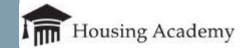


## **EIV 201**

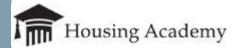
# Reviewing and Resolving EIV Income Discrepancies

#### Introduction



- This course is designed to:
  - Assist participants in understanding how to investigate and document EIV income discrepancies
- Throughout this course, we will discuss:
  - HUD's requirements for investigating and documenting EIV income discrepancies;
  - Detailed steps to determine if an EIV income discrepancy is valid or invalid;
  - Tenant failure to comply with EIV requirements
- Examples will be used throughout this course to provide participants with hands on experience in performing the step by step process of investigating and documenting EIV income discrepancies

### Important Terminology



#### **HUD Terminology:**

Must/Is Expected: Owners are required to take the action

specified

Cannot/Must Not: The action is strictly

prohibited

Should: The action is recommended

Can/May: Owners have permission

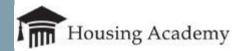
to take the action



#### This training:

Good Business Practice: Action is not required but experience suggests it is beneficial

## Applicability of the EIV System



The EIV System applies to the following programs:

- ■Project-based Section 8
  - New Construction
  - ■State Agency Financed
  - ■Substantial Rehabilitation
  - □ Section 202/8
  - Rural Housing Services (RHS) Section 515/8
  - ■Loan Management Set-Aside (LMSA)
  - ■Property Disposition Set-Aside (PDSA)
- Section 202/162 Project Assistance Contract (PAC)

- Section 202 Project Rental Assistance Contract (PRAC)
- Section 811 Project Rental Assistance Contract (PRAC)
- Section 811 Project Rental Assistance
   Demonstration units under a Rental
   Assistance Contract
- ☐ Section 236
- Section 236 Rental Assistance Payment (RAP)
- Section 221(d)(3) Below Market Interest Rate (BMIR)
- Section 101 Rent Supplement

## Housing Programs to which the EIV System Does Not Apply:



- Low Income Housing Tax Credit (LIHTC) program for the Owner's completion of the LIHTC Tenant Income Certification (TIC) or for LIHTC compliance monitoring by state officials;
- RHS Section 515 program for certification of tenants who do not receive Section 8 assistance or for compliance monitoring by RHS staff for tenants receiving Section 8 assistance;
- HOME; and
- Other Non-HUD programs
- NOTE: EIV data cannot be used for non-HUD purposes; nor can it be viewed by any monitoring agent of a housing program not covered by the Handbook
- See Chapter 9, Section 9-17.C.2.a, Disclosure of EIV Data, for information on why the Handbook is not applicable to these programs

Chapter 9, Paragraph 9-17.C.2.a Page 5: Topic II



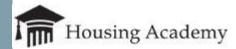
- **Section 1 Understanding the Income Discrepancy Report**
- Section 2 Overview of HUD's Requirements for Investigating and Documenting EIV Income Discrepancies
- Section 3 Determining if an EIV Income Discrepancy is Valid or Invalid
- **Section 4 Apparent Invalid EIV Income Discrepancies**
- Section 5 Nonapparent and/or Apparent Valid EIV Income Discrepancies
- **Section 6 Apparent Valid EIV Income Discrepancies**



## **Section 1**

## Understanding the Income Discrepancy Report

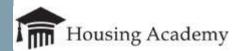
#### Income Discrepancy Report Use and Retention Requirements



#### Owners **must**:

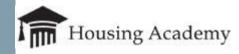
- □ Print and review the Income Discrepancy Report:
  - At time of recertification (annual and interim) of family composition and income
  - Within 90 days after transmission of a Move-In or Initial Certification to TRACS
  - At other times as indicated in the Owner's EIV Policies and Procedures
- □ Retain the Income Discrepancy Report in the Tenant File for Term of Tenancy, plus 3 years

## Income Discrepancy Report Purpose



- Identifies households where there is a difference of \$2,400 or more annually in wages, unemployment compensation and/or Social Security Administration benefits for the Period of Income (POI) as a result of the match between the data in TRACS and EIV
- Identifies tenants whose income may have been under- or over-reported, which causes improper subsidy payments
  - Negative numbers represent potential tenant under-reporting of income
  - Positive numbers represent potential tenant over-reporting of income and/or management error
    - □ In either case, the Owner must investigate all discrepancies identified to determine whether or not they are valid

#### Wage, Unemployment and Social Security Income in TRACS



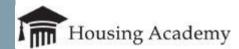
As a reminder, wage, unemployment and Social Security income

in TRACS includes:

TRACS Income Code	Type of Income
В	Business
F	Federal Wage
M	Military Pay
W	Nonfederal Wage
U	Unemployment
SS	Social Security
SSI	Supplemental Security Income

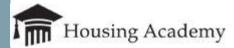
Other income the household receives (such as welfare/TANF benefits, SSP (State Supplement Program) Payments, child support, alimony, recurring gifts, wages not included in the NDNH database, most pensions, etc.), may be reported as annual income in TRACS; however, it is not used for the income discrepancy analysis in EIV

#### The Income Discrepancy Report is a Tool



- The Income Discrepancy Report is a tool to alert Owners that there may be a discrepancy in the income reported by the tenant during the Period of Income (POI)
- Owners must investigate and document all discrepancies identified to determine whether or not they are valid
- Owners are not expected to reconcile dollar amounts to the penny when resolving income discrepancies
  - HUD regulation 24 CFR 5.236(2) prohibits Owners from taking adverse action against an individual based solely on the data in EIV. Adverse action includes, but is not limited to, suspending, terminating, reducing or making a final denial of rental assistance

#### Income Discrepancy Report Rules



#### Owners **must**:

- Print the Income Discrepancy Report at the same time as they print the Income Report
  - Each week a completely new Income Discrepancy Report is generated based on the current information in EIV for a tenant and the old (Income Discrepancy) report is over-written with the current data
- Review and resolve any discrepancies in income reported on the Income Discrepancy Report with the tenant at the time of recertification or within 30 days of the Income Report date
  - Any unreporting, under-reporting or over-reporting of income by the tenant and reported on current or historical forms HUD-50059 must be identified
- Retain the Income Discrepancy Report along with detailed information on the resolution of the reported discrepancy in the tenant file (for term of tenancy, plus 3 years) regardless of whether the income discrepancy is found to be valid or invalid

Chapter 8, Paragraph 8-20.A.2, Chapter 9, Paragraph 9-8.C and 9-11.C.2

## Income Discrepancy Report Example



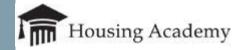


1	Summary or Income or Income I Report Report Re	Discrepancy eport	y a Certification Page
	Head of Household Information		
	Name:	JANE SMITH	4
	Social Security Number:	***-**-1234	
	Contract Number	MA01M1000	000
	Project Number		
	Project:	ABC HOUSI	NG
	Effective Date of Action:	04/01/2014	
	Next Re-certification Date:	04/01/2015	
	Projected Annual Wages and Benefits from Form HUD-50059:	\$15,440.00	Note
	Period Of Income for Discrepancy Analysis	01/01/2013 -	12/31/2013
	Discrepancy Analysis	Actuals	Annualized Last Quarter
	Reported Annual Wages and Benefits from EIV Data:	\$9,422.00	\$11,659.51
	Amount of Annual Income Discrepancy:	\$6,018.00	\$3,780.49
	Amount of Monthly Income Discrepancy:	\$501.50	\$315.04
	Percentage of Income Discrepancy:	63.87%	32.42%

Note: Negative numbers represent potential under reporting of income. Please discuss this income discrepancy with the tenant. Positive numbers represent potential decrease in tenant income.

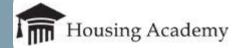
Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.

#### How EIV Calculates Income Discrepancies



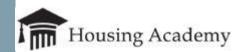
The EIV system compares the tenant's projected next year's income as reported in TRACS to the actual income data compiled by EIV in order to determine whether or not to generate an Income Discrepancy Report for a household

#### **Effective Date of Action**



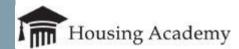
- Effective Date of Action = the effective date of the current, active form HUD-50059 reported in TRACS (at the time of the computer match) for the identified tenant
  - This date is used to calculate the Period of Income (POI) start and end dates
  - In example: Effective Date of Action = 04/01/2014

### Period of Income for Discrepancy Analysis Academy



- **Period of Income (POI) for Discrepancy Analysis** = Timeline reference governing the collection of data used to determine whether or not a discrepancy exists between projected household income (as reported in TRACS) and actual income (EIV income data available at the time the projection is made)
  - The POI is established in order to gather the actual income data and compare it to the projected income, the results of the comparison determine whether a discrepancy exists for a household
    - The POI start date is 15 months prior to the effective date of the current, active form HUD-50059 reported in TRACS (listed as the Effective Date of Action)
    - The POI end date is 3 months prior to the effective date of the same current, active form HUD-50059 reported in TRACS
      - In example: POI = 01/01/2013 12/31/2013

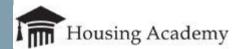
## Projected Annual Wages and Benefits



- Projected Annual Wages and Benefits from Form HUD-50059 = All wages, unemployment compensation, SS and SSI benefits reported on form HUD-50059 submitted by the Owner (or Service Bureaus on behalf of the Owner) to TRACS
  - Data from households whose identity match with SSA either failed or is still pending will not be included in this calculation
  - Projected income information is used as the baseline for the discrepancy calculation, which ultimately determines if EIV generates an Income Discrepancy Report for a household
    - Per Exhibit 9-7: The most current form HUD-50059 with an action type of MI,
       AR, IR or IC that falls within the timeline of 3 to 15 months prior to the Effective
       Date of Action is used as the source for projected income information
    - Experience has shown: the current, active form HUD-50059 reported in TRACS, listed as the Effective Date of Action, is used as the source for projected income information
      - ☐ In example: Projected Annual Wages = \$15,440.00

Exhibit 9-7: How EIV Calculates Income Discrepancies

### Reported Annual Wages and Benefits



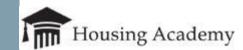
- Reported Annual Wages and Benefits from EIV Data: Amounts reportable in EIV from the SSA database (including SS, SSI, and Dual Entitlement benefits) and NDNH (including wages, W-4, and unemployment compensation)
  - A household's actual income from EIV data is compared to their projected income as reported on form HUD-50059 in TRACS to evaluate the accuracy of an income projection
  - In example:
  - Actual Reported Annual Wages and Benefits from EIV Data = \$9,422.00

    Amount of (Actual) Annual Income Discrepancy = \$6018, Amount of (Actual) Monthly Income Discrepancy = \$501.50, Percentage of Income Discrepancy = 63.87%
  - Annualized Last Quarter Reported Annual Wages and Benefits from EIV Data = \$11,659.51
    - Amount of (Annualized Last Quarter) Annual Income Discrepancy = \$3780.49, Amount of (Annualized Last Quarter) Monthly Income Discrepancy = \$315.04, Percentage of Income Discrepancy = 32.42%

**Note:** An Owner will receive an Income Discrepancy Report for a household if there is a \$2400 or more difference between the Projected Income and **either** the Actual or Annualized Last Quarter (Reported) Income

Exhibit 9-7: How EIV Calculates Income Discrepancies

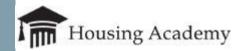
#### Calculating Income Discrepancies



- □ EIV's income discrepancy calculation consists of the following:
  - Determine the Effective Date of Action
  - Determine the Period of Income (POI) for Discrepancy Analysis
  - Capture the Projected Annual Wages and Benefits from Form HUD-50059
  - Capture the Actual and Annualized Last Quarter Reported Annual Wages and Benefits from EIV Data
  - Begin the discrepancy evaluation process:
    - First evaluation = Entire period of consideration
      - Projected Annual Wages and Benefits from Form HUD-50059 data in TRACS –
         Reported Annual Wages and Benefits (as derived) from EIV Data
    - Second evaluation = Last quarter of period of consideration
      - ☐ Actual EIV Income = final quarter income data x 4 quarters
      - Projected Annual Wages and Benefits from Form HUD-50059 data in TRACS Actual EIV Income
  - Compare the results of the first and second discrepancy evaluation to determine if either number exceeds the discrepancy cutoff threshold of \$2,400
    - If yes, an EIV Income Discrepancy Report is generated for the household
    - ☐ If no, an EIV Income Discrepancy Report is not generated for the household

Exhibit 9-7: How EIV Calculates Income Discrepancies

## EIV Compares an Apple to an Orange



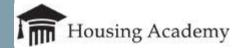
- We ran and printed Jane's EIV Income Report on 12/01/2014, which is 120 days prior to her 04/01/2015 Annual Recertification, on the same schedule as the First Reminder Notice
- Per Jane's EIV Income Discrepancy Report:
  - ☐ Effective Date of Action = '04/01/2014'
  - □ Projected Annual Wages and Benefits from Form HUD-50059 = \$15,440
    - ☐ We conducted Jane's recertification interview on 12/30/2013 in order to process her 04/01/2014 Annual Recertification
    - At that time, we collected the following current, consecutive weekly pay stubs to calculate Jane's projected income:
      - □ 12/06/2013, 12/13/2013, 12/20/2013, and 12/27/2013
  - □ Period of Income for Discrepancy Analysis = '01/01/2013-12/31/2013'
  - Actual Reported Annual Wages and Benefits from EIV Data = \$9,422
  - □ Annualized Last Quarter Reported Annual Wages and Benefits from EIV Data = \$11,659.51
  - □ The Projected vs. Actual Income compared by EIV (to determine if an Income Discrepancy Report is generated for Jane) only overlaps from 12/02/2013 12/27/2013
- □ The Projected vs. Actual Income compared will only overlap for a short period of time and/or won't overlap at all (in the case of an Interim Recertification)
- □ This alone causes invalid EIV income discrepancies; however, Owners **must** still investigate and document all discrepancies identified to determine whether or not they are valid



## **Section 2**

## Overview of HUD's Requirements for Investigating and Documenting EIV Income Discrepancies

#### **HUD's Requirements for EIV Income Discrepancies**



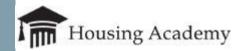
- Owner's **must**:
  - Investigate (and document) ALL discrepancies identified on the (Income Discrepancy) report to determine whether or not the discrepancy is valid
  - Identify ANY unreporting, under-reporting or over-reporting of income by the tenant and reported on current or historical forms HUD-50059
- □ The Income Discrepancy Report is a tool to alert Owners that there may be a discrepancy in the income reported by the tenant during the Period of Income (POI). The Owner is not expected to reconcile dollar amounts to the penny when resolving discrepancies.

#### Unreported and/or Underreported Income



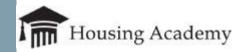
- If the Owner determines one (or more) household member unreported and/or under-reported his/her income (during the Period of Income), the Owner must:
  - Go back to the time the unreported or under-reporting of income started, not to exceed the 5-year limitation that the tenant was receiving assistance described on forms HUD-9887 and HUD-9887-A
  - Charge the tenant for the difference between the rent the tenant should have paid and the rent he/she was actually charged

#### The 5-Year Limitation



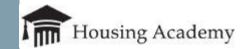
- A tenant must reimburse the Owner for the total overpayment back to the time the overpayment of assistance started, not to exceed the 5-year limitation that the tenant was receiving assistance discussed in forms HUD-9887 and HUD-9887-A. This 5-year limitation applies to all overpayments of assistance and is not limited to errors found using EIV.
  - ☐ Applicable language in form HUD-9887:
    - "This consent is limited to wages and unemployment compensation you have received during period(s) within the last 5 years when you have received assisted housing benefits."
  - ☐ Applicable language in form HUD-9887-A:
    - "The O/A may not make inquiries into information that is older than 12 months unless he or she has received inconsistent information and has reason to believe that the information that you have supplied is incorrect. If this occurs, the O/A may obtain information within the last 5 years when you have received assistance."

#### **Policy Considerations**



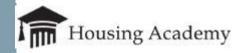
- The Handbook does not provide clear step by step guidance on how to investigate and document EIV income discrepancies
- In this training, we make recommendations on how to determine if an EIV income discrepancy is valid or invalid. These recommendations are based on our interpretation of the guidance in the Handbook and practical experience.
- Please consult the Compliance Department (at the company for which you work), your Contract Administrator and/or local HUD Field Office when establishing a policy for investigating and documenting EIV income discrepancies
- In order to ensure Fair Housing compliance, we recommend that Owners develop an EIV Income Discrepancy Workflow and apply it consistently to all households
- In order to resolve an EIV income discrepancy, an Owner **must** investigate and document his/her findings in the tenant file (including applicable citations from the Handbook, Federal Register and/or 3<sup>rd</sup> party verifications) for all household members

#### Disclaimer



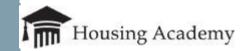
- Each and every EIV income discrepancy is unique
- In order to conclude an EIV income discrepancy investigation, all documents contained in the tenant file must indisputably support the determination of the Owner.
- An Owner should never conclude an EIV income discrepancy investigation until and unless all documentation (required to make a determination of valid or invalid) has been received and/or thoroughly reviewed
- If an Owner is unable to confidently make a determination (of valid or invalid) and/or fully document his/her decision using the detailed steps provided in this training, he/she should seek further guidance from the Compliance Department (at the company for which he/she works), his/her Contract Administrator and/or the local HUD Field Office Important Note: An Owner should always be mindful of regulations and/or lease provisions (e.g., VAWA and/or reasonable accommodations) that effect how an Owner should proceed when investigating and documenting an EIV income discrepancy

#### **Owner Retention of Administrative Fees**



- HUD recognizes the financial and administrative burden of investigating and documenting discrepancies and/or possible errors
- Owners may retain a portion of the repayments they actually collect from tenants to defray the cost of pursuing these cases. Owners may only retain an amount to cover their actual costs, which is the lesser of:
  - ☐ The actual costs; or,
  - Twenty percent (20%) of the amount received from the tenant

#### **Tracking Administrative Time**



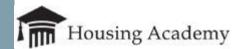
- It is a **good business practice** to create an EIV income discrepancy case file checklist and log each and every meeting, conversation, phone call, email, action, etc. of the EIV income discrepancy investigation/resolution process through to completion to justify retention of administrative fees, if applicable
  - Examples of what constitutes administrative time includes:
    - Initial review of EIV Income and Income Discrepancy Reports
    - Preparation of notices and other documents pertaining to the discrepancy investigation
    - All communication (meetings, phone calls, notices, e-mails, faxes, etc.) with other staff member(s), tenant(s), third party income source(s), HUD and/or a Contract Administrator, etc. pertaining to the discrepancy investigation and resolution, negotiating the repayment agreement, and collecting retroactive rent
      - Record time for each individual staff member; for example a ten minute conversation between a manager and his/her regional manager would be recorded as twenty minutes, or ten minutes per person



## **Section 3**

Determining if an EIV Income Discrepancy is Valid or Invalid

## Our Goal Throughout This Training



- Each and every EIV income discrepancy is unique; therefore, the overall goal of our training is to teach an EIV Income Discrepancy Workflow that can be applied to all income discrepancy cases that an Owner must investigate and document
- To accomplish this, first we grouped EIV income discrepancies into one of three categories:

#### Apparent Invalid

Income discrepancies for which an Owner is able to conduct a brief investigation of the EIV Income Reports and most current form HUD-50059 with an action type of MI, AR, IR or IC that falls within the Period of Income, including 3<sup>rd</sup> party verifications, to determine that there is an apparent explanation as to why the EIV income discrepancy is invalid for the household

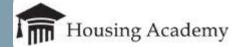
#### Nonapparent and/or Apparent Valid

Income discrepancies for which an Owner must continue his/her investigation by reviewing all form HUD-50059s with an action type of MI, AR, IR or IC that fall within the Period of Income, including 3<sup>rd</sup> party verifications, as well as potentially obtain additional documents in order to either determine that there is an apparent explanation as to why the EIV income discrepancy is invalid or see the EIV income discrepancy through to completion

#### Apparent Valid

Income discrepancies for which an Owner identifies unreporting and/or underreporting of income and must determine when it started as well as calculate the difference between the amount of rent the tenant should have paid and the amount of rent the tenant was charged

### EIV Income Discrepancy Triangle



We will start sections 3-5 of this training by reviewing the applicable section of the EIV Income Discrepancy Triangle, which is a visual aid that we created to serve as a simple representation of the Owner's overall goals when investigating and documenting EIV income discrepancies

#### EIV Income Discrepancy Report is Generated: Begin checklist, begin tracking time

#### Apparent Invalid

Review EIV Inc. and Inc. Disc. Rpt, most current 59 and 3<sup>rd</sup> party income verifications within POI Determine: is discrepancy invalid?

If yes, document findings, cite Handbook, Fed. Register and/or 3<sup>rd</sup> party verifications, conclude investigation

If no, continue investigation

#### Nonapparent

#### OR

#### Apparent Valid

Review all 59s, 3<sup>rd</sup> party & back-up docs w/in POI, send 10-day letter, conduct tenant meeting, obtain detailed wage printouts and/or benefit stmts for POI

## Determine: is discrepancy invalid? If yes, document findings, cite Handbook, Fed. Register and/or 3<sup>rd</sup> party verifications, conclude investigation

If no, continue investigation

#### Apparent Valid

Determine: Did discrepancy begin prior to the start date of the POI?

If yes, obtain add. wage printouts/benefit stmts for 5 years for discrepant source(s)

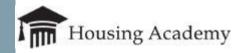
Complete calculations, create new and/or correction 59s, meet with household to sign 59s and secure repayment agreement. Document findings, cite

Handbook and/or Fed.

Register, conclude

inv.

## Detailed Steps to Investigate and Document EIV Income Discrepancies



Second, we will present our best practice recommendations for investigating and documenting EIV income discrepancies in a detailed step by step format

#### Detailed Steps to Investigate and Document EIV Income Discrepancies

**NOTE:** Log all administrative time spent as part of the investigation/resolution process (review of the EIV Reports, review of the tenant file, all communications with the tenant and/or other involved parties including phone calls, emails, in-person conversations, corrective actions, etc.)

- Review the EIV Income Discrepancy Report, note the following (on the EIV Income Discrepancy Worksheet):
  - a. Effective Date of Action
  - Projected Annual Wages and Benefits from Form HUD-50059
    - This is the gross annual income for the **household** from income sources reportable in EIV based on the form HUD-50059 listed as the Effective Date of Action
  - Period of Income (POI) for Discrepancy Analysis (12 month period beginning 15 months prior to the Effective Date of Action)
  - d. Actual Reported Annual Wages and Benefits from EIV Data
    - This is the gross annual income for the household from income sources reportable in EIV for the Period of Income
      - When there is a difference of \$2,400 or more between the Projected and either Actual or Annualized Last Quarter Reported Annual Wages and Benefits, an EIV Income Discrepancy Report is generated
- Determine and review the most current form HUD-50059 with an action type of MI, AR, IR or IC that falls within the Period of Income, note the following (on the EIV Income Discrepancy Worksheet):
  - a. Projected income as reportable in EIV
    - As a reminder, reportable income includes business income, federal wages, military pay, nonfederal wages, unemployment, Social Security benefits, and Supplemental Security Income

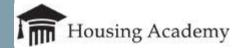
## Use of Examples to Demonstrate How to Apply the Detailed Steps



- Third, we will demonstrate how to apply the detailed steps for investigating and documenting EIV income discrepancies by discussing examples of income discrepancy cases as they relate to each of the three categories:
  - Apparent Invalid
  - Nonapparent and/or Apparent Valid
  - Apparent Valid

#### Trigger Action Decision Diagram

**Decision Point:** 



Finally, we will conclude sections 3-5 by reviewing the applicable section of the **Trigger Action** Decision diagram, which is another visual that we created to summarize our best practice recommendations for investigating and documenting EIV income discrepancies

EIV Income Discrepancy Investigation and Resolution Workflow				
Conclusion:	All EIV Income Discrepancies require investigation and documentation (regardless of whether or not they are valid). We recommend that documentation to resolve an EIV income discrepancy include the following: detailed notes as to the Owner's findings from the investigation, Handbook and/or Federal Register citations, references to any 3 <sup>rd</sup> party verifications (used to make a determination) and income and/or rent calculations, as applicable.			
Trigger:	Owner receives an EIV Income Discrepancy Report for a household.			
Action:	Owner reviews the EIV Income Discrepancy Report and notes the Period of Income (POI) and Actual Reported Annual Wages and Benefits.			
	Owner determines and reviews the most current form HUD-50059 with action type of MI, AR, IR or IC that falls within the POI and notes the projected income.			
Decision Point:	Is Owner able to determine that the difference between actual and projected income is less than the discrepancy cutoff threshold of \$2,400? If yes, Owner concludes investigation. If no, Owner proceeds with investigation.			
Trigger:	Owner is not able to determine that the difference between actual and projected income is less than the discrepancy cutoff threshold of \$2,400.			
Action:	Owner reviews and compares the EIV Income Report to the most current form HUD-50059 (that			

Is Owner able to determine that there is an apparent explanation as to why the EIV income

discrepancy is invalid? If yes, Owner concludes investigation. If no, Owner proceeds with

falls within the POI) and 3rd party verifications.

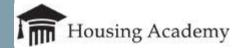
investigation.

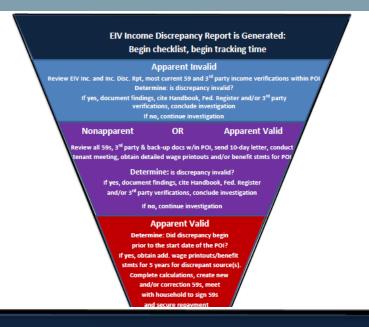


## Section 4

## Apparent Invalid EIV Income Discrepancies

#### **EIV Income Discrepancy Workflow**





#### EIV Income Discrepancy Report is Generated: Begin checklist, begin tracking time

#### **Apparent Invalid**

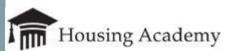
Review EIV Inc. and Inc. Disc. Rpt, most current 59 and 3<sup>rd</sup> party income verifications within POI

Determine: is discrepancy invalid?

