake MHA will use the Income Report identifying tenant Social Security benefit information as third-party verification of tenant's income and **will use** this information to calculate the tenant's income.
- (2) If the tenant agrees that the Social Security benefit amount reported in the EIV system is correct, Lake MHA will use the gross benefit amount reported in the EIV system to annualize the tenant's income.
- (3) If the tenant disputes the SSA information in the EIV system or when the tenant reports he or she receives SSA benefits but there is no SSA information in the EIV system, Lake MHA will obtain third-party verification by requesting the tenant provide a copy of his or her benefit or award letter or Proof of Income Letter, dated within the last 120 days from the date of receipt.

Lake MHA will retain in the tenant file:

- (1) If no dispute of EIV information – EIV Income Report, current acceptable tenant-provided documentation, and, if necessary third-party verification from the source.
- (2) If there is disputed EIV Information – EIV Income Report, third-party verification from the source for the disputed information, and any correspondence with/from the tenant relating to disputes of employment or income reported in EIV.
- (3) If tenant-reported income is not verified through the EIV System – EIV Income Report, current acceptable tenant-provided documents, and/or third-party verification from the source, and any correspondence with/from the tenant relating to disputes of employment or income reported in EIV.

Income Discrepancy Report

The Income Discrepancy Report identifies households where there is a difference of \$2,400 or more in the wage, unemployment, and SSA benefit information reported in EIV and the wage, unemployment, and SSA benefit information reported in TRACS for the period of income (POI) used for discrepancy analysis. The POI is the 12-month period, starting 15 months prior to the family's annual recertification date and ending 3 months prior to the family's annual recertification date. Lake MHA will only consider benefit and/or wage-related amounts received during the POI.

Lake MHA will use this report:

- (1) For new admissions – within 90 days after move-in information is transmitted to TRACS.
- (2) At the time of annual recertification but not required if safe harbor verification is used.
- (3) To investigate discrepancies identified and determine if they are valid in representing tenants whose income may have been unreported, underreported, or overreported during the POI.
- (4) To ensure that the information in TRACS agrees with the information on HUD-50059 in the tenant's file.
- (5) To make corrections if the information in TRACS differs from the information found on the current HUD-50059, by retransmitting the current HUD-50059 to correct the TRACS database.
- (6) To review and resolve any income discrepancies with the household within 30 days of the Income Report date.

This report will be printed at the same time the Income Report is printed.

Lake MHA will retain in the tenant file:

- (1) All correspondence to and from the tenant regarding the income discrepancy.
- (2) Documentation received to resolve the discrepancy, including written third-party verification of income, if applicable.
- (3) Documentation or notation of resolution or status regardless of whether the discrepancy is valid or invalid.
- (4) A corrected HUD-50059, if applicable.
- (5) A repayment agreement, if applicable.

No Income Reported on 50059 Report & No Income Reported by HHS or SSA Report

Lake MHA will not run these reports.

New Hires Report

The New Hires Report identifies tenants who have new employment within the last 6 months. Lake MHA will review this report at least quarterly and at annual recertification except when safe harbor verification is used.

Lake MHA will use the report to:

- (1) Determine if any tenants have started new employment but the tenant has not reported the change in income at the time of recertification or in between recertifications.
- (2) Contact the tenant regarding unknown new employment by providing a 10-day notice letter in accordance with the lease agreement.
 - a. If the tenant confirms the information is correct, Lake MHA will ask the tenant to provide third-party verification documents and will process a recertification.
 - b. If the tenant disputes the information is correct, Lake MHA will obtain third-party verification from the employer and will process a recertification.

Lake MHA will retain:

- (1) A copy of the New Hires Report and any related notations as to outcome of tenant contact or other status in the “EIV Master Book.”
- (2) If action is taken to resolve a discrepancy, a copy of the New Hires Detail Report for the tenant, along with any correspondence, third-party verifications, etc., in the tenant file.

C. Other Reports

Existing Tenants Search

The Existing Tenant Search identifies applicants applying for assisted housing that may be receiving rental assistance at another location at the time of application processing. This report is used prior to move-in, including when a new member is added to an existing household. Further discussion and requirements are discussed in the Tenant Selection Plan.

Multiple Subsidy Report

The Multiple Subsidy Report identifies tenants who may be receiving rental assistance at more than one location. Lake MHA will review this report at least quarterly.