If **yes**, document findings, cite Handbook, Fed. Register and/or 3<sup>rd</sup> party verifications, conclude investigation

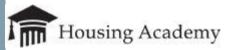
If **no**, continue investigation

## Steps to Resolve and Document an EIV Income Discrepancy



- Review the EIV Income Discrepancy Report, note the following (on the EIV income discrepancy case file checklist): **Effective Date of Action** Projected Annual Wages and Benefits from Form HUD-50059 This is the gross annual income for the **household** from income sources reportable in EIV based on the form HUD-50059 listed as the Effective Date of Action Period of Income (POI) for Discrepancy Analysis This is the 12 month period beginning 15 months prior to the Effective Date of Action Actual Reported Annual Wages and Benefits from EIV Data This is the gross annual income for the household from income sources reportable in EIV for the **Period of Income** Annualized Last Quarter Reported Annual Wages and Benefits from EIV Data This is the gross income annualized for the household from income sources reportable in EIV based on the last quarter of the Period of Income
  - When there is a difference of \$2,400 or more between the Projected and either Actual or Annualized Last Quarter Reported Annual Wages and Benefits from EIV Data, an Income Discrepancy Report is generated

## Exhibit 9-7: How EIV Calculates Income Discrepancies Housing Academy



#### Identifying Projected Income

Projected income information is used as the baseline for discrepancy calculations. It is derived from the form HUD-50059 records stored in the TRACS database. The income projected information is used to determine whether or not a given household should have an Income Discrepancy Report. The determination is made using the following evaluation criteria.

- Selected form HUD-50059 records will come directly from the current TRACS database. There is no need to access the TRACS database to obtain projected household income information.
- EIV will review the current TRACS database to locate the most current form HUD-50059 record for a household that falls in the timeline of 3 to 15 months.
- Prior to the Effective Date of Action. The most recent record falling within that timeline is used as the source for projected income information.
- Form HUD-50059 records in TRACS with an effective date that falls within the specified 3 to 15 months timeline, and includes an action type of MI, AR, IR or IC, is included in the Income Discrepancy Report calculations.

Action Types – Included in the Income Discrepancy Report Calculations	Definition
MI	Move In
AR	Annual Recertification
IR	Interim Recertification
IC	Initial Certification

- Data from households that lack SSA verification or that fails the SSA verification will not be included in the calculations.
- If a form HUD-50059 record in TRACS does not meet the qualification criteria, the household is excluded from the Income Discrepancy Report.

#### 5. Calculating Income Discrepancies

Once projected and actual income data have been captured, the discrepancy evaluation process begins. EIV conducts two separate evaluations during the Income Discrepancy Report generation process. The outcome determines whether or not the results should be included in the Income Discrepancy Report.

Income discrepancies are calculated in the following manner:

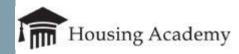
Discrepancy 1 - Entire period of consideration versus income projected is calculated as follows:

(Projected Annual Wages and Benefits from form HUD-50059 data in TRACS) - (Reported Annual Wages and Benefits as derived from EIV data.)

Discrepancy 2 - Last quarter of period of consideration annualized against projection is calculated as follows:

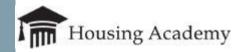
- Actual EIV Income = final quarter income data (prorated as first and final) quarter income in calculating total income for period of income against projection) x 4 quarters.
- Projected Annual Wages and Benefits from form HUD-50059 data in TRACS Actual EIV Income

## Determine the Difference Between Actual / Annualized Last Quarter and Projected Income



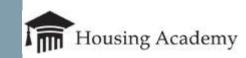
- Determine and review the most current form HUD-50059 with an action type of MI, AR, IR or IC that falls within the Period of Income, note the following (on the EIV income discrepancy case file checklist):
  - Projected income as reportable in EIV
    - As a reminder, reportable sources of income include business income, federal wages, military pay, nonfederal wages, unemployment, Social Security benefits, and Supplemental Security Income
- Subtract Actual Reported Annual Wages and Benefits from EIV Data from projected income from form HUD-50059
- Subtract Annualized Last Quarter Reported Annual Wages and Benefits from EIV Data from projected income from form HUD-50059
- Determine if the difference between both actual and projected income and annualized last quarter and projected income is less than the discrepancy cutoff threshold of \$2,400
- If yes, the Owner may conclude that this is an Apparent Invalid EIV Income Discrepancy (no further investigation is necessary)

## Apparent Invalid EIV Income Discrepancy – Identifying Projected Income



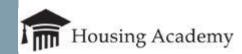
- Best practice recommendations for resolving an Apparent Invalid EIV Income Discrepancy:
  - Add detailed notes to the EIV Income Discrepancy Report and EIV income discrepancy case file checklist to be filed in the tenant file to "tell the story"
    - □ If EIV had used the household's projected income from the most current form HUD-50059 with an action type of MI, AR, IR or IC that falls within the Period of Income, an EIV Income Discrepancy Report would not have been generated because EIV would have compared reported income (on form HUD-50059) to actual and annualized last quarter income (in EIV) for the same time period
  - Cite the Handbook, Federal Register and/or applicable 3<sup>rd</sup> party verifications in the tenant file
  - Conclude the investigation

## Example of Identifying Projected Income for the Same Time Period



Head of Household Information			Effective Date of Action: 06/01/2014
Name:	KEVIN BLACK	,	Projected Annual Wages
Social Security Number:	***-**-1234		and Benefits from Form
Contract Number:	MA01M100000	)	
Project Number:			HUD-50059:
Project:	ABC Housing		\$0.00
Effective Date of Action:	06/01/2014		Period of Income for
Next Re-Certification Date:	06/01/2015		Discrepancy Analysis:
Projected Annual Wages and Benefits from Form			03/01/2013 -
HUD-50059:	\$0.00		02/28/2014
Period Of Income for Discrepancy Analysis	03/01/2013-02	/28/2014	<b>Actual Reported Annual</b>
			<b>Wages and Benefits</b>
Discrepancy Analysis	Actuals	Annualized Last	from EIV Data:
Reported Annual Wages and Benefits from EIV		Quarter	\$14,945.81
Data:	\$14,945.81	\$15,996.75	<b>Annualized Last Quarter</b>
Amount of Annual Income Discrepancy:	(\$14,945.81)	(\$15,996.75)	Reported Annual Wages
Amount of Monthly Income Discrepancy:	(\$1,245.48)	(\$1,333.06)	and Benefits from EIV
Percentage of Income Discrepancy:	(100%)	(100%)	<b>Data</b> : \$15,996.75

## Review Projected Income from the Form HUD-50059 for the Same Time Period



#### Form HUD-50059's Processed for Household per Tenant File / Property Mgmt Software

**During the Period of Income:** 

06/01/2013 AR

**11/01/2013 IR** – projected income = \$15,336

Form HUD-50059 Listed as Effective Date

of Action:

**06/01/2014 AR** – projected income = \$0

The most current form HUD-50059 with an action type of MI, AR, IR or IC that falls within the Period of Income of 03/01/2013 – 02/28/2014 is 11/01/2013's IR. This certification, which reports a projected income of \$15,336, was processed within the same time period as the Period of Income used to calculate the Actual Reported Annual Wages and Benefits from EIV Data.

**\$15,336 - \$14,945.81 = \$390.19** \$390.19 < EIV's discrepancy cutoff threshold of \$2,400

**\$15,336 - \$15,996.75 = \$(660.75)** \$660.75 < EIV's discrepancy cutoff threshold of \$2,400

_				_													
					S	ect	ion B. S	Sun	nmary Info	rmation							
	1.	Project Name	ABC Housing				re Date	hor F	)ata	11/01/20 04/01/20		21. Unit Nur 22. No. of B		ms			111 2
	Subsidy Type 1-Sec 8     Secondary Subsidy Type     Property ID				13. Anticipated Voucher Date 14. Next Recertification Date				06/01/20		23. Building ID 24. Unit Transfer Code 25. Previous Unit No.						
	Project Number     Contract Number     MA01M100000		1	16. Certification Type				06/23/20	08 IR	26. Security Deposit 27. 236 Basic/BMIR Rent				401			
	7. Project iMAX ID TRACM12343 8. Plan of Action Code 9. HUD-Owned Project?			1	8. Co 9. El	orrect V Ind	tion Type licator					30. Utility Allowance			2,621 93		
l		Previous Housing Code Displacement Status C		2			ubsidy Typ					31. Gross R 32. TTP at F		onvers	ion		2,714
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	33. No.	34. Last Name	35. First Name	3		38. Sex	39. Race	40. Eth	41. Birth Date	42. Special Status	4 3. Sto	44. ID Code	45. SSN Excp	46. Ctzn Code	47. Alien Reg. Number	48. Age	49. Work Codes
	02	Black Black Black	Kevin Mary Luke		H S D	M F M	A A A	2 2 2	01/02/1956 05/01/1955 09/02/1997			012-34-5678 876-54-3210 121-33-4545		EC EC EC		57 58 16	
		Black	Paul		D	M	A	2	12/01/2000			989-77-6565		EC		12	
-	08	Family has Mobility Dis	ability?				er of Family			4	57	'. Expected Fa	amily A	Addition	-Adoption		0
	50. Family has Mobility Disability? 51. Family has Hearing Disability? 52. Family has Visual Disability?			5	54. Number of Non-Family Members 55. Number of Dependents 56. Number of Fligible Members				0 2 4	58	B. Expected Fa	amily /	Addition	n - Pregnancy		0	

- 60. Previous Head Last Name
- 61. Previous Head First Name
- 62. Previous Head Middle Initial

Total Non-Asset Income

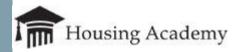
- 63. Active Full Cert. Effective Date
- 64. Previous Head ID
- 65. Previous Head Birth Date

	Section D. Incon	Section E. Asset Information							
66. Mbr. No.	67. Income Type Code	68. Amount	69. SSN Benefits Claim No.	75. Mbr. No.	76. Description	77. Status	78. Cash Value	79. Actual Yearly Income	80. Date Divested
1	W= Non-Fed. Wage	256		1	Checking BOA 1234	С	595	0	
1	U= Unemployment	15,080							
	TO Take Complement In		255		Od Takel Cook Volume				
	<ol> <li>Total Employment In</li> <li>Total Pension Incom</li> </ol>		256 0		<ol> <li>81. Total Cash Value o</li> <li>82. Actual Income fron</li> </ol>		-	0	
	<ul><li>72. Total Public Assistan</li><li>73. Total Other Income</li></ul>	ice Income	0 15,080		83. HUD Passbook Ra 84. Imputed Income fr		ets 0.0	0 0	

85. Asset Income

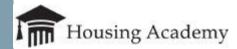
56. Number of Eligible Members

## Resolution for an Apparent Invalid EIV Income Discrepancy– Identifying Projected Income



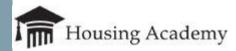
- EIV Income Discrepancy Resolution:
  - Add detailed notes to the EIV Income Discrepancy Report and EIV income discrepancy case file checklist to be filed in the tenant file to "tell the story"
    - □ If EIV used projected income from the most current form HUD-50059 with an action type of MI, AR, IR or IC that fell within the Period of Income, an EIV Income Discrepancy Report would not have been generated for the household
      - Include the calculation in the tenant file
  - Cite the Handbook (to support the resolution)
    - □ Per Exhibit 9-7 (pages 1-2) EIV will review the current TRACS database to locate the most current form HUD-50059 record for a household that falls in the timeline of 3 to 15 months prior to the Effective Date of Action. The most recent record falling within that timeline is used as the source for projected income information.
  - Conclude the investigation (for the household)
    - ☐ If EIV used projected income from the form HUD-50059 detailed in the Handbook, an EIV Income Discrepancy Report would not have been generated for the household. There is an apparent explanation as to why the EIV Income Discrepancy is invalid for the entire household.

## Review the EIV Income Report



- Review the EIV Income Report, note the following (on the EIV income discrepancy case file checklist):
  - Make a list of each household member's source of income, start date(s) (if available), and amount(s) as reported in EIV
    - The Income Report details all reportable sources of income (Employment, Unemployment, Social Security benefits, Dual Entitlement benefits, Medicare data and Supplemental Security Income) that each household member receives, regardless of age
      - ☐ The first person listed on the Income Report is the Head of Household
      - If a household member has no Employment Information, this box will state 'EIV received no Employment (W4) data'. Likewise, if there is no Wages Information, the EIV Income Report will state 'EIV received no income data'; if there is no Unemployment, Social Security, Dual Entitlement, Medicare, and/or Supplemental Security Income data, the EIV Income Report will state 'EIV received no benefit data'

#### **Review the Most Current Form HUD-50059**



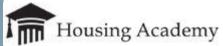
- Review the most current form HUD-50059 with an action type of MI, AR, IR or IC that falls within the Period of Income, note the following (on the EIV income discrepancy case file checklist):
  - By household member, make a list of:
    - Form HUD-50059: Source(s) and amount(s) of projected income as reportable in EIV (which includes business income, federal wages, military pay, nonfederal wages, unemployment, Social Security benefits, and Supplemental Security Income)
    - □ 3<sup>rd</sup> Party Verification(s): Source(s), start date(s) and averaged, annualized amount(s) of projected income from either the verification letter(s), tenant provided pay stubs, and/or EIV Income Report, as applicable
      - Be mindful of any circumstance(s) that warrants a 30-day notice of rent increase. Make a note of new and/or increased income start date(s), reported date(s), and (re)certification(s) effective date(s)

#### Apparent Invalid EIV Income Discrepancy – New Income, SSI State Supplement Program Payments, Pensions



- Determine if there is an apparent explanation as why the EIV income discrepancy is invalid
- If yes, the Owner may conclude that this is an Apparent Invalid EIV Income Discrepancy (no further investigation is necessary)
- Best practice recommendations for resolving an Apparent Invalid EIV Income Discrepancy:
  - Add detailed notes to the EIV Income Discrepancy Report and EIV income discrepancy case file checklist to be filed in the tenant file to "tell the story"
    - ☐ (Examples include: new income requiring a 30 day notice of rent increase, SSI State Supplement Program (SSP) Payments administered/paid by the state, pensions coded in EIV as wages)

## Apparent Invalid EIV Income Discrepancy – New Income, SSI State Supplement Program Payments, Pensions (Con't)



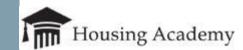
9		ate dapplement i regiani i ayments, i ensions (con t)
	Cite	the Handbook, Federal Register and/or applicable 3 <sup>rd</sup> party verifications in the tenant file New Income: HUD rule states that if the tenant complies with interim reporting requirements, the Owner must provide a 30 day notice of rent increase (4350.3, REV-1, Change 4, Chapter 7, Daragraph 7, 13, C, 1)
		Paragraph 7-13.C.1)  Provide a detailed timeline, include calculations and reference supporting documentation to detail that the tenant complied with Interim reporting requirements
		SSI State Supplement Program (SSP) Payments: Recipients of SSI may be eligible for additional benefits from the state in which they reside, through the State Supplement Program (SSP). SSP provides state-funded assistance to aged, blind and disabled individuals. Historically, the Social Security Administration (SSA) included SSP payments with the Federal benefits each month, or paid them separately if a recipient was not entitled to a Federal benefit. Currently, states may elect to make SSP payments directly to recipients through a state agency instead of through the SSA. SSP payments that are paid directly by the state are not reported in EIV (https://secure.ssa.gov/poms.nsf/lnx/0501405001).
		<ul> <li>Include the calculations and reference supporting documentation to detail that the tenant reported SSP payments as required by HUD rules; however, this income is not reported in EIV</li> <li>Pensions coded in EIV as wages: Per the MAT User's Guide, pensions include veterans pensions, military retirement, and income from all other pensions and annuities and are coded as PE on the form HUD-50059/50059-A (Chapter 5, 5.5 MAT10 Section 4: Income Record, Definitions and Edit for MAT Field 4)</li> <li>Include the calculations and reference supporting documentation to detail that the tenant reported income from a pension(s) as required by HUD rules</li> </ul>

Conclude the investigation (as it pertains to the specific household member)

Important Reminder: All household members must be documented in the final EIV Income

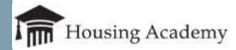
Discrepancy Resolution

#### Add the Amount of Excluded Income to Projected Income



- Determine if one or more household member qualifies for an allowable exclusion from income
- If yes, add the amount of actual income (earned by the household member with the allowable exclusion) to the projected income reported on the most current form HUD-50059 with an action type of MI, AR, IR or IC that falls within the Period of Income
- □ Subtract Actual Reported Annual Wages and Benefits from EIV Data from Projected Income from Form HUD-50059 (which now includes the amount of actual income (earned by the household member with the allowable exclusion))
- Determine if the difference (between actual and projected income) is less than the discrepancy cutoff threshold of \$2,400
  - If the amount of actual income (earned by the household member with the allowable exclusion) was included in projected income reported on the most current form HUD-50059, the Owner would not have received an EIV Income Discrepancy Report for the household
- If yes, the Owner may conclude that this is an Apparent Invalid EIV Income Discrepancy (no further investigation is necessary)

### **Examples of Allowable Exclusions from Income**



#### **Full-Time Dependent Students:**

- The Handbook states "count only earned income up to a maximum of \$480 per year for full-time students, age 18 or older, who are not the head of the family, spouse or co-head." Therefore, the form HUD-50059(s) for a verified full-time student will reflect a maximum of \$480 for earned income. [Chapter 5, Paragraph 5-6.A.3.d]
- EIV reports all gross employment income earned regardless of HUD's Student Rule

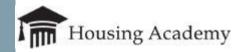
#### **Income from HUD-Funded Training Programs:**

- The Handbook states "amounts received under HUD-funded training programs are excluded from annual income." Under certain circumstances, income from state and local government funded training programs are also excluded. As such, the form HUD-50059(s) will not reflect excludable sources of income. [Chapter 5, Paragraph 5-6.M.1-2]
- EIV reports all gross employment income earned regardless of whether or not the income is received from a HUD-funded training program

#### **Income from Employment of Children (Including Foster Children):**

- The Handbook states "income from employment of children (including foster children) under the age of 18 years" is excluded from annual income. As such, the form HUD-50059(s) will not reflect excludable sources of income. [Chapter 5, Paragraph 5-4.B, Exhibit 5-1: Income Exclusions]
- EIV reports all gross employment income earned, regardless of age

## **Apparent Invalid EIV Income Discrepancy – Allowable Exclusions from Income**



- Best practice recommendations for resolving an Apparent Invalid EIV Income Discrepancy:
  - Add detailed notes to the EIV Income Discrepancy Report and EIV income discrepancy case file checklist to be filed in the tenant file to "tell the story"
    - EIV reports all gross employment income earned whereas a form HUD-50059(s) does not report allowable exclusions from income
  - ☐ Cite the Handbook, Federal Register and/or applicable 3<sup>rd</sup> party verifications in the tenant file
  - Conclude the investigation (as it pertains to the specific household member)

Important Reminder: All household members must be documented in the final EIV Income Discrepancy Resolution

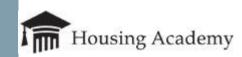
## Example of Identifying Income Earned from Employment of Children



Head of Household Information

Name: Social Security Number: Contract Number: Project Number:	JANE SMITH ***-**-1234 MA01M100000		Effective Date of Action: 09/01/2014 Projected Annual Wages and Benefits from Form HUD-
Project:	ABC Housing		50059:
Effective Date of Action:	09/01/2014		\$23,849.00
Next Re-Certification Date:	09/01/2015		Period of Income for
Projected Annual Wages and Benefits from Form			Discrepancy Analysis:
HUD-50059:	\$23,849.00		06/01/2013 - 05/31/2014
Period Of Income for Discrepancy Analysis	06/01/2013-05/31	1/2014	<b>Actual Reported Annual</b>
			Wages and Benefits from
Discrepancy Analysis	Actuals	Annualized Last	<b>EIV Data</b> : \$32,527.69
Departed Annual Wagon and Banafita from EIV		Quarter	<b>Annualized Last Quarter</b>
Reported Annual Wages and Benefits from EIV  Data:	\$32,527.69	\$32,301.73	Reported Annual Wages and
Amount of Annual Income Discrepancy:	(\$8,678.69)	(\$8,452.73)	Benefits from EIV Data:
Amount of Monthly Income Discrepancy:	(\$723.22)	(\$704.39)	\$32,301.73
Percentage of Income Discrepancy:	(26.68%)	(26.17%)	

#### Review the 50059 to Identify Income Earned from Employment of Children



#### Form HUD-50059's Processed for Household per Tenant File / Property Mgmt Software **During Period of Income:**

09/01/2013 AR - projected income = \$22,852

Form HUD-50059 Listed as Effective Date of Action:

09/01/2014 AR - projected income = \$23,849The most current form HUD-50059 with an action type of MI, AR, IR or IC that falls within the Period of Income of 06/01/2013 - 05/31/2014 is

09/01/2013's AR. This certification, which reports a projected income of \$22,852, was processed within the same time period as the Period of Income used to calculate the Actual Reported Annual Wages and Benefits from EIV Data.

This household consists of:

Head of Household - Jane Smith, who is 50 years of age and Dependent - Emma-Sue Smith, who is 17 years of age

\$22,852 - \$32,527.69 = \$(9,675.69)

22,852 - 32,301.73 = (9,449.73)

(\$9,675.69) and \$(9,449.73) > EIV's discrepancy

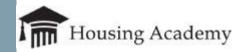
cutoff threshold of \$2,400

The Owner should now determine if \$9,675.69 is roughly the amount of income earned by Emma-Sue, the household member under 18

					Se	ectio	on B. §	umi	mary Infor	rmatio	n						
2. 9	Project Name Subsidy Type Secondary Subsidy Ty	ne .	ABC Housing	13	3. An	nticipa	ve Date ated Vouc Recertificati			09/01/ 05/01/ 09/01/	2015	21. Unit Nu 22. No. of B 23. Building 24. Unit Tra	edroom ID				121 2
4. F 5. F 6. ( 7. F 8. F 9. F	Property ID Project Number Contract Number Project iMAX ID Plan of Action Code HUD-Owned Project? Previous Housing Cod Displacement Status C	le	12345678 MA01M000000 tracm12345	16 17 18	16. Certification Type			25. Previous Unit No.   26. Security Deposit			lo. it R Rent e	125 Rent 2,365 75 2,440					
	int Number				Se	ctio	n C. H	ous	ehold Info	rmatio	n						
33. No.	34. Last Name				37. Rel.	38. Sex	39. Race	40. Eth	41. Birth Date	42. Special Status		44. ID Code (SSN)	45. SSN Excp	46. Ctzn Code		48. Age	49. Work Codes
	Smith Smith	Jane Emma-Sue			H D		B B	1 2	02/01/1963 06/02/1996			111-22-1234 222-11-4321		EC EC		50 17	
03 04 05 06 07 08																	
51. F 52. F 60. F	50. Family has Mobility Disability? 51. Family has Hearing Disability? 52. Family has Visual Disability? 80. Previous Head Last Name			54. 55.	. Nun . Nun	mber mber	of Family of Non-Fa of Depen of Eligible	amily ndents	Members	2 0 1 2	58. 59.	Expected Far Expected Far Expected Far Active Full Ce	mily Add mily Add ert. Effec	dition - dition -	Pregnancy Foster Child	lren	0 0
	Previous Head First Na Previous Head Middle											Previous Hea Previous Hea		Date			
		). Incom	ne Informat	ion	1					Sec	tion	E. Asset	Inforr	natio	n		
66. Mbr. No.	Income Type (	Dode	68. Amount			69. N Ber laim N	nefits N	75. Mbr. No.		76. cription			78. sh Value		9. Actual Yearly Income	80. D Dives	
1	W= Non-Fed. Wage		22,852					1	Checking-B	ank of An	oe	С	84	8	0		
	70. Total Employment Income 22,852 71. Total Pension Income 0 72. Total Public Assistance Income 0 73. Total Other Income 0						82. Actu 83. HUI	al Cash V ual Incom D Passbo	ne from	m Assets		848 0 0.00					

84. Imputed Income from Assets

## Review the Income Report to Identify Income Earned by the Head



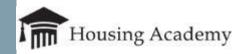
First, confirm Jane's actual income listed on the EIV Income Report as compared to projected income reported on 09/01/2013's AR does not exceed EIV's discrepancy cutoff threshold of \$2,400:

Wages				
Pay Period	Amount		Employer Name and Address	Date Received by EIV
Q3 of 2014	\$5,685.00	12-3456789	RIVERBEND HEALTH COMMITTEE 100 STATE ST, DORCHESTER MA 02125-2322	02/19/2015
Q2 of 2014	\$6,336.00	12-3456789	RIVERBEND HEALTH COMMITTEE 100 STATE ST, DORCHESTER MA 02125-2322	12/02/2014
Q1 of 2014	\$5,601.00	12-3456789	RIVERBEND HEALTH COMMITTEE 100 STATE ST, DORCHESTER MA 02125-2322	08/26/2014
Q4 of 2013	\$6,552.00	12-3456789	RIVERBEND HEALTH COMMITTEE 100 STATE ST, DORCHESTER MA 02125-2322	05/17/2014
Q3 of 2013	\$5,274.00	12-3456789	RIVERBEND HEALTH COMMITTEE 100 STATE ST, DORCHESTER MA 02125-2322	02/20/2014
Q2 of 2013		12-3456789	100 STATE ST, DUNCHESTER MA 02125-2322	11/21/2013
Q1 of 2013	\$5,047.00	12-3456789	RIVERBEND HEALTH COMMITTEE 100 STATE ST, DORCHESTER MA 02125-2322	11/21/2013
Q4 of 2012	\$6,959.00	12-3456789	RIVERBEND HEALTH COMMITTEE 100 STATE ST, DORCHESTER MA 02125-2322	06/04/2013

Because the Period of Income of 06/01/2013 – 05/31/2014 does not coincide with income reporting quarters, prorate one month of Q2 2013 and two months of Q2 2014's income for Jane as follows:

	Quarter	Prorate	Actual	Projected	Difference
НоН	1 mo of Q2 2013	6152/3*1	2050.67		
	Q3 2013		5274.00		
	Q4 2013		6552.00		
	Q1 2014		5601.00		
	2 mo of Q2 2014	6336/3*2	4224.00		
			23701.67	22852.00	849.67

## Review the Income Report to Identify Income Earned by the Dependent



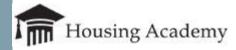
Now determine if Emma-Sue's actual income listed on the EIV Income Report is roughly \$9,675.69:

Wages			
Pay Period	Amount FEIN	Employer Name and Address	Date Received by EIV
Q3 of 2014	\$200.00 98-7654321	AZ3 INC 2761 FRUITLAND AVE, VERNON CA 90058-3607	02/19/2015
Q3 of 2014	\$594.00 <sub>11-2233445</sub>	NORTHEASTERN UNIVERSITY 360 HUNTINGTON AVE, BOSTON MA 02115-5005	02/19/2015
Q2 of 2014	\$1,611.00 98-7654321	A73 INC	12/02/2014
Q1 of 2014	\$2,378.00 98-7654321	AZ3 INC 2761 FRUITLAND AVE, VERNON CA 90058-3607	08/26/2014
Q4 of 2013	\$2,293.00 98-7654321	AZ3 INC 2761 FRUITLAND AVE, VERNON CA 90058-3607	05/17/2014
Q3 of 2013	\$527.00 98-7654321	27011 NOTIEARD AVE, VERNOR ON 30000-0007	02/20/2014
Q3 of 2013	\$2,108.00 12-3344556	ALDO US INC 905 HODGE, VILLE ST LAURENT CANADA QU H4N2B3,	02/20/2014
Q2 of 2013	\$1,333.00 12-3344556	ALDO US INC 905 HODGE, VILLE ST LAURENT CANADA QU H4N2B3,	11/21/2013
Q1 of 2013	\$1,850.00 12-3344556	ALDO US INC '905 HODGE, VILLE ST LAURENT CANADA QU H4N2B-3	11/21/2013
Q4 of 2012	\$1,291.00 12-3344556	ALDO US INC 905 HODGE, VILLE ST LAURENT CANADA QU H4N2B-3	09/10/2013

Because the Period of Income of 06/01/2013 – 05/31/2014 does not coincide with income reporting quarters, prorate one month of Q2 2013 and two months of Q2 2014's income for Emma-Sue as follows:

	Quarter	Prorate	Actual	Projected	Difference
Dep	1 mo of Q2 2013	1333/3*1	444.33		
	Q3 2013		2108.00		
	Q3 2013		527.00		
	Q4 2013		2293.00		
	Q1 2014		2378.00		
	2 mo of Q2 2014	1611/3*2	1074.00		
			8824.33	0.00	8824.33

## Calculate the Difference Between Actual vs Projected Income



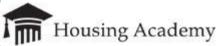
\$22,852 - \$32,527.69 = \$(9,675.69)

\$(9,675.69) > EIV's discrepancy cutoff threshold of \$2,400 The Owner determined that there is only a difference of \$849.67 between actual and projected income for Jane, which is well below EIV's discrepancy cutoff threshold of \$2,400. Furthermore, \$8,824.23 is roughly the amount of income earned by Emma-Sue, the household member under 18.

Actual	Projected	Difference
23701.67	22852.00	849.67
8824.33	0.00	8824.33
32526.00	22852.00	9674.00

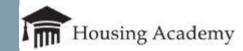
## Resolution for an Apparent Invalid EIV Income Discrepancy - Allowable Exclusions from Incor

**EIV Income Discrepancy Resolution** 



Dis	crep	oancy - Allowable Exclusions from Income	Housing Academy
	ΕIV	Income Discrepancy Resolution:	
		Add detailed notes to the EIV Income Discrepancy Report and	l EIV income
		discrepancy case file checklist to be filed in the tenant file to '	'tell the story"
		□ The amount of income earned by Emma-Sue, the household member exclusion, accounts for the difference between the projected income form HUD-50059 with an action type of MI, AR, IR or IC that falls within Income and actual income (as reported in EIV)	on the most current
		Cite the Handbook and 3 <sup>rd</sup> party verifications (to support the	resolution)
		<ul> <li>Per Chapter 5, Paragraph 5-4.B, Exhibit 5-1: Income Exclusions: Income of children (including foster children) under the age of 18 years is excl</li> <li>Include the calculation in the tenant file</li> </ul>	• •
		Conclude the investigate (as it pertains to the specific househ	old member)
		The amount of income earned by Emma-Sue, the household member exclusion, accounts for the difference between projected and actual in household; therefore, we feel that the Owner is able to conclude the I discrepancy investigation	with the allowable ncome for the entire
		Note: If an additional household member(s) with earned income a contributing to the EIV income discrepancy, the Owner <b>should</b> invedocument that individual(s) (to confirm that he/she has reported a by HUD) before concluding the EIV income discrepancy investigation	estigate and all income as required
		Important Reminder: All household members must be docume	

## **Summary of Workflow for Apparent Invalid EIV Income Discrepancies**



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All EIV Income Discrepancies require investigation and documentation (regardless of whether or not they are valid). We recommend that documentation to resolve an EIV income discrepancy include the following: detailed notes as to the Owner's findings from the investigation, Handbook and/or Federal Register citations, references to any 3<sup>rd</sup> party verifications (used to make a determination) and income and/or rent calculations, as applicable.

Trigger: Owner receives an EIV Income Discrepancy Report for a household.

Action: Owner reviews the EIV Income Discrepancy Report and notes the Period of Income (POI) and

Actual and Annualized Last Quarter Reported Annual Wages and Benefits.

Owner determines and reviews the most current form HUD-50059 with action type of MI, AR, IR

or IC that falls within the POI and notes the projected income.

Decision Point: Is Owner able to determine that the difference between both actual and projected income and

annualized last quarter and project income is less than the discrepancy cutoff threshold of

\$2,400? If yes, Owner concludes investigation. If no, Owner proceeds with investigation.

Trigger: Owner is not able to determine that the difference between both actual and projected income

and annualized last quarter and project income is less than the discrepancy cutoff threshold of

\$2,400.

Action: Owner reviews and compares the EIV Income Report to the most current form HUD-50059 (that

falls within the POI) and 3rd party verifications.

Decision Point: Is Owner able to determine that there is an apparent explanation as to why the EIV income

discrepancy is invalid? If yes, Owner concludes investigation. If no, Owner proceeds with

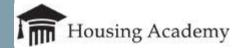
investigation.



## **Section 5**

# Nonapparent and/or Apparent Valid EIV Income Discrepancies

## EIV Income Discrepancy Report Workflow



#### EIV Income Discrepancy Report is Generated: Begin checklist, begin tracking time

#### Apparent Invalid

Review EIV Inc. and Inc. Disc. Rpt, most current 59 and 3<sup>rd</sup> party income verifications within PO Determine: is discrepancy invalid?

If yes, document findings, cite Handbook, Fed. Register and/or 3<sup>rd</sup> party verifications, conclude investigation

#### Nonapparent

OR

Apparent Valid

Review all 59s, 3<sup>rd</sup> party & back-up docs w/in POI, send 10-day letter, conduct tenant meeting, obtain detailed wage printouts and/or benefit stmts for POI

Determine: is discrepancy invalid?

If yes, document findings, cite Handbook, Fed. Register
and/or 3<sup>rd</sup> party verifications, conclude investigation

If no, continue investigation

#### **Apparent Valid**

Determine: Did discrepancy begi prior to the start date of the POI (if yes, obtain add. wage printouts/be stmts for 5 years for discrepant sou Complete calculations, create ne and/or correction 59s, meet with household to sign 59s and secure repayment agreement. Document findings, cite Handbook and/or Fed. Register,

#### Nonapparent

OR

#### **Apparent Valid**

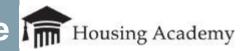
Review all 59s, 3<sup>rd</sup> party & back-up docs w/in POI, send 10-day letter, conduct tenant meeting, obtain detailed wage printouts and/or benefit stmts for POI

**Determine:** is discrepancy invalid?

If yes, document findings, cite Handbook, Fed. Register and/or 3<sup>rd</sup> party verifications, conclude investigation

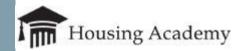
If no, continue investigation

#### Review All Form HUD-50059s for the Period of Income Housing Academy



- Review all form HUD-50059s with an action type of MI, AR, IR or IC that fall within the Period of Income, note the following (on the EIV income discrepancy case file checklist):
  - By household member, make a list of:
    - Form HUD-50059(s): Source(s) and amount(s) of projected income as reportable in EIV (which includes business income, federal wages, military pay, nonfederal wages, unemployment, Social Security benefits, and Supplemental Security Income)
    - 3<sup>rd</sup> Party Verification(s): Source(s), start date(s) and averaged, annualized amount(s) of projected income from either the verification letter(s), tenant provided pay stubs, and/or EIV Income Report, as applicable
      - Be mindful of any circumstance(s) that warrants a 30-day notice of rent increase. Make a note of new and/or increased income start date(s), reported date(s), and (re)certification(s) effective date(s)

## Review the Corresponding Back-Up Documentation and Calculations



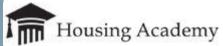
- Review the corresponding back-up documentation (including any past EIV Income Report(s) run at time of (re)certification) and calculations used to verify that the Owner calculated income/rent in accordance with the Handbook (notate the EIV income discrepancy case file checklist):
  - At Move-In or Initial Certification, confirm that the Owner calculated wage and/or unemployment income using the most recent, consecutive 4-6 pay stubs, averaged and annualized (for consistency with Annual and Interim Recertification income/rent calculation requirements per the Handbook)
  - At Annual or Interim Recertification, confirm that the Owner calculated wage and/or unemployment income using the most recent, consecutive 4-6 pay stubs, averaged and annualized

#### Nonapparent Invalid EIV Income Discrepancy – New Income, SSI State Supplement Program Payments, Pensions



- Determine if there is an apparent explanation as to why the EIV income discrepancy is invalid based on a thorough review of the 3<sup>rd</sup> party documentation in the tenant file
- ☐ If yes, the Owner may conclude that this is a **Nonapparent Invalid EIV Income Discrepancy** (no further investigation is necessary)
- Best practice recommendations for resolving a Nonapparent Invalid EIV Income Discrepancy:
  - Add detailed notes to the EIV Income Discrepancy Report and EIV income discrepancy case file checklist to be filed in the tenant file to "tell the story"
    - (Examples include: new income requiring a 30 day notice of rent increase, SSI State Supplement Program (SSP) Payments administered/paid by the state, pensions coded in EIV as wages)

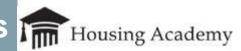
## Nonapparent Invalid EIV Income Discrepancy – New Income, SSI State Supplement Program Payments, Pensions (Con't)



	ate Supplement Frogram Fayments, Fensions (Cont)
Cite	the Handbook, Federal Register and/or applicable 3 <sup>rd</sup> party verifications in the tenant file New Income: HUD rule states that if the tenant complies with interim reporting requirements,
	the Owner must provide a 30 day notice of rent increase (4350.3, REV-1, Change 4, Chapter 7,
	Paragraph 7-13.C.1)
	Provide a detailed timeline, include calculations and reference supporting documentation to detail that the tenant complied with Interim reporting requirements
	SSI State Supplement Program (SSP) Payments: Recipients of SSI may be eligible for additional
	benefits from the state in which they reside, through the State Supplement Program (SSP). SSP
	provides state-funded assistance to aged, blind and disabled individuals. Historically, the Social
	Security Administration (SSA) included SSP payments with the Federal benefits each month, or
	paid them separately if a recipient was not entitled to a Federal benefit. Currently, states may
	elect to make SSP payments directly to recipients through a state agency instead of through the
	SSA. SSP payments that are paid directly by the state are not reported in EIV
	(https://secure.ssa.gov/poms.nsf/lnx/0501405001).
	Include the calculations and reference supporting documentation to detail that the tenant reported SSP payments as required by HUD rules; however, this income is not reported in EIV
	Pensions coded in EIV as wages: Per the MAT User's Guide, pensions include veterans pensions,
	military retirement, and income from all other pensions and annuities and are coded as PE on the
	form HUD-50059/50059-A (Chapter 5, 5.5 MAT10 Section 4: Income Record, Definitions and Edit
	for MAT Field 4)
	Include the calculations and reference supporting documentation to detail that the tenant reported income from a pension(s) as required by HUD rules
Con	clude the investigation (as it pertains to the specific household member)

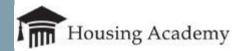
**Important Reminder**: All household members must be documented in the final EIV Income Discrepancy Resolution

### Determine if Owner Miscalculation and/or Error Exists Housing Academy



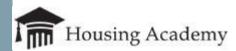
- Determine if Owner miscalculation and/or error is the sole cause of the EIV income discrepancy
  - Note: The tenant is not obligated to reimburse the Owner for undercharges caused solely by the Owner's failure to follow HUD's procedures for computing rent or assistance payments [Chapter 8, Paragraph 8-20.B.2]
  - If the Owner determines that Owner miscalculation and/or error is the sole cause of the EIV income discrepancy, he/she must determine when the miscalculation and/or error began (and obtain additional documentation, if applicable)
    - **Note**: Be mindful of the form HUD-50059 effective on or before the Period of Income and/or 5-year look back period start date. Review this (re)certification (even if the effective date is before the Period of Income or 5-year look back period start date) to confirm income/rent as of the Period of Income or 5-year look back period start date and calculate the difference between the amount of rent the tenant should have paid and the amount of rent the tenant was charged.
  - Complete the retroactive calculations to recalculate income/rent in accordance with the Handbook
  - Determine and process new and/or correction form HUD-50059s, as applicable; keep in mind that the tenant cannot be charged retroactively for any portion of the discrepancy due to Owner miscalculation and/or error

### Notify the Tenant in Writing to Request a Meeting



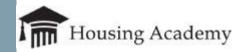
- Notify the tenant(s) in writing to (note date on the EIV income discrepancy case file checklist):
  - Advise him/her of the possible EIV income discrepancy
  - Request a meeting between management and all adult household members, within 10 days from the date of the letter, to discuss the possible EIV income discrepancy
- Prepare for the tenant meeting:
  - Review both lists of each household member's source of income, start date(s), and amount(s) as reported in EIV per review of the EIV Income Report(s) and as reportable in EIV per review of the signed/dated forms HUD-50059 that fall within the Period of Income

## Determine Income Verifications Needed



- Determine retroactive 3<sup>rd</sup> party income verifications needed
  - □ Retroactive Employment Income Verification identify the "Compensation Data Timeframe" based on the Period of Income, as applicable, through present; confirm that a printout of gross earnings for the entire period is attached to the completed verification returned from the source. If it is not attached, request that the tenant obtain this from his/her employer.
  - Retroactive Unemployment Income Verification identify the "Compensation Data Timeframe" based on the Period of Income, as applicable, through present; confirm that a printout of gross benefits for the entire period is attached to the completed verification returned from the source. If it is not attached, request that the tenant obtain this from the local State Workforce Agency (SWA).
  - A historical printout of gross benefits from SSA should only be requested if the tenant disputes the benefit information reported on an Income Report and/or if the Owner cannot reconcile the benefit information reported on an Income Report. If a detailed printout of gross benefits is required, it can be obtained by the tenant from SSA using SSA's website (<a href="http://www.socialsecurity.gov">http://www.socialsecurity.gov</a>) or toll-free number (1-800-772-1213).

## **Create an EIV Income Discrepancy Case File and Checklist**



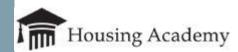
- Create an EIV income discrepancy case file consisting of the following:
  - ☐ The Tenant Consent to Disclose EIV Income Information [Exhibit 9-4] document which allows the Owner to disclose the information contained in the EIV Income and Income Discrepancy Reports with other adult household members
  - The EIV Income and Income Discrepancy Reports
  - Tenant Statement of Accuracy of EIV Income Reports or Certification Page
  - Forms HUD-9887 and HUD-9887-A (if the EIV Income Report was run for Annual Recertification)
  - ☐ All applicable retroactive 3<sup>rd</sup> party income verifications
- Create an EIV income discrepancy case file checklist to be affixed to the front of the file folder to detail/track each retroactive 3<sup>rd</sup> party income verification to be obtained

### Sample EIV Income Discrepancy Case File Checklist



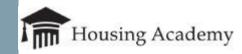
EIV Income Discrepancy Case File		Head of Household:		Unit:		Page		of	
n ! I () (no)									
Period of Income (POI)		to		_					
From EIV:						59 that falls within P	OI		
Household Member:	Income Source:	Start Date:	Amount Reported:	Household Member:	Income Source:	Amount Reported:			
		Total Reported in EIV:		Total Reported on forn	n HUD-50059 (EIV rep	oortable sources only):			
Forms required for ten	ant interview:								
Household member na	me:			Consent to Disclose	EIV Information?		YES	/	NO
Forn	n	Date Signed	Date Requested			Notes			
Tenant Statement of Accuracy of EIV Reports									
HUD-9887 / 9887-A (if ap	plicable)								
Retro Verification Source	:								
Retro Verification Source:									
Household member na	me:			Consent to Disclose	EIV Information?		YES	/	NO
Form		Date Signed	Date Requested	F/U Sent	F/U Sent	Date Rec'd	Notes		
Tenant Statement of Acc	uracy of EIV Reports								
HUD-9887 / 9887-A (if ap	plicable)								
Retro Verification Source	:								
Retro Verification Source	:								
(If monthly calculation	s are required, see v	vorksheet attached)							
Period of Income Investigation: Is discrepancy valid?			YES (fully document on cover page)						
			NO (did discrepar	ncy begin during POI	? Y/N If no, re	fer to 5-year-look-b	ack w	orksh	eet)
**FINAL RESOLUTION O	DE DISCREDANICY MIT	ST BE DETAILED ON C	OVED DAGE						

## **Conduct the Tenant Meeting**



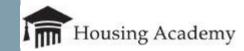
- Conduct the tenant meeting utilizing the documents prepared in the EIV income discrepancy case file:
  - Explain that the Federal Privacy Act (5 USC 552a, as amended) prohibits the disclosure of an individual's information to another person without the written consent of such individual
  - □ Provide the Tenant Consent to Disclose EIV Income Information [Exhibit 9-4] document for tenant(s) signature to allow the Owner to disclose the information contained in the EIV Income and Income Discrepancy Reports with other adult household members
    - ☐ If all adult household members sign the Tenant Consent to Disclose EIV Income Information [Exhibit 9-4], the Owner may proceed with the tenant meeting with all adult household members present
    - ☐ If one or more adult household member(s) refuses to sign the Tenant Consent to Disclose EIV Income Information [Exhibit 9-4], the Owner must conduct separate tenant meetings to ensure that no unauthorized disclosure of EIV income information occurs
      - **NOTE**: The Owner is not prohibited from discussing with and/or showing the head of household how the household's income and rent was determined based on the total income reported and verified

## **Documents to Review and Sign During the Tenant Meeting**



- Review the EIV Income and Income Discrepancy Reports with each adult household member(s)
- Obtain written certification from each adult household member(s) only as it pertains to him/herself as to the accuracy or inaccuracy of the information contained in the EIV Income and Income Discrepancy Reports
- If the EIV Income Report was run for Annual Recertification, obtain tenant signature(s) on forms HUD-9887 and HUD-9887-A
- Obtain tenant signature(s) on the Authorization to Release Information section of each retroactive 3<sup>rd</sup> party income verification

## Send Out Retroactive 3<sup>rd</sup> Party Verifications

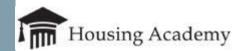


- Send out retroactive 3<sup>rd</sup> party income verifications for each adult household member, as applicable
- Recommended detail to be included on retroactive income verification forms, as applicable:
  - □ Prominently list the "Compensation Data Timeframe" on the verification form and provide a space for staff to handwrite the beginning date (start date of Period of Income, as applicable) through present

Compensation Data Timeframe:							
		thru	PRESENT				

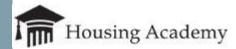
- Ask the following questions to resolve the EIV income discrepancy:
  - ☐ What is the date this individual was first eligible to receive this source of income?
  - □ Did this individual receive this source of income continuously from the start date listed above through present?
    - ☐ If no, please detail all dates and amounts of income received
- □ Include a highlighted statement located directly before the 3<sup>rd</sup> party signature area stating:
  - "\*IMPORTANT: Please attach a printout documenting all gross earnings for each pay-period for this individual during the 'Compensation Data Timeframe' listed above. This printout is required to determine this individual's continuing eligibility for his/her housing program(s)."
- ☐ Include additional instructions for completion by 3<sup>rd</sup> party source:
  - □ "This information is required by the program(s) governing this property. The information requested will be used to determine the total gross income (or total unemployment gross benefits) this individual has earned (received) during the 'Compensation Data Timeframe' specified above."

### Update the EIV Income Discrepancy Case File Checklist



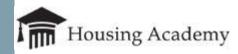
- If sending out a Retroactive Employment Verification, we recommend the following as a best business practice:
  - Reach out to the tenant's place of employment to determine the name and contact information of the individual authorized to provide the requested information
  - Subsequently contact that individual to communicate that he/she will receive the Retroactive Employment Verification and request that he/she complete and return the form as quickly as possible
- Notate the following on the EIV income discrepancy case file checklist:
  - The name of each adult household member(s) and if he/she signed or refused to sign the Tenant Consent to Disclose EIV Income Information
    - ☐ Important Note: At all times the Owner must be conscientious in order to prevent disclosure of information to unauthorized individuals if one or more adult household member(s) refuses to sign the Tenant Consent to Disclose EIV Income Information
  - ☐ The date that each verification was sent to the 3<sup>rd</sup> party source, as applicable
  - ☐ The date that the historical printout of gross benefits (as well as Medicare Data premiums) was requested from the tenant(s), as applicable

### Follow Up Recommendations



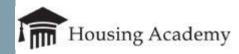
- ☐ As each retroactive 3<sup>rd</sup> party income verification is received, review it for thoroughness
  - □ If any critical information is missing from a retroactive 3<sup>rd</sup> party income verification (i.e. dates, amounts, a detailed wage printout or benefit statement, etc.), contact the source to obtain the missing information and notate follow-up dates on the EIV income discrepancy case file checklist
  - ☐ If an Owner fails to receive a Retroactive Unemployment Income Verification, advise the tenant to contact the local State Workforce Agency (SWA) to request that they mail a printout of historical benefits to the Owner's office
  - □ In the rare case that an Owner is unable to obtain a retroactive 3<sup>rd</sup> party income verification(s), the Owner should mail an IRS Form 4506-T Request for Transcript of Tax Returns to the IRS
    - Note: Taxes should ONLY be used as secondary compensation verification. Because taxes do not detail earnings received on a pay and/or benefit period basis, Owners will not be able to determine the date that unreporting, underreporting and/or over-reporting of income started. In the rare circumstance that no compensation detail is available from the source(s) (i.e. company out of business and/or refuses request), tax statements will be the only option to determine income.

## **Keep in Mind HUD's Timeframe for Resolving Discrepancies**



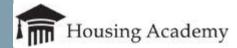
- Once all of the critical information requested on each retroactive 3<sup>rd</sup> party income verification is obtained, note the date received on the EIV income discrepancy case file checklist
- Work diligently during and immediately after the tenant meeting to obtain all documents listed on the EIV income discrepancy case file checklist as quickly as possible. Send follow up verifications, conduct follow up phone calls, etc. as often as needed to finalize the checklist.
  - Keep in mind HUD's timeframe requirements for resolving EIV income discrepancies and work on the EIV income discrepancy case accordingly
  - All EIV Income Discrepancies must be thoroughly investigated and documented. As a best business practice, we do not believe that final calculations can be accurately completed for valid EIV income discrepancies until all retroactive 3<sup>rd</sup> party income verifications have been received; therefore, we recommend that Owners do not begin any calculations until all verifications are received.