Lake MHA will use the report to:

- (1) Search for multiple subsidies within MF and PIH
- (2) Provide any identified tenant with the opportunity to explain any circumstances relative to his or her being assisted at another location unless the discrepancy was already identified and resolved.
- (3) Follow up with any respective PHA or O/A, if necessary, to confirm whether the tenant is being assisted at the other location, and take appropriate action based on information received.

Lake MHA will retain:

- (1) A copy of the Multiple Subsidy Report and any related notations as to outcome of tenant contact and/or PHA or O/A contact or other status in the “EIV Master Book.”
- (2) A copy of the Multiple Subsidy Detail Report for the tenant, along with any correspondence or documentation supporting any contacts made or information obtained to determine if a household member is receiving multiple subsidies, and documentation to support any action taken if a household member is receiving multiple subsidies in the tenant file.

Identity Verification Reports

Failed EIV Pre-Screening Report

The Failed EIV Pre-Screening Report identifies tenants who have missing or invalid personal identifiers (SSN, date of birth, last name) in TRACS. These tenants are not sent to SSA from EIV for the SSA identity test until the information is corrected in TRACS. Lake MHA will review this report at least monthly.

Lake MHA will use the report to:

- (1) Identify tenants that did not pass the pre-screening test and determine why they did not pass.
- (2) Follow up with tenants identified on the report where discrepant personal identifiers were not corrected at the time of recertification.
- (3) Confirm the accuracy of data entries in TRACS, or correct any data entry errors.
- (4) Confirm personal identifiers with tenant, obtain documentation from tenant to verify any discrepant personal identifiers, and correct any discrepant information in TRACS, if applicable.
- (5) Resolve any identity discrepancies within 30 days of the report date.

Lake MHA will retain:

- (1) A copy of this report and any related documentation or notations regarding the actions taken to resolve discrepancies or other status in the “EIV Master Book.”
- (2) A copy of the Failed EIV Pre-Screening Detail Report in the tenant file with any notations on actions taken and documentation needed for verification, when the report finds invalid or discrepant personal identifiers.

Failed Verification Report

The Failed Verification Report identifies tenants whose personal identifiers do not match the SSA database. Lake MHA will review this report at least monthly.

Lake MHA will use the report to:

- (1) Identify tenants that did not pass the SSA identity verification test and determine why they did not pass.

- (2) Follow up with tenants identified on the report where discrepant personal identifiers were not corrected at the time of recertification.
- (3) Confirm the accuracy of data entries in TRACS, or correct any data entry errors.
- (4) Confirm personal identifiers with tenant, obtain documentation from tenant to verify any discrepant personal identifiers, and correct any discrepant information in TRACS, if applicable.
- (5) Encourage identified tenants to contact the SSA to correct any inaccurate data if personal identifiers on HUD-50059 and in TRACS are accurate.
- (6) Resolve any identity discrepancies within 30 days of the report date.

Lake MHA will retain:

- (1) A copy of this report and any related documentation or notations regarding the actions taken to resolve discrepancies or other status in the “EIV Master Book.”
- (2) A copy of the Failed Verification Detail Report in the tenant file with any notations on actions taken and documentation needed for verification, when the report finds invalid or discrepant personal identifiers.

Deceased Tenants Report

The Deceased Tenants Report identifies tenants reported by SSA as being deceased. Lake MHA will review this report at least quarterly.

Lake MHA will use the report to:

- (1) Identify tenants reported by SSA as being deceased.
- (2) Confirm, in writing, with the head-of-household, next of kin, or emergency contact or entity provided by the tenant, whether the tenant is deceased.
- (3) If the tenant is deceased, within 30 days from the date of the report:
 - a. Update the family composition, income, and applicable allowances on HUD-50059, in accordance with Chapter 7 of HUD Handbook 4350.3 REV-1.
 - b. Process a move-out using HUD-50059-A if the deceased tenant is a single member of a household. The effective date will be retroactive to the earlier of 14 days after the tenant’s death or the date the unit was vacated.
 - c. Repay any overpayment of subsidy paid on behalf of the deceased tenant to HUD.
- (4) Encourage the tenant to contact the SSA to correct any inaccurate data if the person shown as being deceased is not deceased.
- (5) Update any discrepant data in TRACS within 30 days from the date of the report.

Lake MHA will retain:

- (1) A copy of the Deceased Tenants Report and any related notations regarding the actions taken, results of tenant contact, or other status in the “EIV Master Book.”
- (2) A copy of HUD-50059 and/or HUD-50059-A and any other documentation received for the identified tenant in the tenant file.