## **Summary of the Documents Needed** to Resolve an EIV Income Discrepancy



- NOTE: By this time, the Owner should have reviewed the following documents, as applicable to the household, and completed the EIV income discrepancy case file checklist:
  - 1. EIV Income Discrepancy Report;
  - 2. EIV Income Report(s) for the Period of Income;
  - 3. Any Other Applicable EIV Report(s) for the Period of Income;
  - 4. Copies of all form HUD-50059s processed and transmitted to TRACS for the Period of Income, as applicable;
  - 5. Copies of all original 3<sup>rd</sup> party income verifications, including back-up documentation and calculation worksheets, for the Period of Income, as applicable;
  - 6. Copies of newly obtained retroactive 3<sup>rd</sup> party income verifications, including detailed wage printouts and/or benefit statements, for the Period of Income, as applicable

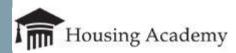
### Interim Reporting Requirements



Per Interim reporting requirements:
☐ All tenants <b>must</b> notify the Owner when [Chapter 7, Paragraph 7-
10]:
A family member moves out of the unit;
The family proposes to move a new member into the unit;
An adult member of the family who was reported as unemployed on the most recent certification or recertification obtains employment; or
The family's income cumulatively increases by \$200 or more per month
Owners must process an Interim Recertification if a tenant report
[Chapter 7, Paragraph 7-11]:
A change in family composition;

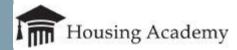
- An increase in a family's cumulative income of \$200 or more a month;
- An increase in allowances (e.g., number of dependents, a new disability assistance expense);
- Most decreases in income except in the circumstance described in subparagraph D below; or
- A change in citizenship or eligible immigration status of any family members

## What Constitutes Unreported, Under-reported and/or Over-reported Income?



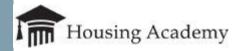
- Reminder: An Owner must identify ANY unreporting, under-reporting or over-reporting of income by the tenant and reported on current or historical forms HUD-50059 (Paragraph 8-20.A.1.a, 9-11.C.3.b)
- In order to identify any unreported and/or under-reported income, the Owner **should** review all reportable sources of income for all household members during the Period of Income to determine if:
  - Any adult member (who was reported as unemployed) failed to report new employment; or
  - The household failed to report a *cumulative* increase of \$200 or more per month
- Per our interpretation of Interim reporting rules, Owners are not obligated to retroactively decrease a tenant's rent when the tenant fails to report for an Interim Recertification in accordance with the Handbook
  - ☐ If an EIV income discrepancy investigation reveals that a tenant over-reported income (because he/she did not request an Interim Recertification), an Owner is not required to retroactively decrease the tenant's rent
    - We consider this an Apparent Invalid EIV Income Discrepancy

### Calculate Actual Monthly Income



- Calculate the actual monthly income earned by the household for each month during the Period of Income. To accomplish this, complete the following:
  - By household member and income source, review the newly obtained detailed wage printouts and/or benefit statements to determine the monthly amount of gross income earned
  - For each **month** during the Period of Income, subtotal all amounts of monthly gross income earned by all household members to calculate the cumulative actual **monthly** income earned by the entire household

### Example of Calculating Actual Monthly Income



### Period of Income = 05/01/2013 - 04/30/2014

Roberts Interior Design

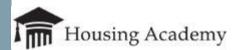
12 Summer Street Happyville, MA

PAY DETAIL EMPLOYEE NAME: EMPLOYEE ID#: 05/01/2013 - 04/30/2014 JULIA COHEN JC0303

10/11/2013 10/25/2013 10/18/2013 0.00 11/01/2013 0.00 10/13 total \$0

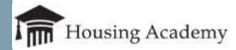
	EMPLOTEE ID#.	300303	10/25/2015	11/01/2012	0.00	10/15 (0111 90
						1
			11/08/2013	11/15/2013	0.00	
Period Ending Date	Pay Advice Date	Gross Earnings	11/22/2013	11/29/2013	180.00	11/13 total \$180.00
04/26/2013	05/03/2013	833.00 04/13 before P	POI 12/06/2013	12/13/2013	396.00	!
			12/20/2013	12/27/2013	846.00	12/13 total \$1,242.00
05/10/2013	05/17/2013	811.75		A Set All to save A se	V 10.00	TENTO WHILE GENERAL TENTO
05/24/2013	05/31/2013	867.00 05/13 total \$1,678.				I
			01/03/2014	01/10/2014	873.00	l
06/07/2013	06/14/2013	820.25	01/17/2014	01/24/2014	859.50	
06/21/2013	06/28/2013	936.00 06/13 total \$1,756.	5.25 01/31/2014	02/07/2014	846.00	01/14 total \$2,578.50
07/05/2013	07/12/2013	859.50	02/14/2014	02/21/2014	873.00	
07/19/2013	07/26/2013	864.00 07/13 total \$1,723		03/07/2014	873.00	02/14 total \$1,746.00
			02/20/2014	03/07/2014	0/3.00	02/14 total \$1,/40.00
08/02/2013	08/09/2013	882.00				
08/16/2013	08/23/2013	846.00	03/14/2014	03/21/2014	846.00	
08/30/2013	09/06/2013	846.00 08/13 total \$2,574	4.00 03/28/2014	04/04/2014	859.50	03/14 total \$1,705.50
00130.2012	VC: VV: NV 60	V 19:44	1.00			
09/13/2013	09/20/2013	148.00	04/11/2014	04/18/2014	846.00	
09/27/2013	10/04/2013	0.00 09/13 total \$148.	3.00 04/25/2014	05/02/2014	859.50	04/14 total \$1,705.50

## Example of Calculating Actual Monthly Income (Con't) Housing Academy



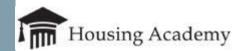
EIV Income Discre	epancy Case File	Head of Ho	usehold: Julia Coho	en	Unit: 1078		Page 3 of 3		
D . (D . 1	(1 (00)	EHHO	. 4100144						
Dates of Period o	r Income (PUI):	5/1/13	to4/30/14						
Monthly deta	il based on detaile	ed 3rd party v	age printouts and	l Vor benefit st	atements for POL	start with POI	end date and work bac	kwards):	Total Monthly Income
Month:	HH member / Source:	Monthly Amount:	HH member / Source:	Monthly Amount:	HH member / Source:	Monthly Amount:		Monthly Amount:	for Household:
	Julia Cohen								
May 2013	Roberts Int Design	1,678.75							1,678.75
	Julia Cohen								
June 2013	Roberts Int Design	1,756.25							1,756.25
	Julia Cohen								
July 2013	Roberts Int Design	1,723.50							1,723.50
	Julia Cohen								
August 2013	Roberts Int Design	2,574.00							2,574.00
	Julia Cohen								
September 2013	Roberts Int Design	148.00							148.00
	Julia Cohen								
October 2013	Roberts Int Design	0.00							0.00
	Julia Cohen								
November 2013	Roberts Int Design	180.00							180.00
	Julia Cohen								
December 2013	Roberts Int Design	1,242.00							1,242.00
	Julia Cohen								
January 2014	Roberts Int Design	2,578.50							2,578.50
	Julia Cohen								
February 2014	Roberts Int Design	1,746.00							1,746.00
	Julia Cohen								
March 2014	Roberts Int Design	1,705.50							1,705.50
	Julia Cohen								
April 2014	Roberts Int Design	1,705.50							1,705.50

### Calculate Projected Monthly Income



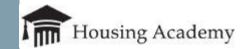
- Calculate the projected monthly income reported by the household at (re)certification(s) for each month during the Period of Income. To accomplish this, complete the following:
  - Review each form HUD-50059 processed during the Period of Income to determine the household's projected monthly income as reportable in EIV (which includes business income, federal wages, military pay, nonfederal wages, unemployment, Social Security benefits, and Supplemental Security Income)
    - Determine the Total Non-Asset Income (field 74 on form HUD-50059)
    - Subtract income received from sources that are not reportable in EIV, such as welfare and/or TANF benefits, SSP Payments, child support, alimony, recurring gifts, and wages that are not included in the NDNH database, to determine the household's projected income as reportable in EIV

### How to Calculate Projected Monthly Income



- Divide that number by 12 to determine the projected monthly income reported by the household at (re)certification(s)
  - ☐ For example, the Period of Income is 03/01/2013 02/28/2014
  - □ Per review of the tenant file, a 03/01/2013 AR and an 11/01/2013 IR were processed for the household during the Period of Income
  - Per review of the 03/01/2013 AR, the Owner determines that the Total Non-Asset Income amount (field 74 on form HUD-50059) is \$22,000; however, \$4,000 is income from child support. The Owner calculates \$22,000 \$4,000 = \$18,000 / 12 = \$1,500. The household's projected monthly income as reportable in EIV for 03/01/2013-10/31/2013 (8 months) is \$1,500
  - Per review of the 11/01/2013 IR, the Owner determines that the Total Non-Asset Income amount (field 74 on form HUD-50059) is \$28,000; however, \$4,000 is income from child support. The Owner calculates \$28,000 \$4,000 = \$24,000 / 12 = \$2,000. The household's projected monthly income as reportable in EIV for 11/01/2013-02/28/2014 (4 months) is \$2,000

### **Example of Calculating Projected Monthly Income**



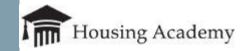
- Period of Income = 05/01/2013 04/30/2014
- Per review of the tenant file, an 08/01/2012 AR and an 08/01/2013 AR were processed for the household during the Period of Income

08/01/2012 AR

08/01/2013 AR

	<u> </u>									
	Section D. Incom	e Informatio	n	Section D. Income Information						
66. Mbr. No.	67. Income Type Code	68. Amount	69. SSN Benefits Claim No.	66. Mbr. No.	67. Income Type Code	68. Amount	69. SSN Benefits Claim No.			
1	W=Non-Fed. Wage	20,807		1	W=Non-Fed. Wage	21,658				
	70. Total Employment Inc 71. Total Pension Income 72. Total Public Assistanc 73. Total Other Income	e Income	20,807 0 0 0	71. Total Pension Income 72. Total Public Assistance Income 73. Total Other Income						
	74. Total Non-Asset Incon	ne	20,807		74. Total Non-Asset Incor	ne	21,658			

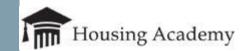
### Example of Calculating Projected Monthly Income (Con't)



- Period of Income = 05/01/2013 04/30/2014
- $\bigcirc$  08/01/2012 AR valid for 05/2013 07/2013. \$20,807 / 12 = \$1,733.92
- $\square$  08/01/2013 AR valid for 08/2013 04/2014. \$21,658 / 12 = \$1,804.83

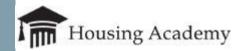
Month:	Household income as reported on form HUD-50059 (income reported on 50059 that is current for month being calculated):
May 2013	1,733.92
June 2013	1,733.92
July 2013	1,733.92
August 2013	1,804.83
September 2013	1,804.83
October 2013	1,804.83
November 2013	1,804.83
December 2013	1,804.83
January 2014	1,804.83
February 2014	1,804.83
March 2014	1,804.83
April 2014	1,804.83

### Compare Actual to Projected Monthly Income Housing Academy



- Compare the household's actual monthly income to projected monthly income for each month during the Period of Income to determine if there is a difference of \$200 or more (per month)
  - If yes, compare actual monthly income to projected monthly income by household member and income source to determine the source(s) of the discrepant income
- Determine if the **sole** cause of the EIV income discrepancy is due to over-reported income from tenant failure to request an Interim Recertification for a decrease in income
- If yes, no further investigation is necessary **OR**
- Determine if there is an apparent explanation as to why the EIV income discrepancy is invalid for the household
- If yes, no further investigation is necessary

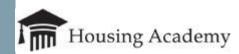
#### **Example of Comparing Actual to Projected Monthly Income**



Monthly comparise	on based on 3rd party wage pri	ntouts and/or benefit printouts	to income reported	d on form HUH-50059(s):				
Month:	Household income based on wage and/or benefit printouts (from above):	Household income as reported on form HUD- 50059 (income reported on 50059 that is current for month being calculated):	Difference:	Notes:				
May 2013	1,678.75	1,733.92	-55.17					
June 2013	1,756.25	1,733.92	22.33					
July 2013	1,723.50	1,733.92	-10.42					
August 2013	2,574.00	1,804.83	769.17	08/13 : 3 pay period month, no discrepancy				
September 2013	148.00	1,804.83	-1,656.83	09/13: Tenant did not report income decrease				
October 2013	0.00	1,804.83	-1,804.83	10/13: Tenant did not report income decrease				
November 2013	180.00	1,804.83	-1,624.83	11/13: Tenant did not report income decrease				
December 2013	1,242.00	1,804.83	-562.83	12/13: Tenant did not report income decrease				
January 2014	2,578.50	1,804.83	773.67	01/14 : 3 pay period month, no discrepancy				
February 2014	1,746.00	1,804.83	-58.83					
March 2014	1,705.50	1,804.83	-99.33					
April 2014	1,705.50	1,804.83	-99.33					

■ The **sole** cause of the EIV income discrepancy is due to over-reported income from tenant failure to request an Interim Recertification for a decrease in income (no further investigation is necessary)

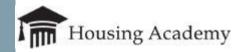
# Nonapparent Invalid EIV Income Discrepancy – Tenant Over-Reported Income



- Best practice recommendations for resolving a Nonapparent Invalid EIV Income Discrepancy:
  - Add detailed notes to the EIV Income Discrepancy Report and EIV income discrepancy case file checklist to be filed in the tenant file to "tell the story"
    - Tenant Over-Reported Income
  - Cite the Handbook, Federal Register and/or applicable 3<sup>rd</sup> party verifications in the tenant file
    - 4350.3, REV-1, Change 4, Paragraph 7-10.B, tenant failed to report for an Interim Recertification in accordance with the Handbook. The Owner is not obligated to retroactively decrease a tenant's rent when the tenant failed to report for an Interim Recertification.
      - Provide a detailed timeline, include calculations and reference supporting documentation to detail that the tenant failed to report for an Interim Recertification
  - Conclude the investigation (for the household)
    - ☐ Important Reminder: All household members must be documented in the final EIV Income Discrepancy Resolution

### Identifying Tenant Over-Reported Income

\$25,067



Head of Household Information

Name: JULIA COHEN

Social Security Number: \*\*\*-\*\*-0303

Contract Number: MA01M100000

Project Number:

Project: ABC Housing

Effective Date of Action: 08/01/2014

Next Re-Certification Date: 08/01/2015

Projected Annual Wages and Benefits from Form

HUD-50059:

Period Of Income for Discrepancy Analysis 05/01/2013 - 04/30/2014

Discrepancy Analysis	Actuals	Annualized Last
		Quarter
Reported Annual Wages and Benefits from EIV		

Reported Annual Wages and Benefits from EIV		Quiti voi
Data:	\$18,926.17	\$23,760.00
Amount of Annual Income Discrepancy:	\$6,140.83	\$1,307.00
Amount of Monthly Income Discrepancy:	\$511.74	\$108.92
Percentage of Income Discrepancy:	32.45%	5.50%

**Effective Date of Action:** 

08/01/2014

**Projected Annual Wages and** 

**Benefits from Form HUD-50059:** 

\$25,067.00

**Period of Income for Discrepancy** 

**Analysis:** 05/01/2013 –

04/30/2014

Actual Reported Annual Wages

and Benefits from EIV Data:

\$18,926.17

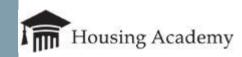
**Annualized Last Quarter Reported** 

**Annual Wages and Benefits from** 

**EIV Data:** 

\$23,760.00

## Review 08/2013's AR to Rule Out Owner Miscalculation and/or Error



#### Form HUD-50059's Processed for Household per Tenant File / Property Mgmt Software During

the Period of Income:

08/01/2013 AR - projected income = \$21,658

The most current form HUD-50059 with an action type of MI, AR, IR or IC that falls within the Period of Income of 05/01/2013 – 04/30/2014 is 08/01/2013's AR. This certification, which reports a projected income of \$21,658, was processed within the same time period as the Period of Income used to calculate the Actual Reported Annual Wages and Benefits from EIV Data

This household consists of:

Head of Household – Julia Cohen, who is 27 years of age

\$21,658 - \$18,926.17 = \$2,731.83

\$21,658 - \$23,760 = \$(2,102)

\$2,731.83 > EIV's discrepancy cutoff threshold of \$2,400

The Owner should now review the corresponding back-up documentation (including any past EIV Income Report(s) run at time of certification) and calculations used to verify that income/rent was calculated in accordance with the Handbook

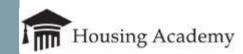
					5	Sect	tion	B.	Sum	m	ary Inform	nati	ion							
1.	Project Name		ZYX Ho	ousin				ive D		Ŧ	,		/01/2	013	23	Unit Number				1070
3.	Subsidy Type Secondary Subsidy Typ Property ID	)e		-Sec	8	14. A	ntici	pated	l Vouch				01/2		24. 25.	No. of Bedro Building ID Unit Transfe	oms	e		1078 1
5. 6. 7. 8.	Project Number Contract Number Telecom Address Plan of Action Code HUD-Owned Project?		MA06M1 tracm	1234	09 45 0	17. L 18. C	Jnit N Certifi	Nove- icatio	ve-In [ -In Date n Type cessed	e	te	08	3/23/2	011 AR	28. 29. 30.	Previous Un Security Dep Basic Rent Market Rent Contract Re	osit			508 0 990 990
10. 11.	FIPS County Code Previous Housing Code Displacement Status	•		1	1	21. 0	Cert.	Corre	Type ection [ idy Typ						32.	Utility Allowa Gross Rent				990
					S	ect	ion	C. I	Hous	eŀ	nold Inforn	nat	tion							
34. No.	35. Last Name	Fi	36. rst Name		37. MI	38. Rel.	39. Sex			11. Eth.		Spe	13. ecial S atus	44. Stude Statu	ent	45. ID Code (SSN)	46. Elig. Code	47. Alien Reg. Number	48. Age at Cert.	49. Work Codes
01	Cohen	Julia				Н	F	W	,	2	11/22/1985				3	333-12-0303	EC		27	
02 03 04 05 06 07 08																				
51 52 60	D. Family is Mobility Impa Family is Hearing Impa Family is Visually Impa D. Previous Head Last N Previous Head First N	aired? aired? ame	N N N	54 55	. Nu . Nu	mbe mbe	r of N r of E	Non-F Deper	y Mem amily ndents le Men	Me	embers	1 0 0 1	57 58 59	.Ex	pecte pecte eviou		dition dition	- Adoption - Pregnancy - Foster Child	dren	0 0 0
62	. Previous Head Middle		1.6									^				s Head Birth				
66	Section D.	Incon		natio	on		39.		75.	Т		50	ectic	$\overline{}$		sset Info	mat	79.	80	
Mb No	r. Income Type C	ode	68. Amour	nt	s	SN	Bene m No		Mbr. No.		76. Descript	tion	ı		77. atus	78. Cash Valu	e A	ctual Yearly Income	Da Dives	te
1	W=Non-Fed. Wage		21	1,658	8				1	E	Bank of Amer			С		7	10	0		
	70. Total Emplo 71. Total Pensio 72. Total Public 73. Total Other	n Income Assistant Income	)				2	1,658 0 0 0			81. Cash \ 82. Actual 83. HUD F 84. Impute	Inc Pass ed I	come sbook ncom	rom Rat	Asse le		710 0 2.00 0			

85. Asset Income

21,658

74. Total Non-Asset Income

#### **Review Pay Stubs Collected at** Time of 08/2013's Recertification





Roberts Interior Design

I2 Summer Street Happyville, MA

Advice Date: May 3, 2013

Advice Amount: \$725.13

Julia Cohen 1078 Sandy Way Happyville, MA

DIRECT DEPOSIT NON-NEGOTIABLE

Emp. No.	Employe	e Name	Last 4 of SSN	Periold Ending	Advice Date	Type	Advice Numer
JC0303	Julia 0	Julia Cohen 0303		4/26/2013	5/3/2013	Payroll	739
Type / Hours Earnings			rnings	Dedu	ctions	Year	-To-Date
Regular	49		833.00	Medicare	12.08	Earnings	6,664.00
				Federal Tax	51.65	Medicare	96.63
l				MA Tax	44.15	Federal Tax	413.17
l						MA Tax	353.19
l							
l							
	Tot	als				AVAILABE BA	ALANCE (HOURS)
TOTAL PAY			833.00			VACATION	23
DEDUCTIONS			107.87			SICK	29
NET PAY			725.13			PERSONAL	14



Roberts Interior Design

12 Summer Street Happyville, MA

Advice Date: May 31, 2013 Advice Amount: \$754.72

Julia Cohen 1078 Sandy Way Happyville, MA

DIRECT DEPOSIT

**NON-NEGOTIABLE** 

Emp. No.	Employe		Last 4 of SSN	Periold Ending	Advice Date	Type	Advice Numer			
JC0303	Julia C	ohen	0303	5/24/2013	5/31/2013	Payroll	761			
Type / Hours Earnings			rnings	Deduc	ctions	Year	Year-To-Date			
Regular	51		867.00	Medicare	12.57	7 Earnings	8,342.75			
				Federal Tax	53.75	Medicare	120.97			
			ı	MA Tax	45.95	Federal Tax	517.25			
						MA Tax	442.17			
	Tota	als				AVAILABE BA	ALANCE (HOURS)			
TOTAL PAY			867.00			VACATION	23			
DEDUCTIONS	6		112.28			SICK	29			
NET PAY			754.72			PERSONAL	14			



Roberts Interior Design

I2 Summer Street Happyville, MA

Advice Date: May 17, 2013 Advice Amount: \$706.63

Julia Cohen 1078 Sandy Way Happyville, MA

DIRECT DEPOSIT

NON-NEGOTIABLE

Emp. No. JC0303	Employee Julia Co		Periold Ending 5/10/2013	Advice Date 5/17/2013	Type Payroll	Advice Numer 753		
Type / Hours Earnings				ctions	Year-To-Date			
Regular	47.75	811.75	Medicare	11.77	Earnings	7,475.75		
			Federal Tax	50.33	Medicare	108.40		
			MA Tax	43.02	Federal Tax	463.50		
					MA Tax	396.21		
	Tota	ls			AVAILABE BA	ALANCE (HOURS)		
TOTAL PAY		811.75	1		VACATION	23		
DEDUCTIONS	6	105.12			SICK	29		
NET PAY		706.63			PERSONAL	14		



Roberts Interior Design

I2 Summer Street Happyville, MA

Advice Date: June 14, 2013 Advice Amount: \$754.72

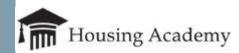
Julia Cohen 1078 Sandy Way Happyville, MA

DIRECT DEPOSIT

NON-NEGOTIABLE

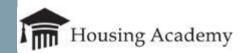
Emp. No.	Employee	Name Last 4 of SSN	Periold Ending	Advice Date	Type	Advice Numer
JC0303	Julia Col	hen 0303	6/7/2013	6/14/2013	Payroll	770
Type / I	Hours	Earnings	Deduc	Deductions		-To-Date
Regular	gular 48.25 820.25		Medicare	11.89	Earnings	9,116.25
			Federal Tax	50.86	Medicare	132.19
			MA Tax	43.47	Federal Tax	565.21
					MA Tax	483.16
	Total	s			AVAILABE BA	LANCE (HOURS)
TOTAL PAY		820.25			VACATION	28
DEDUCTIONS		106.22			SICK	33
NET PAY		714.03			PERSONAL	14

### Confirm Owner Calculation on 08/2013's AR



AR Date	HH Member	Gross Pay Date	Gross Amount	Inc. listed on 59
8/1/2013	Julia	5/3/2013	833.00	
		5/17/2013	811.75	
		5/31/2013	867.00	
•	•	6/17/2013	820.25	
		Total	3,332.00	
		divided by	4.00	
		equals	833.00	
			21,658.00	21,658.00

## Review 08/2014's AR to Rule Out Owner Miscalculation and/or Error



#### Form HUD-50059 Listed as Effective Date of Action:

08/01/2014 AR - projected income = \$25,067

The most current form HUD-50059 with an action type of MI, AR, IR or IC listed in TRACS is 08/01/2014's AR. This certification, which reports a projected income of \$25,067, is the certification used by the EIV system as the source for determining projected income.

This household consists of:

Head of Household – Julia Cohen, who is 28 years of age

\$25,067 - \$18,926.17 = \$6,140.83

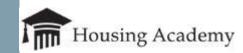
\$25,067 - \$23,760 = \$1,307

\$6,140.83 > EIV's discrepancy cutoff threshold of \$2,400

The Owner should now review the corresponding back-up documentation (including any past EIV Income Report(s) run at time of certification) and calculations used to verify that income/rent was calculated in accordance with the Handbook

/c	tion:																
					Se	ction	ı B.	Sum	ma	ary Inform	ation						
2.	Project Name Subsidy Type Secondary Subsidy Typ	oe Oe	ZYX Hou	sing ec 8	13	. Effec	tive D		her	Date	08/01/2 08/01/2	24 2015 25	24. No. of Bedrooms 25. Building ID				1078 1
5. 6. 7. 8. 9. 10.	3. Secondary Type 3. Property ID 2yx 5. Project Number 2345678 6. Contract Number MA06M10000 7. Telecom Address tracm12345 8. Plan of Action Code 0 9. HUD-Owned Project? N 10. FIPS County Code 11. Previous Housing Code 12. Displacement Status		9 16 17 18 19 20 21	16. Project Move-In Date 17. Unit Move-In Date 18. Certification Type 19. Action Processed 20. Correction Type 21. Cert. Correction Date 22. Prev. Subsidy Type			08/23/2	27 2011 28 AR 30 31 32	29. Basic Rent 30. Market Rent 31. Contract Rent 32. Utility Allowance			508 0 995 995 0 995					
					Se	ction	C.	Hous	eh	old Inforn							
34. No.	35. Last Name	Fir	36. rst Name			8. 39. el. Se:			\$1. th.		43. Special Status	44. Student Status	45. ID Code (SSN)	46. Elig. Code		48. Age at Cert.	49. Work Codes
01	Cohen	Julia			I	I F	W	Ī	2	11/22/1985			333-12-0303	EC		28	
02 03 04 05 06 07 08																	
51 52	50. Family is Mobility Impaired? 51. Family is Hearing Impaired? N 55. No. 55. Family is Visually Impaired? N 56. No.			Num Num	ber of ber of	Non-l Depe	y Mem Family ndents le Men	Me	embers	0 58 1 59	B. Exped 9. Exped	ted Family Ad	dition	- Adoption - Pregnancy - Foster Child	dren	0 0 0	
61	). Previous Head Last N I. Previous Head First N I. Previous Head Middle	ame						63. Previous Effective Date 64. Previous Head ID 65. Previous Head Birth Date									
	Section D.	. Incom	e Informa	tio	n			Section E. Asset Information									
66 Mb No	r. Income Type C	ode	68. Amount			69. N Ben laim N		75. Mbr. No.		76. Descript	ion	77. Statu	78. s Cash Valu	ю А	79. Income	80 Dat Dives	te
1	W=Non-Fed. Wage		25,1	067				1	В	Bank of Amer	Ckg	С	1	332	0		
	70. Total Employment Income 25,067 71. Total Pension Income 0 72. Total Public Assistance Income 0 73. Total Other Income 0 74. Total Non-Asset Income 25,067						81. Cash \ 82. Actual 83. HUD F 84. Impute 85. Asset	Income Passbook ad Incom	from As k Rate		832 0 2.00 0 0	) ) )					

#### **Review Pay Stubs Collected at** Time of 08/2014's Recertification





Roberts Interior Design

12 Summer Street Happyville, MA

Advice Amount: \$912.72

Advice Date: April 18, 2014



Emp. No.

JC0303

Total Earnings

NET PAY

**Total Deductions** 

TYPE / HOURS

Roberts Interior Design

12 Summer Street Happyville, MA

Last 4 of SSN

1,116.00

EARNINGS

Periold Ending

4/25/2014

Medicare

MA Tax

Federal Tax

Advice Date: May 2, 2014 Advice Amount: \$971.48

Type

Advice Numer

8,397.2

121.7

520.6

YEAR-TO-DATE

AVAILABLE BALANCE (HOURS)

Julia Cohen 1078 Sandy Way Happyville, MA

DIRECT DEPOSIT

NON-NEGOTIABLE

Julia Cohen 1078 Sandy Way Happyville, MA

**Employee Name** 

Julia Cohen

**TOTALS** 

DIRECT DEPOSIT

NON-NEGOTIABLE

16.18 Earnings

69.19 Medicare

59.15 Federal Tax

MA Tax

Vacation

Personal

Sick

Advice Date

5/2/2014

DEDUCTIONS

Emp. No. JC0303	Employe Julia (		Last 4 of SSN 0303	Periold Ending 4/11/2014	Advice Date 4/18/2014	Type Payroll	Advice Numer 972
TYPE / H	IOURS	EAF	RNINGS	DEDUC	, - ,	YEAR-TO-DATE	
Regular	58.25		1,048.50	Medicare	15.20	Earnings	7,281.25
				Federal Tax	65.01	Medicare	105.58
				MA Tax	55.57	Federal Tax	451.44
						MA Tax	385.91
	ТОТ	ALS				AVAILABLE B	ALANCE (HOURS)
Total Earning	S		1,048.50			Vacation	26.5
Total Deducti	ons		135.78			Sick	39
NET PAY			912.72			Personal	16



Roberts Interior Design

I2 Summer Street Happyville, MA

Advice Date: May 16, 2014 Advice Amount: \$720.77

971.48 Roberts Interior Design

1,116.00

144.52

I2 Summer Street Happyville, MA

Advice Date: May 30, 2014 Advice Amount: \$752.II

Julia Cohen 1078 Sandy Way Happyville, MA

DIRECT DEPOSIT

NON-NEGOTIABLE

Julia Cohen 1078 Sandy Way Happyville, MA

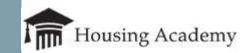
DIRECT DEPOSIT

NON-NEGOTIABLE

Emp. No.	Employe	e Name	Last 4 of SSN	Periold Ending	Advice Date	Type	Advice Numer		
JC0303	Julia C	ohen	0303	5/9/2014	5/16/2014	Payroll	1004		
TYPE / H	OURS	EAR	NINGS	DEDUC	TIONS	YEAR-	YEAR-TO-DATE		
Regular	40		720.00 N	Иedicare	12.01	Earnings	9,225.25		
Vacation	6		108.00 F	ederal Tax	51.34	Medicare	133.77		
			N	иА Тах	43.88	Federal Tax	571.97		
						MA Tax	488.94		
	ТОТ/	ALS				AVAILABLE BA	ALANCE (HOURS)		
Total Earning	5		828.00			Vacation	20.5		
Total Deducti	ons		107.23			Sick	39		
NET PAY			720.77			Personal	16		

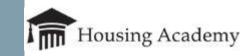
Emp. No.	Employee I	Name Last 4 of SSN	Periold Ending	Advice Date	Type	Advice Numer	
JC0303	Julia Coh	nen 0303	5/23/2014	5/30/2014	Payroll	1022	
TYPE / H	TYPE / HOURS EARNINGS		DEDUCTIONS		YEAR-	-TO-DATE	
Regular	48	864.00	Medicare	12.53	arnings	10,089.25	
			Federal Tax	53.57	Medicare	146.29	
			MA Tax	45.79	ederal Tax	625.53	
					MA Tax	534.73	
	TOTAL	S			AVAILABLE BALANCE (HOURS)		
Total Earning	s	864.00		\	/acation	20.5	
Total Deducti	ons	111.89		9	Sick	39	
NET PAY		752.11			Personal	16	

### Confirm Owner Calculation on 08/2014's AR



AR Date	HH Member	Gross Pay Date	Gross Amount	Inc. listed on 59
8/1/2014	Julia	4/18/2014	1,048.50	
		5/2/2014	1,116.00	
		5/16/2014	828.00	
<b>*</b>	•	5/30/2014	864.00	
		Total	3,856.50	
		divided by	4.00	
		equals	964.13	
		x 26 payperiods	25,067.25	25,067.00

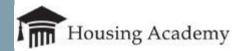
# Review the Income Report to Identify Over-Reported Income



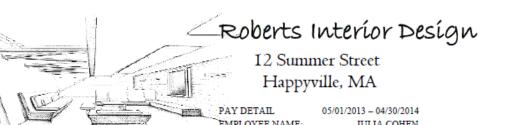
Review Julia's EIV Income Report, notice the decrease in income in Q3 and Q4 of 2013:

Wages				
Pay Period	Amount	FEIN	Employer Name and Address	Date Received by EIV
Q4 of 2014	\$6,007.00	22-0101019	ROBERTS INTERIOR DESIGN	
Q3 of 2014	e5 000 nn	22-0101019	12 SUMMER STREET, HAPPYVILLE MA ROBERTS INTERIOR DESIGN	01/30/2015
Q3 01 2014	\$5,000.00	22-0101013	12 SUMMER STREET, HAPPYVILLE MA	10/23/2014
Q2 of 2014	\$5,982.00	22-0101019	ROBERTS INTERIOR DESIGN	
Q1 of 2014	¢6 030 00	22-0101019	12 SUMMER STREET, HAPPYVILLE MA ROBERTS INTERIOR DESIGN	07/30/2014
Q1012014	ψ0,030.00	22-0101013	12 SUMMER STREET, HAPPYVILLE MA	04/29/2014
Q4 of 2013	\$1,422.00	22-0101019	ROBERTS INTERIOR DESIGN	
Q3 of 2013	\$4.445.50	22-0101019	12 SUMMER STREET, HAPPYVILLE MA ROBERTS INTERIOR DESIGN	02/01/2014
Q3 012013	ψ <del>τ,ττ</del> υ.υυ	22 0101013	12 SUMMER STREET, HAPPYVILLE MA	11/24/2013
Q2 of 2013	\$5,921.00	22-0101019	ROBERTS INTERIOR DESIGN	07/04/0042
Q1 of 2013	\$5,827,00	22-0101019	12 SUMMER STREET, HAPPYVILLE MA ROBERTS INTERIOR DESIGN	07/24/2013
Q1012010	φυ <sub>1</sub> υΣ1.υυ	LE 0101010	12 SUMMER STREET, HAPPYVILLE MA	04/27/2013

### Determine if Tenant Over-Reported Income



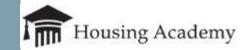
- Period of Income = 05/01/2013 04/30/2014
- Tenant Over-Reported Income: 4350.3, REV-1, Change 4, Paragraph 7-10.B, tenant failed to report for an Interim Recertification in accordance with the Handbook



Period Ending Date	Pay Advice Date	Gross Ea	rnings
04/26/2013	05/03/2013	833.00	04/13 before POI
05/10/2013	05/17/2013	811.75	
05/24/2013	05/31/2013	867.00	05/13 total \$1,678.75
06/07/2013	06/14/2013	820.25	
06/21/2013	06/28/2013	936.00	06/13 total \$1,756.25
07/05/2013	07/12/2013	859.50	
07/19/2013	07/26/2013	864.00	07/13 total \$1,723.50
08/02/2013	08/09/2013	882.00	
08/16/2013	08/23/2013	846.00	
08/30/2013	09/06/2013	846.00	08/13 total \$2,574.00
09/13/2013	09/20/2013	148.00	
09/27/2013	10/04/2013	0.00	09/13 total \$148.00

10/11/2013	10/18/2013	0.00	
10/25/2013	11/01/2013	0.00	10/13 total \$0
11/08/2013	11/15/2013	0.00	
11/22/2013	11/29/2013	180.00	11/13 total \$180.00
12/06/2013	12/13/2013	396.00	
12/20/2013	12/27/2013	846.00	12/13 total \$1,242.00
01/03/2014	01/10/2014	873.00	
01/17/2014	01/24/2014	859.50	
01/31/2014	02/07/2014	846.00	01/14 total \$2,578.50
02/14/2014	02/21/2014	873.00	
02/28/2014	03/07/2014	873.00	02/14 total \$1,746.00
03/14/2014	03/21/2014	846.00	
03/28/2014	04/04/2014	859.50	03/14 total \$1,705.50
04/11/2014	04/18/2014	846.00	
04/25/2014	05/02/2014	859.50	04/14 total \$1,705.50

### **Phone Clarification**



#### ABC Housing 100 Main Street Happyville, MA 01234

NOTE TO FILE / TELEPHONE CLARIFICATION

Re: Julia Cohen, Unit 1078

Date: 04/19/2015 Time: 11:00 AM

Spoke with: Marissa Roberts, Owner of Roberts Interior Design

Phone Number: 617-555-1212

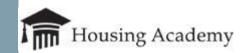
#### Summary of Conversation:

I contacted Ms. Roberts regarding the pay detail she provided for Julia Cohen. Ms. Roberts confirmed that from 9/10/2013 through 11/27/2013, Ms. Cohen took an unpaid leave of absence. She worked half time through the end of November 2013, and her normal hours resumed December 1, 2013.

#### Tanc Smith

Jane Smith Property Manager ABC Housing

# Calculate Actual Monthly Income Earned by the Cohen Household



 Calculate the actual monthly income earned by Julia for each month during the Period of Income

pancy Case File	Head of Hor	usehold: Julia Coh	ien .	Unit: 1078		Page 3 of 3		
Income (POI):	5/1/13	to4/30/14						
l based on detail	ed 3rd party v	age printouts and	dor benefit s	tatements for POI	(start with POI e	and date and work ba	.ckwards):	Total Monthly Income
HH member / Source:	Monthly Amount:	HH member / Source:	Monthly Amount:	: HH member / Source:	Monthly Amount:	HH member / Source:	Monthly Amount:	for Household:
Julia Cohen								
Roberts Int Design	1,678.75							1,678.75
Julia Cohen			T			(	1	
Roberts Int Design	1,756.25						1	1,756.25
Julia Cohen			<u> </u>				T	
Roberts Int Design	1,723.50					·		1,723.50
Julia Cohen						1		
Roberts Int Design	2,574.00					·		2,574.00
Julia Cohen						1		
Roberts Int Design	148.00							148.00
Julia Cohen	,		7			1	7	
Roberts Int Design	0.00					í	1	0.00
Julia Cohen			7			(	7	
Roberts Int Design	180.00		<u> </u>			í		180.00
Julia Cohen	<del></del>		<del></del>			(	<u> </u>	
Roberts Int Design	1,242.00		<u> </u>			í		1,242.00
Julia Cohen			7		Ţ	(	7	
Roberts Int Design	2,578.50		<u> </u>			í		2,578.50
Julia Cohen			<del></del>		T	(	7	
Roberts Int Design	1,746.00					í		1,746.00
Julia Cohen	<del></del>		<del></del>			ı —	1	
Roberts Int Design	1,705.50					ı		1,705.50
Julia Cohen	<u> </u>		<del></del>			(	1	
Roberts Int Design	1,705.50		<del>                                     </del>		1	(	+	1,705.50
F	Income (POI):  il based on detaile  HH member / Source:  Julia Cohen  Roberts Int Design  Julia Cohen  Roberts Int Design	Income (POI):5/1/13	Income (POI):5/1/13 to4/30/14  il based on detailed 3rd party wage printouts and HH member / Source: Monthly Amount: HH member / Source: Julia Cohen Roberts Int Design 1,678.75 Julia Cohen Roberts Int Design 1,756.25 Julia Cohen Roberts Int Design 2,574.00 Julia Cohen Roberts Int Design 148.00 Julia Cohen Roberts Int Design 0.00 Julia Cohen Roberts Int Design 1,242.00 Julia Cohen Roberts Int Design 1,242.00 Julia Cohen Roberts Int Design 2,578.50 Julia Cohen Roberts Int Design 1,746.00 Julia Cohen Roberts Int Design 1,705.50 Julia Cohen Roberts Int Design 1,705.50 Julia Cohen Roberts Int Design 1,705.50 Julia Cohen	Income (POI):5/1/13 to4/30/14  il based on detailed 3rd party wage printouts and/or benefit st  HH member / Source: Monthly Amount: HH member / Source: Monthly Amount:  Julia Cohen  Roberts Int Design	Income (POI):5/1/13 to4/30/14    Il based on detailed 3rd party wage printouts and/or benefit statements for POI	Income (POI):5/1/13 to4/30/14     Il based on detailed 3rd party wage printouts and/or benefit statements for POI (start with POI e)     HH member / Source:   Monthly Amount:   HH member / Source:   Monthly Amount:   HH member / Source:   Monthly Amount:     Julia Cohen	Income (POI):5/I/13 to4/30/14     Il based on detailed 3rd party wage printouts and/or benefit statements for POI (start with POI end date and work base)   HH member / Source:	Income (POI):

## Calculate Projected Monthly Income for the Cohen Household



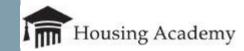
- Period of Income = 05/01/2013 04/30/2014
- □ Per review of the tenant file, an 08/01/2012 AR and an 08/01/2013 AR were processed for Julia during the Period of Income

08/01/2012 AR

08/01/2013 AR

	33/32/			00/01/2013 AN						
	Section D. Incom	ne Informatio	n		Section D. Incom	ne Informatio	n			
66. Mbr. No.	67. Income Type Code	68. Amount	69. SSN Benefits Claim No.	66. Mbr. No.	67. Income Type Code	68. Amount	69. SSN Benefits Claim No.			
1	W=Non-Fed. Wage	20,807		1	W=Non-Fed. Wage	21,658				
70. Total Employment Income 20,807 71. Total Pension Income 0 72. Total Public Assistance Income 0 73. Total Other Income 0					71. Total Pension Income 72. Total Public Assistance Income 73. Total Other Income					
	74. Total Non-Asset Incon	me	20,807		74. Total Non-Asset Incor	ne				

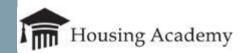
# Calculate Projected Monthly Income for the Cohen Household (Con't)



- Period of Income = 05/01/2013 04/30/2014
- $\square$  08/01/2012 AR valid for 05/2013 07/2013. \$20,807 / 12 = \$1,733.92
- $\square$  08/01/2013 AR valid for 08/2013 04/2014. \$21,658 / 12 = \$1,804.83

Month:	Household income as reported on form HUD-50059 (income reported on 50059 that is current for month being calculated):
May 2013	1,733.92
June 2013	1,733.92
July 2013	1,733.92
August 2013	1,804.83
September 2013	1,804.83
October 2013	1,804.83
November 2013	1,804.83
December 2013	1,804.83
January 2014	1,804.83
February 2014	1,804.83
March 2014	1,804.83
April 2014	1,804.83

## Compare Actual to Projected Monthly Income for the Cohen Household



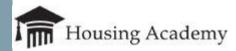
Monthly comparis	Monthly comparison based on 3rd party wage printouts and/or benefit printouts to income reported on form HUH-50059(s):										
Month:	Household income based on wage and/or benefit printouts (from above):	Household income as reported on form HUD- 50059 (income reported on 50059 that is current for month being calculated):	Difference:	Notes:							
May 2013	1,678.75	1,733.92	-55.17								
June 2013	1,756.25	1,733.92	22.33								
July 2013	1,723.50	1,733.92	-10.42								
August 2013	2,574.00	1,804.83	769.17	08/13 : 3 pay period month, no discrepancy							
September 2013	148.00	1,804.83	-1,656.83	09/13: Tenant did not report income decrease							
October 2013	0.00	1,804.83	-1,804.83	10/13: Tenant did not report income decrease							
November 2013	180.00	1,804.83	-1,624.83	11/13: Tenant did not report income decrease							
December 2013	1,242.00	1,804.83	-562.83	12/13: Tenant did not report income decrease							
January 2014	2,578.50	1,804.83	773.67	01/14 : 3 pay period month, no discrepancy							
February 2014	1,746.00	1,804.83	-58.83								
March 2014	1,705.50	1,804.83	-99.33								
April 2014	1,705.50	1,804.83	-99.33								

FINAL SUMMARY OF RESOLUTION AND ACTION TAKEN:	
REFER TO WORKSHEETS AND INVESTIGATION DETAILS ATTACHED, IF APPLICABLE:	

Tenant had taken leave of absence from her employer and did not request an interim recertification. No retro rent changes needed.

The sole cause of the EIV income discrepancy is due to over-reported income from tenant failure to request an Interim Recertification for a decrease in income (no further investigation is necessary)

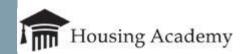
## Resolution for a Nonapparent Invalid EIV Income Discrepancy – Tenant Over-Reported Income



EIV Income Discrepancy Resolution
-----------------------------------

- Add detailed notes to the EIV Income Discrepancy Report and EIV income discrepancy case file checklist to be filed in the tenant file to "tell the story"
  - Tenant Over-Reported Income
- Cite the Handbook and applicable 3<sup>rd</sup> party verifications in the tenant file
  - 4350.3, REV-1, Change 4, Paragraph 7-10.B, tenant failed to report for an Interim Recertification in accordance with the Handbook. The Owner is not obligated to retroactively decrease a tenant's rent when the tenant failed to report for an Interim Recertification.
    - Provide a detailed timeline, include calculations and reference supporting documentation to detail that the tenant failed to report for an Interim Recertification
- Conclude the investigation (for the household)
  - ☐ Important Reminder: All household members must be documented in the final EIV Income Discrepancy Resolution

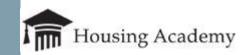
## Nonapparent Invalid EIV Income Discrepancy – Irregular Income



- Best practice recommendations for resolving a Nonapparent Invalid EIV Income Discrepancy:
  - Add detailed notes to the EIV Income Discrepancy Report and EIV income discrepancy case file checklist to be filed in the tenant file to "tell the story"
    - ☐ (Examples include: occasional overtime, per diem workers, unexpected bonuses, lump sum payments, etc.)
  - Cite the Handbook, Federal Register and/or 3<sup>rd</sup> party verifications in the tenant file
    - Exhibit 5-1, Income Exclusions #9, states 'temporary, nonrecurring, or sporadic income (including gifts)' is excluded
      - Provide a detailed timeline, include calculations and reference supporting documentation to detail that the tenant received irregular income
  - ☐ Conclude the investigation (for the household)

    Important Reminder: All household members must be documented in the final EIV Income Discrepancy Resolution

### Identifying Irregular Income



Head of Household Information

Name:	KAYLEIGH CONNORS
Social Security Number:	***-**-1234
Contract Number:	MA01M100000
Project Number:	
Project:	ABC Housing
Effective Date of Action:	06/01/2014
Next Re-Certification Date:	06/01/2015
Projected Annual Wages and Benefits from Form HUD-50059:	\$23,010
Period Of Income for Discrepancy Analysis	03/01/2013-02/28/2014

Discrepancy Analysis	Actuals	Annualized Las Quarter
Reported Annual Wages and Benefits from EIV Data:	\$26,189.00	\$27,976.00
Amount of Annual Income Discrepancy:	(\$3,179.00)	(\$4,966.00)
Amount of Monthly Income Discrepancy:	(\$264.92)	(\$413.83)
Percentage of Income Discrepancy:	(12.14%)	(17.86%)

**Effective Date of Action:** 

06/01/2014

**Projected Annual Wages and** 

**Benefits from Form HUD-**

50059:

\$23,010.00

**Period of Income for** 

**Discrepancy Analysis:** 

03/01/2013 - 02/28/2014

Actual Reported Annual Wages

and Benefits from EIV Data:

\$26,189.00

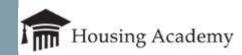
**Annualized Last Quarter** 

**Reported Annual Wages and** 

**Benefits from EIV Data:** 

\$27,976.00

## Review 06/2013's AR to Rule Out Owner Miscalculation and/or Error



Form HUD-50059's Processed for Household per Tenant File / Property Mgmt Software

**During the Period of Income:** 

06/01/2013 AR - projected income = \$22,230

The most current form HUD-50059 with an action type of MI, AR, IR or IC that falls within the Period of Income of 03/01/2013 – 02/28/2014 is 06/01/2013's AR. This certification, which reports a projected income of \$22,230, was processed within the same time period as the Period of Income used to calculate the Actual Reported Annual Wages and Benefits from EIV Data

This household consists of:

Head of Household – Kayleigh Connors, who is 26 years of age

$$$22,230 - $26,189 = $(3,959.00)$$

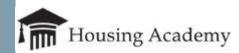
$$$22,230 - $27,976 = $(5,746.00)$$

\$(3,959.00) and \$(5,746.00) > EIV's discrepancy cutoff threshold of \$2,400

The Owner should now review the corresponding back-up documentation (including any past EIV Income Report(s) run at time of certification) and calculations used to verify that income/rent was calculated in accordance with the Handbook

					S	ect	ion	B. Su	ımr	nary	Inforn	nation							
1. Pr	oject Name		ZYX Hou	sing	g 1	3. E	ffectiv	/e Date				06/01/	2013	23.	Unit Numbe	r			0022
3. Se	ibsidy Type condary Subsidy Typ operty ID	e	1-5	zys	1			ated Vo lecertifi				06/01/	2014	25. 26.	No. of Bedro Building ID Unit Transfe	r Code			1
5. Pro 6. Co 7. Tel 8. Plo 9. HL 10. FII 11. Pro	oject Number ontract Number lecom Address an of Action Code JD-Owned Project? PS County Code evious Housing Code splacement Status	,	2345 MA06M10 tracm12	678 0000	19 1 19 1 10 1 10 1 10 1	17. U 18. C 19. A 20. C 21. C	nit M ertific ction orrec ert. C	Move- ove-In ation T Proces tion Typ correction subsidy	Date ype sed pe on D	ate		06/29/	/2010 AR	28. 29. 30. 31. 32.	Previous Un Security De Basic Rent Market Ren Contract Re Utility Allows Gross Rent	posit t nt			508 990 990 0 990
				_	S	ecti	on (	). Ho	use	hold	Infor		_	_					
34. No.	35. Last Name	Fir	36. st Name		37. MI		39. Sex	40. Race		h l	42. Birth Date	43. Special Status		ent	45. ID Code (SSN)	46. Elig. Code	47. Allen Reg. Number	48. Age at Cert.	49. Work Codes
÷ .	onnors	Kayleigh				Н	F	W		2 08/	06/1986				222-11-1234	EC		26	
02 03 04 05 06 07 08																			
51. F 52. F 60. P 61. P	amily is Mobility Impa amily is Hearing Impa amily is Visually Impa Previous Head Last N. Previous Head First N. Previous Head Middle	aired? aired? ame ame	N N N	54. 55.	Nur Nur	nber nber	of No	amily M on-Fan epende igible N	nily N ents	/lembe	ers	1 8	58. Ex 59. Ex 53. Pre 54. Pre	pecte pecte eviou		idition idition ate	- Adoption - Pregnancy - Foster Child	dren	0 0
	Section D.	Incom	e Informa	itio	n							Secti	on E	E. A	sset Info	rmati	ion		
66. Mbr. No.	67. Income Type C	ode	68. Amount				9. lenef n No.	ts M	5. br. lo.		76. Descrip	tion		77. latus	78. Cash Valu	e A	79. ctual Yearly Income	80 Dar Dives	te
1	W=Non-Fed. Wage		22,4	230				1	1	Bank	of Ame	r Ckg	C		8	809	0		
	70. Total Employ 71. Total Pensio 72. Total Public 73. Total Other I 74. Total Non-As	n Income Assistano Income	e Income		•			230 0 0 0 230		8 8 8	1. Cash 2. Actua 3. HUD 4. Imput	Income Passboo	from ok Rat me fro	Ass te		809 0 2.00 0			

# Review Pay Stubs Collected at Time of 06/2013's Recertification



**Bishop Transportation** 

62 Apache Road Pay Date: 2/7/13 Happyville, MA Pay Amount: \$372.14 **Bishop Transportation** 

62 Apache Road Pay Date: 2/14/13 Happyville, MA Pay Amount: \$372.14

**EARNINGS STATEMENT** 

Kayleigh Connors 22 Sandy Way Happyville, MA

**EARNINGS STATEMENT** 

Kayleigh Connors 22 Sandy Way Happyville, MA

Emp. No.	Employee Na	me Last 4 of SSN	Periold Ending	Pay Date	Type	Check Number
345	Connors, Kayle	eigh 1234	2/1/2013	2/7/2013	Payroll	96325
Type / I	Hours	Earnings	Dedu	ctions	Year	-To-Date
Regular	30	427.50	Medicare	6.20	Earnings	2,137.50
			Federal Tax	26.51	Medicare	30.99
			MA Tax	22.66	Federal Tax	132.53
					MA Tax	113.29
	Totals				AVAILABE B	ALANCE (HOURS)
TOTAL PAY		427.50			VACATION	16
DEDUCTIONS		55.36			SICK	8
NET PAY		372.14			PERSONAL	8

Emp. No.	Employee	e Name	Last 4 of SSN	Periold Ending	Pay Date	Туре	Check Number
345	Connors, I	Kayleigh	1234	2/8/2013	2/14/2013	Payroll	96602
Type /	Hours	Earr	nings	Dedu	ctions	Year	-To-Date
Regular	30		427.50	Medicare	6.20	Earnings	2,565.00
				Federal Tax	26.51	Medicare	37.19
				MA Tax	22.66	Federal Tax	159.03
						MA Tax	135.95
	Tota	als				AVAILABE BA	ALANCE (HOURS)
TOTAL PAY			427.50			VACATION	16
DEDUCTIONS	5		55.36			SICK	8
NET PAY			372.14			PERSONAL	8

**Bishop Transportation** 

62 Apache Road Pay Date: 2/21/13 Happyville, MA Pay Amount: \$372.14

**Bishop Transportation** 

62 Apache Road Pay Date: 2/28/13 Happyville, MA Pay Amount: \$372.14

**EARNINGS STATEMENT** 

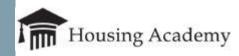
Kayleigh Connors 22 Sandy Way Happyville, MA **EARNINGS STATEMENT** 

Kayleigh Connors 22 Sandy Way Happyville, MA

Emp. No.	Employe	e Name	Last 4 of SSN	Periold Ending	Pay Date	Type	Check Number
345	Connors,	Kayleigh	1234	2/15/2013	2/21/2013	Payroll	97222
Type /	Hours	Ea	rnings	Deduc	ctions	Year	-To-Date
Regular	30		427.50	Medicare	6.20	Earnings	2,992.50
				Federal Tax	26.51	Medicare	43.39
				MA Tax	22.66	Federal Tax	185.54
						MA Tax	158.60
	Tot	als				AVAILABE BA	ALANCE (HOURS)
TOTAL PAY			427.50			VACATION	16
DEDUCTIONS	3		55.36			SICK	8
NET PAY			372.14			PERSONAL	8

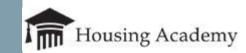
Emp. No.	Employee Name	Last 4 of SSN	Periold Ending	Pay Date	Type	Check Number
345	Connors, Kayleigh	1234	2/22/2013	2/28/2013	Payroll	97301
Type /	Hours E	Earnings	Deduc	ctions	Year	-To-Date
Regular	24	342.00	Medicare	6.20	Earnings	3,420.00
Sick	6	85.50	Federal Tax	26.51	Medicare	49.59
			MA Tax	22.66	Federal Tax	212.04
					MA Tax	181.26
	Totals				AVAILABE BA	ALANCE (HOURS)
TOTAL PAY		427.50			VACATION	16
DEDUCTIONS	S	55.36			SICK	2
NET PAY		372.14			PERSONAL	8

### Confirm Owner Calculation on 06/2013's AR



Cert Date	Type	HH Member	Gross Pay Date	Gross Amount	Inc. listed on 59
6/1/2013	AR	Kayleigh	2/7/2013	427.50	
			2/14/2013	427.50	
			2/21/2013	427.50	
•		*	2/28/2013	427.50	
			Total	1,710.00	
			divided by	4.00	
			equals	427.50	
			x 52 payperiods	22,230.00	22,230.00

## Review 06/2014's AR to Rule Out Owner Miscalculation and/or Error



#### Form HUD-50059 Listed as Effective Date of Action:

06/01/2014 AR - projected income = \$23,010

The most current form HUD-50059 with an action type of MI, AR, IR or IC listed in TRACS is 06/01/2014's AR. This certification, which reports a projected income of \$23,010, is the certification used by the EIV system as the source of determining projected income.