D. Investigating and Resolving Discrepancies

Investigating Discrepancies

Lake MHA will investigate and confirm possible income discrepancies of \$2,400 or more as disclosed on the EIV Income Discrepancy Report. Lake MHA will determine whether the income appearing on the Income Discrepancy Report should be included as income and does not meet one of the income exclusions.

Lake MHA will also investigate and confirm possible errors that may result in over or underpayment of HUD subsidy.

When a tenant disputes employment and income information in the EIV system, Lake MHA will:

- (1) Independently verify the disputed information by obtaining third-party verification from the third-party source.
- (2) Notify the tenant of the results of any third-party verification and request the tenant to discuss the results within 10 days of the notification.

Lake MHA will not suspend, terminate, reduce, make a final denial of assistance, or take any other adverse action against an individual based solely on data in the EIV system.

If Lake MHA determines that the tenant is in non-compliance with his or her lease for knowingly providing incomplete or inaccurate information, Lake MHA will follow the guidance in Chapter 8 of HUD Handbook 4350.3 REV-1.

Any suspected fraud will be reported to the HUD OIG Office of Investigation.

Unreported or Underreported Income

If it is determined that the tenant failed to report or underreported his or her income, Lake MHA will go back to the time the failure to report income or underreporting of income started, not to exceed the 5-year limitation that the tenant was receiving assistance as described in HUD-9887 and HUD-9887-A.

Lake MHA will calculate the difference between the amount of rent the tenant should have paid and the amount of rent the tenant was charged based on the HUD-50059(s) in the file that were in effect during the period(s) that the tenant did not report or underreported income.

Tenant Repayment of Unreported or Underreported Income

A tenant is obligated to repay amounts due for being charged less rent than required due to the tenant's underreporting or failure to report income. Lake MHA will notify the tenant of any amount due and any obligation to reimburse Lake MHA. A record of the calculation will be provided to the tenant and retained in the tenant's file. Lake MHA will provide the tenant with repayments options as described in Chapter 8 of HUD Handbook 4350.3 REV-1. Lake MHA will also reimburse funds collected from the tenant to HUD in accordance with the requirements described in Chapter 8 of HUD Handbook 4350.3 REV-1.

Over-reported Income

Lake MHA will investigate if, at the time of recertification, there is an Income Discrepancy Report that reflects a decrease of \$2,400 or more in wage, unemployment, and/or Social Security income reported in the EIV system and wage, unemployment, and/or Social Security income reported in TRACS for the POI used for the discrepancy analysis.

If Lake MHA determines that an error was made in calculating the tenant's income and the income was over-reported, Lake MHA will:

- (1) Make corrections to the prior certification(s) affected by the income change.
- (2) Determine the difference between the amount of rent paid and the amount of rent that should have been paid.
- (3) Reimburse the tenant for the amount of overpayment.

E. Retention of EIV Reports

Lake MHA will retain:

- (1) The Income Report, the Summary Report(s) showing Identity Verification Status as "Verified," the Income Discrepancy Report(s), supporting documentation, and any applicable repayment agreements.
 - a. These reports and any applicable documentation must be retained in the tenant file for the term of tenancy plus three years.
- (2) Any tenant provided documentation, or third-party verification of income received to supplement the SSA or NDNH data or to verify or resolve discrepancies identified in the New Hires Report, Multiple Subsidy Report, Identity Verification Reports, and Deceased Tenants Report.
 - a. This documentation must be retained in the tenant file for the term of tenancy plus three years.
- (3) Results of the Existing Tenant Search with the application.
 - a. If applicant is not admitted, the application and any completed search results must be retained for three years.
 - b. If applicant is admitted, the application and search results must be retained in the tenant file for the term of tenancy plus three years.
- (4) The master files for the New Hires Report, Multiple Subsidy Report, Identity Verification Reports, and Deceased Tenants Report and any applicable notations or documentation in the "EIV Master Book."
 - a. These reports and any applicable notation or documentation must be retained for three years.

Any detail reports retained in a tenant's file or "EIV Master Book" must contain information for members of that tenant's household only.

Once the retention period has expired, Lake MHA will dispose of the data in a manner that will prevent any unauthorized access to personal information, e.g., burn, pulverize, shred, etc.

IV. References

External (Non-HUD Coordinator/User) Instructions for Applying for EIV Access for Multifamily Housing Programs

System User Manual for Multifamily Housing Program Users 14.5

External User Administration Manual for Multifamily Housing Programs 9.9

Multifamily Housing Programs Security Administration Manual 9.9(a)

Notice H 2013-06

HUD Handbook 4350.3 REV-1