This household consists of: Head of Household – Kayleigh Connors, who is 27 years of age

$$23,010 - 26,189 = (3,179.00)$$

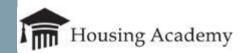
$$$23,010 - $27,976 = $(4,966.00)$$

\$(3,179.00) and \$(4,966.00) > EIV's discrepancy cutoff threshold of \$2,400

The Owner should now review the corresponding back-up documentation (including any past EIV Income Report(s) run at time of certification) and calculations used to verify that income/rent was calculated in accordance with the Handbook

ion:																			
				5	Sect	tion	B. St	umn	na	ry Inform	ation								
	Project Name         ZYX Housing           Subsidy Type         1-Sec 8				13. E	ffect	ive Date	ate Voucher Date			06/01/2014 23.			3. Unit Number 4. No. of Bedrooms				0022	
4. 5. 6. 7.	3. Secondary Subsidy Type 4. Property ID 5. Project Number 6. Contract Number 7. Telecom Address 8. Plan of Action Code 9. HUD-Owned Project? 10. FIPS County Code 11. Previous Housing Code 12. Displacement Status			x 89 09	16. F	Proje	ct Move	ove-In Date					25. Building ID 26. Unit Transfer Code 27. Previous Unit No. 28. Security Deposit 29. Basic Rent 30. Market Rent				780 0 995		
9. 10. 11.				N N	19. A 20. C 21. C	ctior Corre Cert.	Proces ction Ty Correcti	cessed			31. 32.			30. Market Rent 31. Contract Rent 32. Utility Allowance 33. Gross Rent			995 0 995		
Section C. Household Information																			
34. No.	35. Last Name	Fir	36. First Name		38. Rel.	39. Sex	40. Race	41 Et		42. Birth Date	43. Special Status	44. Student Status		45. ID Code (SSN)	46. Elig. Code	47. Alien Reg. Number		49. Work Codes	
01 02	Connors	Kayleigh			Н	F	W	2	2	08/06/1986			1	222-11-1234	EC		27		
03 04 05 06 07 08																			
50. Family & Mobility Impaired? 51. Family & Hearing Impaired? 52. Family & Visually Impaired? N 53. Number of Family Members 54. Number of Non-Family Members 55. Number of Dependents 56. Number of Eligible Members 1 57. Expected Family Addition - Adoption 58. Expected Family Addition - Pregnancy 59. Expected Family Addition - Foster Children														0 0 0					
61	. Previous Head Last No . Previous Head First No . Previous Head Middle		63. Previous Effective Date 64. Previous Head ID 65. Previous Head Birth Date																
	Section D.	Incom	e Informati	on				Section E. Asset Information											
66 Mb No	Income Type Code		68. Amount		SN	39. Bene m No	fits M	5. lbr. lo.	76. Descript				77. 78. tatus Cash Valu		e ···	Income		). te sted	
1	W=Non-Fed. Wage		23,010					1	Bank of Amer Ckg C			2	1,642		0				
70. Total Employment Income 71. Total Pension Income 72. Total Public Assistance Income 73. Total Other Income 74. Total Non-Asset Income							0 0 0 0 0 3,010	81. Cash Value of Assets 1,642 82. Actual Income from Assets 0 83. HUD Passbook Rate 2.00 84. Imputed Income from Assets 0 85. Asset Income 0											

# Review Pay Stubs Collected at Time of 06/2014's Recertification



**Bishop Transportation** 

62 Apache Road Pay Date: 2/13/14 Happyville, MA Pay Amount: \$385.20

**Bishop Transportation** 62 Apache Road

Happyville, MA

Pay Date: 2/20/14 Pay Amount: \$385.20

EARNINGS STATEMENT

Kayleigh Connors 22 Sandy Way Happyville, MA

EARNINGS STATEMENT

Kayleigh Connors 22 Sandy Way Happyville, MA

Emp. No.	Employe	e Name	Last 4 of SSN	Periold Ending	Pay Date	Type	Check Number
345	Connors, Kayleigh 1234		2/7/2014 2/13/2014		Payroll	102639	
Type / I	Hours	Ear	rnings	Deductions		Year	-To-Date
Regular	30	442.50		Medicare	6.42	Earnings	2,655.00
				Federal Tax	27.44	Medicare	38.50
				MA Tax	23.45	Federal Tax	164.61
						MA Tax	140.72
	Totals					AVAILABE BA	ALANCE (HOURS)
TOTAL PAY			442.50			VACATION	32
DEDUCTIONS			57.30			SICK	24
NET PAY			385.20			PERSONAL	8

Emp. No. 345	Employee		Periold Ending 2/14/2014	Pay Date 2/20/2014	Type Payroll	Check Number 102720
					· · · · · · · · · · · · · · · · · · ·	
Type / Hours Earnings		Deduc	ctions	Year	-To-Date	
Regular	30	442.50	Medicare	6.42	Earnings	3,097.50
			Federal Tax	27.44	Medicare	44.91
			MA Tax	23.45	Federal Tax	192.05
					MA Tax	164.17
Totals			1		AVAILABE BA	ALANCE (HOURS)
TOTAL PAY		442.50			VACATION	32
DEDUCTIONS	6	57.30			SICK	24
NET PAY		385.20			PERSONAL	8

Bishop Transportation

 62 Apache Road
 Pay Date: 2/27/14

 Happyville, MA
 Pay Amount: \$385.20

**Bishop Transportation** 

62 Apache Road Pay Date: 3/6/14 Happyville, MA Pay Amount: \$385.20

**EARNINGS STATEMENT** 

Kayleigh Connors 22 Sandy Way Happyville, MA

EARNINGS STATEMENT

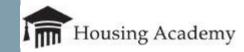
Kayleigh Connors
22 Sandy Way

22 Sandy Way Happyville, MA

Emp. No.	Employee Na	ime Last 4 of SSN	Periold Ending	Pay Date	Туре	Check Number	
345	Connors, Kayleigh 1234		2/21/2014 2/27/2014		Payroll	102811	
Type /	Type / Hours Earnings		Deductions		Year	-To-Date	
Regular	30 442.50		Medicare	6.42	Earnings	3,540.00	
			Federal Tax	27.44	Medicare	51.33	
			MA Tax	23.45	Federal Tax	219.48	
					MA Tax	187.62	
Totals					AVAILABE BA	ALANCE (HOURS)	
TOTAL PAY		442.50			VACATION	32	
DEDUCTIONS	;	57.30			SICK	24	
NET PAY		385.20			PERSONAL	8	

Emp. No. 345	Employee Na Connors, Kayl		Periold Ending 2/28/2014	Pay Date 3/6/2014	Type Payroll	Check Number 102904
Type /	Type / Hours Earnings		Deductions		Year	-To-Date
Regular	30	442.50	Medicare	6.42	Earnings	3,982.50
			Federal Tax	27.44	Medicare	57.75
			MA Tax	23.45	Federal Tax	246.92
					MA Tax	211.07
Totals					AVAILABE BA	ALANCE (HOURS)
TOTAL PAY		442.50			VACATION	32
DEDUCTIONS	5	57.30			SICK	24
NET PAY		385.20			PERSONAL	8

### Confirm Owner Calculation on 06/2014's AR



Cert Date	Cert Date Type HH Member 6/1/2014 AR Kayleigh		Gross Pay Date	Gross Amount	Inc. listed on 59
6/1/2014			2/13/2014	442.50	
			2/20/2014	442.50	
			2/27/2014	442.50	
*	+		3/6/2014	442.50	
		<del>-</del>	Total	1,770.00	
			divided by	4.00	
			equals	442.50	
			x 52 payperiods	23,010.00	23,010.00

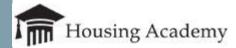
# Review the Income Report to Identify Irregular Income



Review Kayleigh's EIV Income Report, notice the increase in income in Q4 of 2013:

Wages			
Pay Period	Amount FEIN	Employer Name and Address	Date Received by EIV
Q3 of 2014	\$5,752.50 11-7654321	BISHOP TRANSPORTATION 62 APACHE ROAD, HAPPYVILLE MA	10/27/2014
Q2 of 2014	\$5,752.50 11-7654321	BISHOP TRANSPORTATION 62 APACHE ROAD, HAPPYVILLE MA	07/30//2014
Q1 of 2014	\$5,713.50 11-7654321	BISHOP TRANSPORTATION 62 APACHE ROAD, HAPPYVILLE MA	04/24//2014
Q4 of 2013	\$9,557.50 11-7654321	BISHOP TRANSPORTATION 62 APACHE ROAD, HAPPYVILLE MA	02/02//2014
Q3 of 2013	\$5,557.50 11-7654321	BISHOP TRANSPORTATION	
Q2 of 2013	\$5,557.50 11-7654321	62 APACHE ROAD, HAPPYVILLE MA BISHOP TRANSPORTATION	11/22/2013
Q1 of 2013	\$5,122.50 11-7654321	62 APACHE ROAD, HAPPYVILLE MA BISHOP TRANSPORTATION	07/24/2013
Q4 of 2012	\$5,460.00 11-7654321	62 APACHE ROAD, HAPPYVILLE MA BISHOP TRANSPORTATION	04/27/2013
		62 APACHE ROAD, HAPPYVILLE MA	01/31/2013

### Determine if Tenant Received Irregular Income



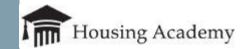
- Period of Income = 03/01/2013 02/28/2014
- Irregular Income: Exhibit 5-1, Income Exclusions #9, states 'temporary, nonrecurring, or sporadic income (including gifts)' is excluded

Bishop Transportation 62 Apache Road Happyville, MA Earnings Detail Kayleigh Connors

page 1/2

Period Ending Date	Payment Date	Payme	nt Amount									
						9/	6/2013	9/12/2013	\$	427.50		
3/1/2013	3/7/2013	\$	427.50			9/1	13/2013	9/19/2013	\$	427.50		
3/8/2013	3/14/2013	\$	427.50				20/2013	9/26/2013	ŝ	427.50		
3/15/2013	3/21/2013	\$	427.50			-	27/2013	10/3/2014	ŝ	427.50	9/13 Total \$	1,710.00
3/22/2013	3/28/2013	Ş	427.50				/4/2013	10/10/2013	\$	427.50		.,
3/29/2013	4/4/2013	ş	427.50	3/13 Total \$	1,710.00	-	11/2013	10/17/2013	ŝ	427.50		
4/5/2013	4/11/2013	\$	427.50				18/2013	10/24/2013	\$	427.50		
4/12/2013	4/18/2013	\$	427.50				25/2013	10/31/2013	Ś	427.50	10/13 Total \$	1,710.00
4/19/2013	4/25/2013	\$	427.50				/1/2013	11/7/2013	\$	427.50	10/13 10111 4	1,710.00
4/26/2013	5/2/2013	\$	427.50	4/13 Total \$	1,710.00	-	/8/2013	11/14/2013	Ś	427.50		
5/3/2013	5/9/2013	\$	427.50			-	15/2013	11/21/2013	Ś	427.50		
5/10/2013	5/16/2013	\$	427.50				22/2013	11/28/2013	Ś	427.50		
5/17/2013	5/23/2013	\$	427.50			-	29/2013		Ś	427.50	11/13 Total \$	2,137.50
5/24/2013	5/30/2013	\$	427.50					12/5/2013			11/15 10tal \$	2,137.30
5/31/2013	6/6/2013	\$	427.50	5/13 Total \$	2,137.50	_	6/2013	12/12/2013	\$	427.50		
6/7/2013	6/13/2013	\$	427.50			12/1	3/2013	12/19/2013	\$	427.50		
6/14/2013	6/20/2013	\$	427.50			12/2	0/2013	12/26/2013	\$	427.50		
6/21/2013	6/27/2013	\$	427.50					12/26/2013	\$	4,000.00		
6/28/2013	7/4/2013	\$	427.50	6/13 Total \$	1,710.00	12/2	7/2013	1/2/2014	\$	427.50	12/13 Total \$	5,710.00
7/5/2013	7/11/2013	\$	427.50			1/3	/2014	1/9/2014	\$	427.50		
7/12/2013	7/18/2013	\$	427.50			1/10	0/2014	1/16/2014	\$	427.50		
7/19/2013	7/25/2013	\$	427.50			1/17	7/2014	1/23/2014	\$	433.50		
7/26/2013	8/1/2013	\$	427.50	7/13 Total \$	1,710.00	1/24	4/2014	1/30/2014	\$	442.50		
8/2/2013	8/8/2013	\$	427.50			1/31	1/2014	2/6/2014	\$	442.50	1/14 Total \$	2,173.50
8/9/2013	8/15/2013	\$	427.50			2/7	/2014	2/13/2014	\$	442.50		
8/16/2013	8/22/2013	\$	427.50			2/14	4/2014	2/20/2014	\$	442.50		
8/23/2013	8/29/2013	\$	427.50			2/21	1/2014	2/27/2014	\$	442.50		
8/30/2013	9/5/2013	\$	427.50	8/13 Total \$	2,137.50	2/28	8/2014	3/6/2014	\$	442.50	2/14 Total \$	1,770.00

### **Phone Clarification**



### ABC Housing 100 Main Street Happyville, MA 01234

NOTE TO FILE / TELEPHONE CLARIFICATION

Re: Kayleigh Connors, Unit 0022

Date: 02/20/2015

Time: 9:30 AM

Spoke with: Deborah McCormick, Manager

Phone Number: 617-555-9876

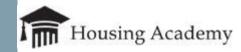
### Summary of Conversation:

I contacted Ms. McCormick regarding the pay detail she provided for Kayleigh Connors. Ms. McCormick confirmed that due to a unusually successful year, employees were granted a bonus of \$4,000. This bonus is not expected to occur every year and is most likely a one-time occurrence.

### Jane Smith

Jane Smith Property Manager ABC Housing

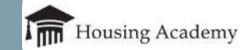
# **Calculate Actual Monthly Income Earned by the Connors Household**



☐ Calculate the actual **monthly** income earned by Kayleigh for each **month** during the Period of Income

1					_				
EIV Income Discrepance	y Case File	Head of House	hold: Kayleigh Connors	5	Unit: 0022		Page 3 of 3		
Datas of David of the con-	(DOI)-	2/4/42	2/20/14						
Dates of Period of Inco	me (POI):	3/1/13	to2/28/14						
Monthly detail based on detailed 3rd party wage printouts and/or benefit statements for POI (start with POI end date and work backwards):									
Month:	HH member / Source:	Monthly Amount:	i	Monthly Amount:	HH member / Source:	Monthly Amount:	HH member / Source:	Monthly Amount:	Total Monthly Income for Household:
WOIGH.	Kayleigh Connors	Mondiny Amount.	Till member / Source.	monthly Amount.	Till member / Source.	Monthly Amount.	in member / source.	Mondiny Amount.	modernoid.
March 2013	Bishop Trans.	1,710.00							1,710.00
March 2010	Kayleigh Connors	2,7 20.00							1,7 20.00
April 2013	Bishop Trans.	1,710.00							1,710.00
	Kayleigh Connors	_,							
May 2013	Bishop Trans.	2,137.50							2,137.50
-	Kayleigh Connors								
June 2013	Bishop Trans.	1,710.00							1,710.00
	Kayleigh Connors								
July 2013	Bishop Trans.	1,710.00							1,710.00
	Kayleigh Connors								
August 2013	Bishop Trans.	2,137.50							2,137.50
	Kayleigh Connors								
September 2013	Bishop Trans.	1,710.00							1,710.00
	Kayleigh Connors								
October 2013	Bishop Trans.	1,710.00							1,710.00
	Kayleigh Connors								
November 2013	Bishop Trans.	2,137.50							2,137.50
	Kayleigh Connors								
December 2013	Bishop Trans.	5,710.00							5,710.00
	Kayleigh Connors								
January 2014	Bishop Trans.	2,173.50							2,173.50
	Kayleigh Connors								
February 2014	Bishop Trans.	1,770.00							1,770.00

### Calculate Projected Monthly Income for the Connors Household



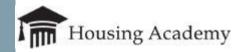
- Period of Income = 03/01/2013 02/28/2014
- Per review of the tenant file, an 06/01/2012 AR and an 06/01/2013 AR were processed for Kayleigh during the Period of Income

### 06/01/2012 AR

06/01/2013 AR

	Section D. Incom	ie Informatio	n	Section D. Income Information				
66. Mbr. No.	67. Income Type Code	68. Amount	69. SSN Benefits Claim No.	66. Mbr. No.	67. Income Type Code	68. Amount	69. SSN Benefits Claim No.	
1	W=Non-Fed. Wage	21,840		1	W=Non-Fed. Wage	22,230		
70. Total Employment Income 21,840 71. Total Pension Income 0					70. Total Employment Income 22,23 71. Total Pension Income			
72. Total Public Assistance Income 0 73. Total Other Income 0				72. Total Public Assistance Income 73. Total Other Income				
	74. Total Non-Asset Incon	ne	21,840		74. Total Non-Asset Income			

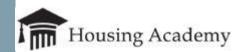
## Calculate Projected Monthly Income for the Connors Household (Con't)



- Period of Income = 03/01/2013 02/28/2014
- $\bigcirc$  06/01/2012 AR valid for 03/2013 05/2013. \$21,840 / 12 = \$1,820.00
- $\bigcirc$  06/01/2013 AR valid for 06/2013 02/2014. \$22,230 / 12 = \$1,852.50

Month:	Household income as reported on form HUD-50059 (income reported on 50059 that is current for month being calculated):
March 2013	1,820.00
April 2013	1,820.00
May 2013	1,820.00
June 2013	1,852.50
July 2013	1,852.50
August 2013	1,852.50
September 2013	1,852.50
October 2013	1,852.50
November 2013	1,852.50
December 2013	1,852.50
January 2014	1,852.50
February 2014	1,852.50

## Compare Actual to Projected Monthly Income for the Connors Household

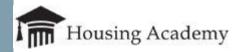


Monthly comparison b	Monthly comparison based on 3rd party wage printouts and/or benefit printouts to income reported on form HUH-50059(s) (start with POI end date and work backwards):									
Month:	Household income based on wage and/or benefit printouts (from above):	Household income as reported on form HUD-50059 (income reported on 50059 that is current for month being calculated):	Difference:	Notes:						
March 2013	1,710.00	1,820.00	-110.00							
April 2013	1,710.00	1,820.00	-110.00							
May 2013	2,137.50	1,820.00	317.50	3 pay period month, no discrepancy						
June 2013	1,710.00	1,852.50	-142.50							
July 2013	1,710.00	1,852.50	-142.50							
August 2013	2,137.50	1,852.50	285.00	3 pay period month, no discrepancy						
September 2013	1,710.00	1,852.50	-142.50							
October 2013	1,710.00	1,852.50	-142.50							
November 2013	2,137.50	1,852.50	285.00	3 pay period month, no discrepancy						
December 2013	5,710.00	1,852.50	3,857.50	received one-time bonus, see phone clarification						
January 2014	2,173.50	1,852.50	321.00	3 pay period month, no discrepancy						
February 2014	1,770.00	1,852.50	-82.50							

FINAL SUMMARY OF RESOLUTION AND ACTION TAKEN:		
REFER TO WORKSHEETS AND INVESTIGATION DETAILS ATTACHED, IF APPLICABLE:		
Tenant received a \$4,000 bonus in December 2013. This is a one-time payment.		

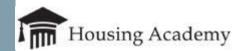
■ The sole cause of the EIV income discrepancy is because the Tenant received a one time, non-recurring bonus (no further investigation is necessary)

## Resolution for a Nonapparent Invalid EIV Income Discrepancy – Irregular Income



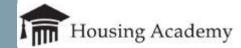
- EIV Income Discrepancy Resolution:
  - Add detailed notes to the EIV Income Discrepancy Report and EIV income discrepancy case file checklist to be filed in the tenant file to "tell the story"
    - Irregular income from a one time, non-recurring bonus
  - ☐ Cite the Handbook and applicable 3<sup>rd</sup> party verifications in the tenant file
    - Irregular Income: Exhibit 5-1, Income Exclusions #9, states 'temporary, nonrecurring, or sporadic income (including gifts)' is excluded
      - Provide a detailed timeline, include calculations and reference supporting documentation to detail that the tenant received irregular income from a one-time, non-recurring bonus
  - Conclude the investigation (for the household)
    Important Reminder: All household members must be documented in the final EIV Income Discrepancy Resolution

### Data Entry Errors



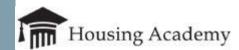
- If an Owner obtained retroactive 3<sup>rd</sup> party verification(s) and fully investigated the income discrepancy, yet it STILL appears that the income reported in the EIV system is invalid, there may be an error(s) in the information contained in TRACS or in the SSA and/or NDNH database(s)
- Only the originator of the data can correct the information. The originator of the data is as follows:
  - TRACS Data Owner and/or Management Agent
  - Employment and Wage Information Employers (who report this information to the local State Workforce Agency, who reports it to the NDNH database)
  - Unemployment Benefit Information Local State Workforce Agency
  - ☐ SS and SSI Benefit Information Social Security Administration
- When inaccurate data is corrected by the originator, it will be updated in the EIV system during the next computer matching

## **How to Correct Errors in the EIV System**



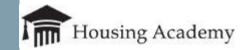
- TRACS Errors
  - An Owner must correct the data in the software and transmit it to TRACS
- Employment Errors (from NDNH's database)
  - □ The tenant **should** contact his/her employer directly, in writing, to dispute the employment and/or wage information and request that the employer correct the error(s); and
  - ☐ The tenant **should** provide the Owner with a copy of the written correspondence to be filed in the tenant file
- Unemployment Benefit Information Errors (from NDNH's database)
  - The tenant **should** contact the local State Workforce Agency directly, in writing, to dispute the unemployment benefit information and request that the local SWA correct the error(s); and
  - □ The tenant **should** provide the Owner with a copy of the written correspondence to be filed in the tenant file
- SS and SSI Benefit Information Errors (from SSA's database)
  - □ The tenant **should** contact the SSA at (800) 772-1213, or visit the local SSA office and request that the error(s) be corrected. SSA office information is available in the government pages of the local telephone directory or online at <a href="http://www.socialsecurity.gov">http://www.socialsecurity.gov</a>.

## **Identity Theft**



- □ If a tenant asserts that the information contained in the EIV system does not belong to him/her and the Owner is unable to obtain confirmation of income via 3<sup>rd</sup> party verification, the tenant may be a victim of identity theft. In order to resolve the income discrepancy, the tenant **should**:
  - □ Check his/her Social Security records to ensure the records are correct (call SSA at 1-800-772-1213);
  - □ File an identity theft complaint with the Federal Trade Commission (call FTC at 1-877-438-4338, or visit their website at: <a href="http://www.ftc.gov/bcp/edu/microsites/idtheft/">http://www.ftc.gov/bcp/edu/microsites/idtheft/</a>);
  - Monitor his/her credit reports with the three national credit reporting agencies (Equifax, TransUnion, and Experian); and
  - Certify and document on an Identity Theft Victim Affidavit that the actions above have been taken (including providing a claim number to the Owner) within a 30day timeframe of a tenant claim of identity theft
- The Owner should maintain the certification of identity theft and all supporting documentation in the tenant file (for a term of tenancy, plus 3 years)

## **Summary of Workflow for Nonapparent Invalid EIV Income Discrepancies**



Conclusion:	All EIV Inc	ome Discre	pancies require inv	estigation and doc	umentation (re	gardless of
	4		10.15	1.4	and the second	

whether or not they are valid). We recommend that documentation to resolve an EIV income discrepancy include the following: detailed notes as to the Owner's findings from the investigation, Handbook and/or Federal Register citations, references to any 3<sup>rd</sup> party verifications (used to make a determination) and income and/or rent

calculations, as applicable.

Trigger: Owner is not able to determine that there is an **apparent** explanation as to why the EIV income

discrepancy is invalid.

Action: Owner reviews all form HUD-50059s that fall within the POI, including 3<sup>rd</sup> party verifications,

back-up documentation and past EIV Income Reports, as applicable.

Decision Point: Is Owner able to determine that there is an **apparent** explanation as to why the EIV income

discrepancy is **invalid** based on a thorough review of the 3<sup>rd</sup> party documentation in the tenant

file? If yes, Owner concludes investigation. If no, Owner proceeds with investigation.

Trigger: Owner is not able to determine that there is an **apparent** explanation as to why the EIV income

discrepancy is **invalid** based on a thorough review of the 3<sup>rd</sup> party documentation in the tenant

file.

Decision Point: Is Owner able to determine that an Owner miscalculation and/or error is the **sole** cause of the

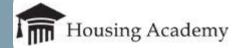
EIV income discrepancy? If yes, Owner determines when the Owner miscalculation and/or error

began (the tenant cannot be charged retroactively for any portion of the discrepancy due to

Owner miscalculation and/or error) and skips to Owner processes new and/or correction form

HUD-50059s. If no, Owner proceeds with investigation.

# Summary of Workflow for Nonapparent Invalid EIV Income Discrepancies (Con't)



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Conc	פוווי	ion.

All EIV Income Discrepancies require investigation and documentation (regardless of whether or not they are valid). We recommend that documentation to resolve an EIV income discrepancy include the following: detailed notes as to the Owner's findings from the investigation, Handbook and/or Federal Register citations, references to any 3<sup>rd</sup> party verifications (used to make a determination) and income and/or rent calculations, as applicable.

Trigger:

Owner is not able to determine that an Owner miscalculation and/or error is the **sole** cause of the EIV income discrepancy.

Action:

Owner requests and prepares for a tenant meeting. Owner conducts a tenant meeting to review the possible EIV income discrepancy and obtain signatures on all necessary documentation. Owner sends out retroactive 3<sup>rd</sup> party verifications to obtain detailed wage printouts and/or benefits statements, as applicable.

Owner reviews the newly obtained retroactive 3<sup>rd</sup> party verifications (including detailed wage printouts and/or benefits statements, as applicable), creates an EIV income discrepancy case file checklist and calculates the tenant's actual monthly income earned during the POI as compared to projected monthly income reported by the tenant at certification during the POI.

Decision Point:

Is Owner able to determine that the **sole** cause of the EIV income discrepancy is due to overreported income from tenant failure to request an Interim Recertification for a decrease in income? If yes, Owner concludes investigation. If no, Owner proceeds with investigation.

Trigger:

Owner is not able to determine that the **sole** cause of the EIV income discrepancy is due to over-reported income from tenant failure to request an Interim Recertification for a decrease in income.

**Decision Point:** 

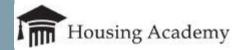
Is Owner able to determine that there is an **apparent** explanation as to why the EIV income discrepancy is **invalid**? If yes, Owner concludes investigation. If no, Owner proceeds with investigation.



## Section 6

**Apparent Valid EIV Income Discrepancies** 

### **EIV Income Discrepancy Workflow**



#### EIV Income Discrepancy Report is Generated: Begin checklist, begin tracking time

#### Apparent Invalid

Review EIV Inc. and Inc. Disc. Rpt, most current 59 and 3<sup>rd</sup> party income verifications within Pi Determine: is discrepancy invalid?

If yes, document findings, cite Handbook, Fed. Register and/or 3<sup>rd</sup> party verifications, conclude investigation

#### Nonapparei

OR

Apparent Valid

Review all 59s, 3<sup>rd</sup> party & back-up docs w/in POI, send 10-day letter, conduct tenant meeting, obtain detailed wage printouts and/or benefit stmts for POI

Determine: is discrepancy invalid?

If yes, document findings, cite Handbook, Fed. Register

If no, continue investigation

#### Apparent Valid

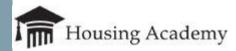
Determine: Did discrepancy begin prior to the start date of the PO!? fyes, obtain add. wage printouts/benefit stmts for 5 years for discrepant source(s) Complete calculations, create new and/or correction 59s, meet with household to sign 59s and secure repayment agreement. Document findings, cite Handbook and/or Fed.

Desister

### **Apparent Valid**

**Determine:** Did discrepancy begin prior to the start date of the POI? If yes, obtain add. wage printouts/benefit stmts for 5 years for discrepant source(s). Complete calculations, create new and/or correction 59s, meet with household to sign 59s and secure repayment agreement. Document findings, cite Handbook and/or Fed. Register, conclude inv.

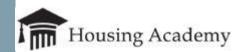
### Did the Discrepancy Begin before Period of Income?



Important Note: At this point in the investigation, we believe that the Owner will have ruled out all possible explanations that would make an EIV income discrepancy invalid. In this lesson we detail how to investigate and document a valid EIV income discrepancy.

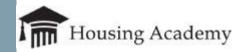
- Determine if the nonreporting and/or under-reporting of income began before the start date of the Period of Income for the discrepant source(s) of income
  - Per the Handbook, if the Owner determines the tenant unreported or under-reported his/her income, the Owner must go back to the time the unreported or under-reporting of income started, not to exceed the 5-year limitation that the tenant was receiving assistance described on forms HUD-9887 and HUD-9887-A, and calculate the difference between the amount of rent the tenant should have paid and the amount of rent the tenant was charged

### **Determine the 5-Year Look Back Period Start Date**



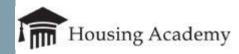
- If yes, determine the 5-year look back period start date (notate the EIV income discrepancy case file checklist) and obtain additional detailed wage printouts and/or benefit statements for the discrepant source(s) of income only
  - If the EIV Income Report was run for Annual Recertification, the most recent signature date on the new form HUD-9887 obtained during the Annual Recertification interview will determine the 5-year look back period start date
  - □ If the EIV Income Report was run for Interim Recertification, the most recent signature date on the current form HUD-9887 completed during the last Annual Recertification, Move-In or Initial Certification will determine the 5-year look back period start date

# Obtain Additional Detailed Wage Printouts and/or Benefit Statements



- Confirm that the tenant lived in the unit for the full 5-year look back period; if not, the investigation and retroactive documentation can only be requested back to the Move-In or Initial Certification date
  - For example:
    - □ If the most recent signature date on the current signed/dated 9887 on file is 12/3/2014, the 5-year look back start date will be 12/4/2009 (12/3/2014 + 1 day = 12/4/2014 minus 5 years = 12/4/2009), provided the tenant moved in prior to 12/4/2009
    - ☐ If the tenant moved in after 12/4/2009, on 12/15/2011 for example, the 5-year look back start date will be limited to 12/15/2011
    - The 5-year look back period end date is always "present"
    - ☐ Therefore, the 5-year look back period/timeframe is either:
      - ☐ 12/4/2009 through present; or
      - □ 12/15/2011 through present (if the tenant did not move in until 12/15/2011)
  - Note: HUD states that tenants with unreported income that goes back further than 5 years can be reported to the HUD Office of Inspector General (OIG) for fraud

# Determine the Start Date of the Unreported and/or Under-reported Income

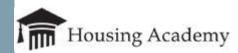


Determine the start date of the unreported and/or underreported income based on the retroactive 3<sup>rd</sup> party income verification(s) obtained for the discrepant source(s) of income

**Note**: Be mindful of the form HUD-50059 effective on or before the start date of the Period of Income and/or 5-year look back period. Review this form HUD-50059 (even if the effective date is before the start date of the Period of Income or 5-year look back period) to confirm income/rent as of the start date of the Period of Income or 5-year look back period and calculate the difference between the amount of rent the tenant should have paid and the amount of rent the tenant was charged.

**Note:** The tenant is not obligated to reimburse the Owner for undercharges caused solely by the Owner's failure to follow HUD's procedures for computing rent or assistance payments

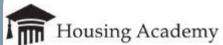
# Complete the Retroactive Calculations and Process New and/or Correction Form HUD-50059(s)



- Complete the retroactive calculations, as applicable, to confirm the amount(s) of income that must be reported on form HUD-50059(s) for the discrepant source(s) of income
- Determine and process new and/or correction form HUD-50059s, as applicable
  - If a tenant does not comply with interim reporting requirements and the Owner discovers that the tenant has failed to report changes as required in Paragraph 7-10, the Owner is to initiate an Interim Recertification and implement rent changes as follows:
    - Rent increases: Owners must implement any resulting rent increase retroactive to the first of the month following the date that the action occurred
    - Rent decreases: Any resulting rent decrease must be implemented effective the first rent period following completion of the recertification

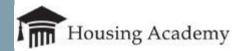
### **Fully Document the Tenant File**

income



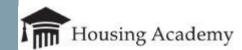
	ully document the tenant file, providing a brief summary of the sue, investigation and findings. Include the following:
	EIV Income Discrepancy Report;
	EIV Income Report(s) for the Period of Income and/or 5-year look back period as applicable;
	EIV Income Discrepancy Case File Checklist and Worksheets;
	Any Other Applicable EIV Report(s) for the Period of Income and/or 5-year look back period, as applicable;
	Copies of all form HUD-50059s processed and transmitted to TRACS for the Period of Income and/or 5-year look back period, as applicable;
	Copies of all original 3 <sup>rd</sup> party income verifications, including back-up documentation and calculation worksheets for the Period of Income and/or 5 year look back period, as applicable;
	Copies of newly obtained retroactive 3 <sup>rd</sup> party income verifications (detailed wage printouts and/or benefit statements) for the Period of Income and/or 5 year look back period, as applicable
	Retroactive calculations, as applicable, to resolve the discrepant source(s) of

### Calculate Retroactive Rent



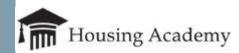
- Complete an EIV Repayment Calculation Worksheet to calculate the difference between the amount of rent the tenant(s) should have paid and the amount of rent the tenant(s) was charged and determine the amount of the repayment agreement
- □ Print all new and/or correction form HUD-50059s and the calculations used to determine the amount of the repayment agreement in preparation for a follow up meeting with the tenant(s)
  - **NOTE:** If any portion of the discrepancy is due to Owner miscalculation and/or error, the tenant cannot be charged retroactively for that portion. The retroactive form HUD-50059s will need to be processed and HUD will need to be repaid; however, this money cannot be collected from tenant.
- Send a 10-day letter to meet with the tenant(s)

### Negotiate and Sign the EIV Repayment Agreement



- Conduct a meeting with the tenant(s) to:
  - Review and discuss the results of the retroactive 3<sup>rd</sup> party verification(s) obtained for the discrepant source(s) of income
  - Inform the tenant of the repayment amount due and his/her obligation to reimburse the Owner
  - Provide the tenant with a copy of the repayment calculation / retain a copy in the tenant file
  - Negotiate the terms of the EIV repayment agreement with the tenant(s)
  - Complete, sign and date the EIV repayment agreement with the tenant(s)
  - Review, sign and date all applicable new and/or correction form HUD-50059s with the tenant(s)
- Process the new and/or correction form HUD-50059s and the EIV repayment agreement in your property management software

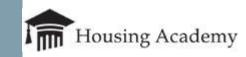
## **Apparent Valid EIV Income Discrepancy – Unreported and/or Under-Reported Income**



- Best practice recommendations for resolving an Apparent Valid EIV Income Discrepancy:
  - Add detailed notes to the EIV Income Discrepancy Report and EIV income discrepancy case file checklist to be filed in the tenant file to "tell the story"
    - Unreported and/or under-reported income
  - Cite the Handbook, Federal Register and/or applicable 3<sup>rd</sup> party verifications in the tenant file
    - Provide a detailed timeline, include calculations and reference supporting documentation to detail that the tenant failed to report income as required by HUD rules
  - Conclude the investigation (as it pertains to the specific household member)

**Important Reminder**: All household members must be documented in the final EIV Income Discrepancy Resolution

# Identifying Unreported and/or Under-Reported Income



Head of Household Information

Percentage of Income Discrepancy:

Name:	RYAN ATWOO	DD =
Social Security Number:	***-**-9876	0
Contract Number:	MA01M100000	P
Project Number:		В
Project:	ABC Housing	5
Effective Date of Action:	09/01/2014	\$
Next Re-Certification Date:	09/01/2015	P
Projected Annual Wages and Benefits from Form HUD-50059:	\$22,172.00	
Period Of Income for Discrepancy Analysis	06/01/2013-05/	
Discrepancy Analysis	Actuals	Annualized Last Quarter
Reported Annual Wages and Benefits from EIV Data:	\$28,588.48	\$32,121.81
Amount of Annual Income Discrepancy:	(\$6,416.48)	(\$9,949.81)
Amount of Monthly Income Discrepancy:	(\$537.71)	(\$829.15)
	(00.440/)	\$

(22.44%)

**Effective Date of Action:** 

09/01/2014

**Projected Annual Wages and** 

**Benefits from Form HUD-**

50059:

\$22,172.00

Period of Income for

Discrepancy Analysis:

06/01/2013 – 05/31/2014

**Actual Reported Annual** 

Wages and Benefits from EIV

**Data**: \$28,588.48

Annualized Last Quarter

Reported Annual Wages and

**Benefits from EIV Data:** 

\$32,121.81

(30.98%)

## Review 09/2013's AR to Rule Out Owner Miscalculation and/or Error



### Form HUD-50059's Processed for Household per Tenant File / Property Mgmt Software During

the Period of Income:

09/01/2013 AR - projected income = \$20,007

The most current form HUD-50059 with an action type of MI, AR, IR or IC that falls within the Period of Income of 06/01/2013 – 05/31/2014 is 09/01/2013's

AR. This certification, which reports a projected income of \$20,007, was processed within the same time period as the Period of Income used to calculate the Actual Reported Annual Wages and Benefits from EIV Data

This household consists of:

Head of Household – Ryan Atwood, who is 28 years of age

Spouse – Erin Atwood, who is 27 years of age Dependent – Jack Atwood, who is 1 years of age

20,007 - 28,588.48 = (8,581.48)

\$20,007 - \$32,121.81 = \$(12,114.81)

\$(8,581.48) and \$(12,114.81) > EIV's discrepancy cutoff threshold of \$2,400

The Owner should now review the corresponding back-up documentation (including any past EIV Income Report(s) run at time of certification) and calculations used to verify that income/rent was calculated in accordance with the Handbook

			5	Sect	ion	B. Sun	nma	ary Inform	ation						
1.	Project Name	ZYX Housin	-			ive Date			09/01/2		23. Unit Number 0422				
3.	2. Subsidy Type         1-Sec 8           3. Secondary Subsidy Type         xyx           4. Property ID         xyx           5. Project Number         23456789           6. Contract Number         MA06M100009           7. Telecom Address         tracm1345		-	15. Next Recertification Date 09/01/2014						26. Unit Transfer Code 27. Previous Unit No. 28. Security Deposit				2	
5. 6.			09	16. Project Move-In Date 09/21/2003										396 0	
8.	7. Telecom Address tracm12345 8. Plan of Action Code 0 9. HUD-Owned Project? N					18. Certification Type AR						29. Basic Rent 30. Market Rent 11: 31. Contract Rent 11:			
10. 11.	9. HUU-Owned Project? N 10. FIPS County Code 11. Previous Housing Code 12. Displacement Status					20. Correction Type 21. Cert. Correction Date 22. Prev. Subsidy Type					32. Utility Allowa 33. Gross Rent	ince			0 1165
12.	Dispussion Galas		S	ecti	ion	C. Hou	seh	old Inforn	nation						
34. No.	35. Last Name	36. First Name		38. Rel.	39. Sex	40. Raœ	41. Eth.	42. Birth Date	43. Special Status	44. Stude Statu		46. Elig. Code		48. Age at Cert.	49. Work Codes
01 02 03	Atwood Atwood	Ryan Erin Jack		H S D	M F M	W W W	2 2 2	10/09/1984 10/23/1985 05/01/2012			441-01-9876 444-01-2345 206-01-3579	EC		28 27 1	
04 05 06 07															
08															

53. Number of Family Members

56. Number of Eligible Members

55. Number of Dependents

54. Number of Non-Family Members

60. Previous Head Last Name

Previous Head First Name
 Previous Head Middle Initial

Section D. Income Information

74. Total Non-Asset Income

50. Family is Mobility Impaired?

51. Family is Hearing Impaired?

52. Family is Visually Impaired?

63. Previous Effective Date 64. Previous Head ID

57. Expected Family Addition - Adoption

58. Expected Family Addition - Pregnancy

59. Expected Family Addition - Foster Children

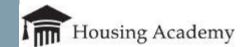
65. Previous Head Birth Date
Section E. Asset Information

	66. Mbr. No.	67. Income Type Code	68. Amount	69. SSN Benefits Claim No.	75. Mbr. No.	76. Description	77. Status	78. Cash Value	79. Actual Yearly Income	80. Date Divested
	1	W=Non-Fed. Wage	20,007		1	Citizens Ckg	С	624	0	
ı		70. Total Employment Inc	ome	20,007		81. Cash Value of A	ssets		624	
		71. Total Pension Income		0		82. Actual Income fr			0	
		72. Total Public Assistance	e Income	0		83. HUD Passbook			.00	
		<ol><li>73. Total Other Income</li></ol>		0		<ol> <li>84. Imputed Income</li> </ol>	Trom As	sets	0	

20,007

85. Asset Income

# Review Pay Stubs Collected at Time of 09/2013's Recertification



#### JUSTIN CONSTRUCTION

52 South Main Street Happyville, MA

Ryan Atwood 422 Sandy Way Happyville, MA



May 17 2013

\$669.85

9797

Pay Date:

Check Amount:

Check Number:

#### JUSTIN CONSTRUCTION

52 South Main Street Happyville, MA

Ryan Atwood 422 Sandy Way Happyville, MA



Pay Date: May 31 2013 Check Amount: \$669.85 Check Number: 9826

Emp. ID atwor			Periold Ending Pay Date 5/10/2013 5/17/2013		Type Wages	Check Number 9797
Type / Hours Earnings		arnings	Deduc	tions	Year	-To-Date
Regular	egular 75 769.50		Medicare	11.16	Earnings	7,695.00
SEM	"		Federal Tax	47.71	Medicare	111.58
			MA Tax	40.78	Federal Tax	477.09
					МА Тах	407.84
	Totals					ALANCE (HOURS)
TOTAL PAY		769.50			VACATION	50
DEDUCTIONS	5	99.65			SICK	50
NET PAY		669.85				

Emp. ID	Employee Name	Last 4 of SSN	Periold Ending	Pay Date	Туре	Check Number
atwor	Ryan Atwood	9876	5/24/2013	5/31/2013	Wages	9826
Type /	Hours Ea	arnings	Deduc	tions	Year	r-To-Date
Regular	75	769.50	Medicare	11.16	Earnings	8,464.50
		100	Federal Tax	47.71	Medicare	122.74
			MA Tax	40.78	Federal Tax	524.80
					MA Tax	448.62
	Totals				AVAILABE B	ALANCE (HOURS)
TOTAL PAY		769.50			VACATION	50
DEDUCTIONS	•	99.65			SICK	50
NET PAY		669.85				

#### JUSTIN CONSTRUCTION

52 South Main Street Happyville, MA

Ryan Atwood 422 Sandy Way Happyville, MA



Pay Date: Jun 14 2013 Check Amount: \$669.85 Check Number: 9887

#### JUSTIN CONSTRUCTION

52 South Main Street Happyville, MA

Ryan Atwood 422 Sandy Way Happyville, MA

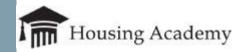


Pay Date: Jun 28 2013 Check Amount: \$669.85 Check Number: 9904

Emp. ID	Employee Name	Last 4 of SSN	Periold Ending	Pay Date	Type	Check Number
atwor	Ryan Atwood	9876	6/7/2013	6/14/2013	Wages	9887
Type / Hours Earning		arnings	Deduc	tions	Year	-To-Date
Regular	Regular 75 76		Medicare	11.16	Earnings	9,234.00
		1	Federal Tax	47.71	Medicare	133.89
			MA Tax	40.78	Federal Tax	572.51
					MA Tax	489.40
	Totals				AVAILABE BA	ALANCE (HOURS)
TOTAL PAY		769.50			VACATION	50
DEDUCTIONS		99.65			SICK	50
NET PAY		669.85			111	

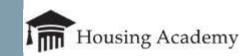
)						
Emp. ID	Employee Name	Last 4 of SSN	Periold Ending	Pay Date	Туре	Check Number
atwor	Ryan Atwood	9876	6/21/2013	6/28/2013	Wages	9904
Type / I	Hours Ea	arnings	Deduc	tions	Year	-To-Date
Regular	75	769.50	Medicare	11.16	Earnings	10,003.50
			Federal Tax	47.71	. Medicare	145.05
			MA Tax	40.78	Federal Tax	620.22
					MA Tax	530.19
	Totals				AVAILABE B	ALANCE (HOURS)
TOTAL PAY		769.50			VACATION	50
DEDUCTIONS		99.65			SICK	50
NET PAY		669.85			W. C.	

## Confirm Owner Calculation on 09/2013's AR



Cert Date	Type	HH Member	Gross Pay Date	Gross Amount	Inc. listed on 59
9/1/2013	AR	Ryan	5/17/2013	769.50	
			5/31/2013	769.50	
			6/14/2013	769.50	
<b>+</b>		<b>+</b>	6/28/2013	769.50	
		•	Total	3,078.00	
			divided by	4	
			equals	769.50	
			x 26 pay periods	20,007.00	
					<b>+</b>
		Housh	nold total income:	20,007.00	20,007.00

## Review 09/2014's AR to Rule Out Owner Miscalculation and/or Error



### Form HUD-50059 Listed as Effective Date of Action:

09/01/2014 AR - projected income = \$22,172

The most current form HUD-50059 with an action type of MI, AR, IR or IC listed in TRACS is 09/01/2014's AR. This certification, which reports a projected income of \$22,172, is the certification used by the EIV system as the source of determining projected income.

This household consists of:

Head of Household – Ryan Atwood, who is 28 years of age

Spouse – Erin Atwood, who is 27 years of age Dependent – Jack Atwood, who is 1 years of age

22,172 - 28,588.48 = (6,416.48)

\$22,172 - \$32,121.81 = \$(9,949.81)

\$(6,416.48) and \$(9,949.81) > EIV's discrepancy cutoff threshold of \$2,400

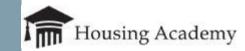
The Owner should now review the corresponding back-up documentation (including any past EIV Income Report(s) run at time of certification) and calculations used to verify that income/rent was calculated in accordance with the Handbook

io	n:																
				Se	ectio	n B.	Sum	ma	ary Inform	ation							
1. P	Project Name	ZY	YX Housing	g 13	3. Effec	ctive	Date			09/01/2	2014	23.	Unit Number	г			0422
3. S	Subsidy Type Secondary Subsidy Typ Property ID	pe	1-Sec 8	15			ed Vouc ertificati			09/01/	2015	25. 26.	No. of Bedro Building ID Unit Transfe	er Code	e		2
5. P 6. C 7. T	Project Number Contract Number Telecom Address Plan of Action Code		zyx 2345678 A06M10000 tracm12345	09 16 17 5 18	7. Unit 8. Certi	Move ification	ove-In I e-In Dat on Type	te e	8	09/21/	/2003 AR	28. 29. 30.	29. Basic Rent			396 0 1165	
9. H 10. F 11. P	. HUD-Owned Project? . FIPS County Code . Previous Housing Code . Displacement Status				19. Action Processed 20. Correction Type 21. Cert. Correction Date 22. Prev. Subsidy Type							32.	32. Utility Allowance				1165 0 1165
	noprocention: etalia:			Se	ctior	C.	Hous	eh	old Inforn	nation							
34. No.	35. Last Name	36. First Na		37. 3 MI R	38. 39 Rel. Se	x R		41. Eth.	42. Birth Date	43. Special Status		ent	45. ID Code (SSN)	46. Elig. Code	47. Alien Reg. Number		49. Work Codes
02 03	Atwood Atwood Atwood	H M S F D M	1	W W	2 2 2	10/09/1984 10/23/1985 05/01/2012			4	441-01-9876 444-01-2345 206-01-3579	EC		29 28 2				
04 05 06 07 08																	
51.	Family is Mobility Impa Family is Hearing Impa Family is Visually Impa	aired?	N 54. N 55.	. Numl . Numl	nber of nber of	Non-l Depe	ily Mem Family endents ble Men	Mer s	embers	0 5	8. Ex	pecte	ed Family Ad ed Family Ad ed Family Ad	dition -		dren	0 0 0
61.	Previous Head Last Na Previous Head First Na Previous Head Middle	lame e Initial					63. Previous Effective Date 64. Previous Head ID 65. Previous Head Birth Date										
		. Income In	formatio	n						Section	on E	E. A	sset Infor	rmati			
66. Mbr. No.	Income Type C	≿ode /	68. Amount		69. SN Ben Claim N		75. Mbr. No.		76. Descript	ion		77. tatus	78. Cash Valu	16	79. ctual Yearly Income	80 Dat Dives	ate
1	W=Non-Fed, Wage	pyment Income	22,172		1 Ci	81. Cash		f Asse			886						
	71. Total Pensio 72. Total Public	Assistance Inco	ome			C			82. Actual 83. HUD F	Passboo	k Rat	te		2.00			

84. Imputed Income from Assets

22,172

# Review Pay Stubs Collected at Time of 09/2014's Recertification



#### JUSTIN CONSTRUCTION

52 South Main Street Happyville, MA

Ryan Atwood 422 Sandy Way Happyville, MA



May 16 2014

\$669.85

10002

Pay Date:

Check Amount:

Check Number:

#### JUSTIN CONSTRUCTION

52 South Main Street Happyville, MA

Ryan Atwood Pay Date: May 30 2014
422 Sandy Way Check Amount: \$669.85
Happyville, MA Check Number: 10094

Emp. ID	Employee Name	Last 4 of SSN	Periold Ending	Pay Date	Type	Check Number	Emp. ID	Employee Na			Pay Date	Туре	Check Number
atwor	Ryan Atwood	9876	5/9/2014	5/16/2014	Wages	10002	atwor	Ryan Atwoo	od 9876	5/23/2014	5/30/2014	Wages	10094
Type / H	ours E	arnings	Deduc	tions	Year	-To-Date	Type / I	Hours	Earnings	Deduc	ctions	Yea	r-To-Date
Regular	75	852.75	Medicare	12.36	Earnings	8,527.50	Regular	75	852.75	Medicare	12.36	Earnings	9,380.25
			Federal Tax	52.87	Medicare	123.65				Federal Tax	52.87	Medicare	136.01
			MA Tax	45.20	Federal Tax	528.71				MA Tax	45.20	Federal Tax	581.58
					MA Tax	451.96						MA Tax	497.15
	Totals				AVAILABE B	ALANCE (HOURS)		Totals		1		AVAILABE B	ALANCE (HOURS)
TOTAL PAY		852.75			VACATION	50	TOTAL PAY		852.75			VACATION	50
DEDUCTIONS		110.43			SICK	50	<b>DEDUCTIONS</b>		110.43			SICK	50
NET PAY		742.32				354840	NET PAY		742.32				

#### JUSTIN CONSTRUCTION

52 South Main Street Happyville, MA

Ryan Atwood 422 Sandy Way Happyville, MA



#### JUSTIN CONSTRUCTION

52 South Main Street Happyville, MA

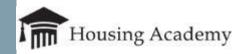
Pay Date: Jun 13 2014 Ryan Atwood Check Amount: \$669.85 422 Sandy Way Check Number: 10178 Happyville, MA



Pay Date: Jun 20 2014 Check Amount: \$669.85 Check Number: 10222

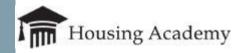
Emp. ID	Employee	Name Last 4 of SSN		Pay Date	Туре	Check Number	Emp. ID	Employee Na		Periold Ending	,	Type	Check Number
atwor	Ryan Atw	vood 9876	6/6/2014	6/13/2014	Wages	10178	atwor	Ryan Atwo	ood 9876	6/20/2014	6/27/2014	Wages	10222
Type / I	Hours	Earnings	De	ductions		Year-To-Date	Type / I	Hours	Earnings		Deductions	1	Year-To-Date
Regular	75	852.75	Medicare	12.36	Earnings	10,223.00	Regular	75	852.75	Medicare	12.36	Earnings	10,223.00
			Federal Tax	52.87	Medicare	148.23				Federal Tax	52.87	Medicare	148.23
			MA Tax	45.20	Federal Tax	633.83				MA Tax	45.20	Federal Tax	633.83
					MA Tax	541.82						MA Tax	541.82
	Totals	s			AVAILA	BE BALANCE (HOURS)		Totals				AVAILAI	BE BALANCE (HOURS)
TOTAL PAY		852.75			VACATION	50	TOTAL PAY		852.75			VACATION	50
<b>DEDUCTIONS</b>		110.43			SICK	50	DEDUCTIONS		110.43			SICK	50
NET PAY		742.32				***	NET PAY		742.32				

## Confirm Owner Calculation on 09/2014's AR



Cert Date	Type	HH Member	Gross Pay Date	Gross Amount	Inc. listed on 59
9/1/2014	AR	Ryan	5/16/2014	852.75	
			5/30/2014	852.75	
			6/13/2014	852.75	
•		<b>+</b>	6/27/2014	852.75	
-			Total	3,411.00	
			divided by	4	
			equals	852.75	
			x 26 pay periods	22,171.50	
					+
	Housh		nold total income:	22,171.50	22,172.00

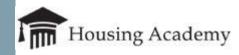
# Review the Income Report to Identify Unreported and/or Under-Reported Income



Review Ryan's EIV Income Report, notice the increase in income in Q4 of 2013:

Wages			
Pay Period	Amount FEIN	Employer Name and Address	Date Received by EIV
Q1 of 2015	\$6,195.00 11-3411111	JUSTIN CONSTRUCTION 52 S MAIN ST, HAPPYVILLE MA	04/16/2015
Q4 of 2014	\$5,704.90 11-3411111	JUSTIN CONSTRUCTION 52 S MAIN ST, HAPPYVILLE MA	01/30//2015
Q3 of 2014	\$5,628.15 11-3411111	JUSTIN CONSTRUCTION	
Q2 of 2014	\$5,542.88 11-3411111	52 S MAIN ST, HAPPYVILLE MA JUSTIN CONSTRUCTION	10/24//2014
Q1 of 2014	\$5,457.60 11-3411111	52 S MAIN ST, HAPPYVILLE MA JUSTIN CONSTRUCTION	08/02/2014
Q4 of 2013	\$6,915.51 11-3411111	52 S MAIN ST, HAPPYVILLE MA JUSTIN CONSTRUCTION	04/22/2014
Q3 of 2013	\$5,389.07 11-3411111	52 S MAIN ST, HAPPYVILLE MA JUSTIN CONSTRUCTION	01/24/2013
Q2 of 2013	\$5,001.75 11-3411111	52 S MAIN ST, HAPPYVILLE MA JUSTIN CONSTRUCTION	10/27/2013
Q2 01 20 10	45,551.15	52 S MAIN ST, HAPPYVILLE MA	07/30/2013

# Review the Income Report to Identify Unreported and/or Under-Reported Income



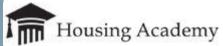
# Review Erin's EIV Income Report, notice the new income in Q1 and Q2 of 2014:

Employme Hire Date	ent Infor Hire State	mation FEIN	Employer Name and Address	Date Received by EIV
12/26/2013	MA	11-1111111	WILLS AUTOMOTIVE 513 KARSTENS WAY, HAPPYVILLE MA	04/16/2015

### Wages

Pay Period	Amount FEIN	Employer Name and Address	Date Received by EIV
Q2 of 2014	\$2,012.80 11-1111111	WILLS AUTOMOTIVE 513 KARSTENS WAY, HAPPYVILLE, MA	04/16/2015
Q1 of 2014	\$3,522.40 11-111111	WILLS AUTOMOTIVE 513 KARSTENS WAY, HAPPYVILLE, MA	04/16/2015
		WILLS AUTOMOTIVE	

### Determine if Tenant Received an Increase in Income Housing Academy



- Period of Income = 06/01/2013 05/31/2014
- Chapter 7, Paragraph 7-10: All tenants must notify the Owner when the family's income cumulatively increases by \$200 or more per month

#### JUSTIN CONSTRUCTION

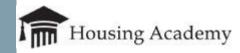
52 South Main Street Happyville, MA



Per your request, below please find the pay detail you requested for employee Ryan Atwood.

Period Ending Date	Pay Date	Gross Pay Amount		12 06 2013	12 13 2013	1,051.65	
Tarrett Eritaining Date		G. 533 . G, 7					
05 24 2013	05 31 2013	769.50	Outside POI	12 20 2013	12 27 2013	1,051.65	Total 12/13: \$2,103.33
06 07 2013	06 14 2013	769.50		01 03 2014	01 10 2014	852.75	
06 21 2013	06 28 2013	769.50	Total 06/13: \$1,539.00	01 17 2014	01 24 2014	852.75	
06 21 2013	00 28 2013	709.30	Total 00/13. \$1,539.00	01 31 2014	02 07 2014	852.75	Total 01/14: \$2,558.25
07.05.2012	07.12.2012	700 50			•	•	
07 05 2013	07 12 2013	769.50	T	02 14 2014	02 21 2014	852.75	
07 19 2013	07 26 2013	769.50	Total 07/13: \$1,539.00	02 28 2014	03 07 2014	852.75	Total 02/14: \$1,705.50
				02 20 2014	03 07 2014	032.73	Total 02/14. \$1,705.50
08 02 2013	08 09 2013	769.50					
08 16 2013	08 23 2013	769.50		03 14 2014	03 21 2014	852.75	
08 30 2013	09 06 2013	769.50	Total 08/13: \$2,308.50	03 28 2014	04 04 2014	852.75	Total 03/14: \$1,705.50
	· ·						
09 13 2013	09 20 2013	769.50		04 11 2014	04 18 2014	852.75	
09 27 2013	10 04 2013	1,051.65	Total 09/13: \$1,821.15	04 25 2014	05 02 2014	852.75	Total 04/14: \$1,705.50
10 11 2013	10 18 2013	1,051.65		05 09 2014	05 16 2014	852.75	
		•	T . 140/40 40 400 00	05 23 2014	05 30 2014	852.75	Total 05/14: \$1,705.50
10 25 2013	11 01 2013	1,051.65	Total 10/13: \$2,103.30	03 23 2014	03 30 2014	832.73	Total 03/14. \$1,703.30
11 08 2013	11 15 2013	1,051.65		06 06 2014	06 13 2014	852.75	Outside POI
11 22 2013	11 29 2013	1,051.65	Total 11/13: \$2,103.30				

#### **Phone Clarification**



Per a telephone clarification, we confirmed that Ryan's hours returned to his normal schedule effective 12/21/2013.

ABC Housing 100 Main Street Happyville, MA 01234

NOTE TO FILE / TELEPHONE CLARIFICATION

Re: Ryan Atwood, Unit 422

Date: 05/10/15 Time: 2:30 PM

Spoke with: Justin Bishop, Owner Phone Number: 617-555-1234

Summary of Conversation:

I contacted Justin Bishop regarding the wage printout he provided for Ryan Atwood. I asked him to confirm the payments from Sept 2013 – Jan 2014 which appear higher than Mr. Atwood's normal salary range.

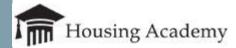
Mr. Bishop explained that Mr. Atwood typically works 37.5 hours per week, but from 9/16/13 through 12/20/13, he worked 47.5 hours per week. After that date he resumed his normal 37.5 hour per week schedule.

Mr. Bishop does not expect Mr. Atwood to increase his hours again.

#### Tanc Smith

Jane Smith Property Manager ABC Housing

#### **Determine if Tenant Received New Income**



- Period of Income = 06/01/2013 05/31/2014
- Chapter 7, Paragraph 7-10: All tenants must notify the Owner when an adult member of the family who was reported as unemployed on the most recent certification or recertification obtains employment

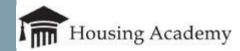
Will's Automotive 513 Karstens Way Happyville, MA

#### STATEMENT OF EARNINGS

EMPLOYEE NAME: ERIN ATWOOD

 PERIOD END DATE	PAYMENT DATE	GROSS EARNINGS	
01032014	01102014 \$	503.20	
01172014	01242014 \$	503.20	
01312014	02072014 \$	503.20 \$	1,509.60
02142014	02212014 \$	503.20	
02282014	03072014 \$	503.20 \$	1,006.40
03142014	03212014 \$	503.20	
03282014	04042014 \$	503.20 \$	1,006.40
04112014	04182014 \$	503.20	
 04252014	05022014 \$	503.20 \$	1,006.40
05092014	05162014 \$	503.20	
 05232014	05302014 \$	503.20 \$	1,006.40

# Calculate Actual Monthly Income Earned by the Atwood Household

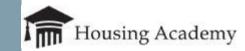




# Calculate the actual **monthly** income earned by the Atwood household for each **month** during the Period of Income

EIV Income Discrepancy Case File		Head of Household: Ryan Atwood		ood	Unit: 422		Page 3 of 3		
lates of Period o	of Income (POI):	6/1/13	to5/31/14						
Monthly det	ail based on detaile	ed 3rd party w	age printouts and	l/or benefit st	atements for POI	(start with POI e	ad date and work bac	:kwards):	Total Monthly Incom
Month:	HH member / Source:	Monthly Amount:	HH member / Source:	Monthly Amount:	HH member / Source:	Monthly Amount:	HH member / Source:	Monthly Amount:	for Household:
	Ryan Atwood		Erin Atwood						
June 2013	Justin Construction	1,539.00	Will's Auto	0.00					1,539
	Ryan Atwood		Erin Atwood						
July 2013	Justin Construction	1,539.00	Will's Auto	0.00					1,539
	Ryan Atwood		Erin Atwood						
August 2013	Justin Construction	2,308.50	Will's Auto	0.00					2,308
	Ryan Atwood		Erin Atwood						
September 2013	Justin Construction	1,821.15	Will's Auto	0.00					1,82
	Ryan Atwood		Erin Atwood						
October 2013	Justin Construction	2,103.30	Will's Auto	0.00					2,103
	Ryan Atwood		Erin Atwood						
November 2013	Justin Construction	2,103.30	Will's Auto	0.00					2,103
	Ryan Atwood		Erin Atwood						
December 2013	Justin Construction	2,103.30	Will's Auto	0.00					2,103
	Ryan Atwood		Erin Atwood						
January 2014	Justin Construction	2,558.25	Will's Auto	1,509.60					4,067
	Ryan Atwood		Erin Atwood						
February 2014	Justin Construction	1,705.50	Will's Auto	1,006.40					2,71
	Ryan Atwood		Erin Atwood						
March 2014	Justin Construction	1,705.50	Will's Auto	1,006.40					2,71
	Ryan Atwood		Erin Atwood						
April 2014	Justin Construction	1,705.50	Will's Auto	1,006.40					2,71
	Ryan Atwood		Erin Atwood						
May 2014	Justin Construction	1,705.50	Will's Auto	1,006.40					2,71

## Calculate Projected Monthly Income for the Atwood Household



- Period of Income = 06/01/2013 05/31/2014
- □ Per review of the tenant file, a 09/01/2012 AR and a 09/01/2013 AR were processed for the Atwood household during the Period of Income

#### 09/01/2012 AR

#### 09/01/2013 AR

	Section D. Incom	ne Informatio	n
66. Mbr. No.	67. Income Type Code	68. Amount	69. SSN Benefits Claim No.
1	W=Non-Fed. Wage	19,500	
	70. Total Employment Inc 71. Total Pension Income 72. Total Public Assistanc 73. Total Other Income 74. Total Non-Asset Incom	e Income	19,500 0 0 0
	74. Total Noti-Asset Illicol	ii c	19,500

	Section D. Incom	ne Informatio	n
66. Mbr. No.	67. Income Type Code	68. Amount	69. SSN Benefits Claim No.
1	W=Non-Fed. Wage	20,007	
	<ol> <li>Total Employment Inc</li> <li>Total Pension Income</li> <li>Total Public Assistanc</li> <li>Total Other Income</li> </ol>		20,007 0 0 0

Total Non-Asset Income

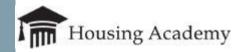
## Calculate Projected Monthly Income for the Atwood Household (Con't)



- Period of Income = 06/01/2013 05/31/2014
- $\bigcirc$  09/01/2012 AR valid for 06/2013 08/2013. \$19,500 / 12 = \$1,625
- $\bigcirc$  09/01/2013 AR valid for 09/2013 05/2014. \$20,007 / 12 = \$1,667.25

Month:	Household income as reported on form HUD-50059 (income reported on 50059 that is current for month being calculated):
June 2013	1,625.00
July 2013	1,625.00
August 2013	1,625.00
September 2013	1,667.25
October 2013	1,667.25
November 2013	1,667.25
December 2013	1,667.25
January 2014	1,667.25
February 2014	1,667.25
March 2014	1,667.25
April 2014	1,667.25
May 2014	1,667.25

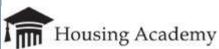
# Compare Actual to Projected Monthly Income for the Atwood Household



□ Compare the household's actual monthly income to projected monthly income for each month during the Period of Income to determine if there is a difference of \$200 or more per month

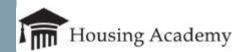
Monthly comparis	Monthly comparison based on 3rd party wage printouts and/or benefit printouts to income reported on form HUD-50059(s) (start with POI and date and work backwards)						
Month:	Household income based on wage and/or benefit printouts (from above):	Household income as reported on form HUD- 50059 (income reported on 50059 that is current for month being calculated):	Difference:	Notes:			
June 2013	1,539.00	1,625.00	-86.00				
July 2013	1,539.00	1,625.00	-86.00				
August 2013	2,308.50	1,625.00	683.50	3 pay period month			
September 2013	1,821.15	1,667.25	153.90	Ryan increased hours, < \$200/mo			
October 2013	2,103.30	1,667.25	436.05	Ryan increased hours, > \$200/mo, did not report it			
November 2013	2,103.30	1,667.25	436.05				
December 2013	2,103.30	1,667.25	436.05	<b>\</b>			
January 2014	4,067.85	1,667.25	2,400.60	Erin started a new job and did not report it			
February 2014	2,711.90	1,667.25	1,044.65				
March 2014	2,711.90	1,667.25	1,044.65				
April 2014	2,711.90	1,667.25	1,044.65				
Mau 2014	2.711.90	1.667.25	1,044,65	<b>†</b>			

# Determine and Process New and/or Correction Form HUD-50059s for the Atwood Household



Form HUD-50059s for the Atwood Household	IIII Housing Academy
<ul> <li>Determine and process the new and/or correction for Chapter 7, Paragraph 7-10: the tenant failed to notify cumulatively increased by \$200 or more per month a was reported as unemployed on the most recent (re).</li> <li>Chapter 7, Paragraph 7-13: (tenant did not comply wirent increase retroactive to the first of the month follows:         <ul> <li>Action requiring an IR: Ryan's income increased I reported / projected on 09/2013's AR) in 10/201</li> </ul> </li> </ul>	the Owner when the family's income nd when an adult member of the family who certification obtained employment th IR requirements) implement the resulting owing the date that the action occurred by \$200 or more per month (from income
<ul> <li>Action requiring an IR: Erin obtained employmer</li> <li>Date on the EIV Income Report)</li> <li>Create a new IR effective 01/01/2014, which is the</li> </ul>	more per month from projected income) occurred nt on 12/16/2013 (as detailed by the Hire
action (new employment) occurred	
FINAL SUMMARY OF RESOLUTION AND ACTION TAKEN:  REFER TO WORKSHEETS AND INVESTIGATION DETAILS ATTACHED, IF APPLICABLE:	
Ryan temporarily increased his hours during the POI, increasing the HH income by mor	e than \$200 per month.
Discrepancy is valid, need to create the following Interim Recertifications:	
New IR effective 11/01/2013 - change Ryan's wages to \$27,343 (\$1,051.65 * 26)	
New IR effective 01/01/2014 - change Ryan's wages to \$22,172 (\$852.75 * 26), add Erin's	s wages of \$13,083 (\$503.2 * 26)
New IR effective 06/01/2014 - leave Ryan's wages at \$22,172 (\$852.75 * 26), remove Eri	n's wages of \$13,083 (\$503.2 * 26)
Owner/Agent Signature: Jane Smith	Date: 5/22/2015

#### **Calculate Retroactive Rent** for the Atwood Household



Cert Type	Effective Date	Rent Should Be	Rent Was	Difference	# of Months	TOTAL	Comments
				*****************************			
IR	11/01/13	672.00	488.00	184.00	2	368.00	
IR	01/01/14	869.00	488.00	381.00	5	1,905.00	
IR	06/01/14	542.00	488.00	54.00	3	162.00	
				FINAL REPAY	TOTAL:	2,435.00	

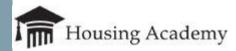
Create an 11/01/13 IR: Create an 01/01/14 IR: Create an 06/01/14 IR:

			Section B.	Sum	mary Information				
1. Pr	oject Name	ZYX Housing	13. Effective E	Date	11/01/20	13 23.	Unit Number		0422
3. Se	bsidy Type condary Subsidy Type operty ID	1-Sec 8 zyx 23456789	15. Next Rece		ner Date 09/01/20	14 25. 26.	No. of Bedroon Building ID Unit Transfer C	ode	2
6. Co 7. Te	oject Number Intract Number Jecom Address an of Action Code	23456789 MA06M100009 tracm12345	16. Project Mo 17. Unit Move 18. Certification	In Date In Type	3	03 28. IR 29. 30.	Previous Unit N Security Depos Basic Rent Market Rent	lo. it	396 0 1165
10. FI 11. Pr	JD-Owned Project? PS County Code evious Housing Code splacement Status	N	19. Action Pro 20. Correction 21. Cert. Corre 22. Prev. Subs	Type ection [	Date	32.	Contract Rent Utility Allowanc Gross Rent	е	1165 0 1165
	Section D. Incom	e Information	n		Section	n E. A	sset Inform	ation	
66. Mbr. No.	67. Income Type Code	68. Amount	69. SSN Benefits Claim No.	75. Mbr. No.	76. Description	77. Status	78. Cash Value	79. Actual Yearly Income	80. Date Divested
1	W=Non-Fed. Wage  70. Total Employment In 71. Total Persion Income 72. Total Public Assistan 73. Total Oher Income 74. Total Non-Asset Incom	e Income ne	27,343 0 0 0 27,343	1	S1. Cash Value of A 82. Actual Income fr 83. HuD Passbook 84. Imputed 1000 85. Asset Income	om Ass Rate from A	ets ssets	0 6224 0 0 0 0 0	
					nces & Rent Calcul				672
87. Lo 88. V 89. E 90. C 91. E 92. S 93. In 94. P 95. S	stal Annual Income will nome Limit say Low Income Limit tremely Low Income Limit tremely Low Income Limit trent Income Status igibility Universe Code a.e. Assist 1984 Indicator come Exception Code olice / Security Tenant? runvor of Qualifier? ousehold Assistance Status	47,150 33,050 19,850 1 Very Low 1 2-Post 1981 1 N 1	97. Deduction fo 98. Child Care E 99. Child Care E 99. Child Care E 90. 3% of Incom 01. Disability Ev 02. Disability De 03. Medical Exp 04. Medical Dec 05. Elderly Fam 06. Total Deduc 07. Adjusted An	Expense Expense eduction ense duction ily Deditions	e (work) 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	109. T 110. U 111. A 112. V 113. H 114. V	otal Tenant Payi enant Rent titify Reimburse ssistance Paym Velfare Rent lardship Exempi Vaiver Type Cod	ment ent tion	672 672 0 493 0

1. Pro	oject Name	ZYX Housing	13. E BECOME L		01/01/2	14 23.	UnitNumber		042
	bsidy Type	1-Sec 8			er Dete	24.	No. of Bedroom	is.	-
3. Se	condary Subsidy Type		15. Next Rece	tifostio	n Dete 09/01/2	114 25.	Building ID		
	pertyID	zyx					Unit Transfer Co Previous Unit N		
	oject Number etract Number	2345678 MA06M10000		we-In D	ate 09/21/2	103 28	Security Deposi	ii.	396
	ntract Number ecom Address		17. Unit Move	in Date		20	Basic Rent		0
	n of Action Code	tracm12345	10. Gertricette				Market Rent		1165
	D-Owned Project?	N N	19. Action Pro				Contract Rent		1165
	8 County Code		20. Correction		4.		Utily Allowand	e .	0
	evious Housing Code		21. Cert. Corre 22. Prev. Subs			33.	Gross Rent		1165
12 Die	Section D. Incom	es Informatio		тау тур		n E A	Asset Inform	estion	
66.			n eo	75.	1	T	1		80
tes. Μbε	67.	68.	SSN Benefits	Mbr.	76.	77.	78.	79. Actual Yearty	Date
No.	Income Type Code	Amount	Claim No.	No.	Description	Status	Cash Value	Income	Divested
	W=Non-Fed, Wage	22,172			Citizens Ckg	С	624	0	
	W=Non-Fed. Wage	13,083			····				
	M-MOH-PEUL WASS	10/000							
	l	I			I	1			
	l	1			l				
	70. Total Employment Inc		35,255		81. Cash Walue of			624	
	71. Total Pension Income	1	35,255 0		82. Actual Income	rom Ass	ats	0	
	<ol> <li>Total Pension Income</li> <li>Total Public Assistant</li> </ol>	1	35,255 0 0		82. Actual Income 83. HUD Pass bodi	rom Ass Rate	ots 2	0	
	<ol> <li>Total Persion Income</li> <li>Total Public Assistant</li> <li>Total Other Income</li> </ol>	oe Income	0		82. Actual Income	rom Ass Rate	ots 2	0	
	<ol> <li>Total Pension Income</li> <li>Total Public Assistant</li> </ol>	oe Income me	0 0 0 35,255	vanc.ee	82. Actual Income 83. HUD Pless book 84. Imputed Income 85. Asset Income	rom Ass Rate a from A	ots 2	0	
90 T.	71. Total Persion Income 72. Total Public Assistant 73. Total Other Income 74. Total Non-Asset Inco	oe Income me	35,253 50n F. Állov		82. Actual Income 83. HUD Pass book 84. Imputed Income 85. Asset Income 8 Rent Calculati	rom Ass Rate a from A	oits sone to	0 2.00 0 0	100
	71. Total Persión Income 72. Total Public Assistant 73. Total Other Income 74. Total Non-Asset Inco	Sec 35,255 47,150	35,255 Son F. Ållov 97. Deducton t	r Deper	82. Actual Income 83. HUD Pass book 84. Imputed Income 85. Asset Income 85. Rent Calculation	rom Ass Rate a from A	ets 2 ssets otal Tenant Pay	0 2.00 0 0	Teen to the teen t
87. Lo	71. Total Persion Income 72. Total Public Assistant 73. Total Other Income 74. Total Non-Asset Inco	se income  Sec 35,255 47,150 33,050	500 F. Allow 97. Deduction to 98. Child Care 5	r Deper xperse	82. Actual Income 83. HUD P assibool 84. Imputed Income 85. Asset Income 85. Asset Income 85. Rent Calculation dents (work) (school)	rom Ass Rate a from A ons 108. To 109. To	ets 2 seets otal Tenent Pay enant Fant tilty Reimburse	0 0 0 0	
87. Lo 88. W 89. Ex	71. Total Perision income 72. Total Public Assistant 73. Total Other Income 74. Total Non-Asset Inco dol Annual Income we income Limit try Low Income Limit dymenty Low Income Limit	se income  Sec 35,255 47,150 33,050 19,850	35,255 Son F. Allow 97. Deduction 6 98. Child Care 8 90. Child Care 8 100. 3% of incor	r Deper x perse x perse	82. Actual Income 83. HUD P assibool 84. Imputed Income 85. Asset Income 85. Asset Income 85. Rent Calculation dents (work) (school)	rom Ass Rate a from A 0 108. T 0 109. T 0 110. U	ets 2 see ts otal Tenent Payl enent Rent tility Reimburs e seistance Paym	0 0 0 0	80
87. Ld 88. W 89. E: 90. Ci	71. Total Pusion income 72. Total Pusion Assistant 73. Total Other Income 74. Total Non-Asset Inco 34. Annual Income av Income Limit any Low Income Limit dramshy Low Income Limit umshi Income Status	Sec 35,255 47,150 33,050 19,550 Low	55 Child Care 8  97. Deduction 8  99. Child Care 8  90. Child Care 8  100.3% of Incom	r Deper Expense Expense e pense	82. Actual Income 83. HJD Pass book 84. Imputed Income 85. Acest Income 8 & Rent Calculati Indents 4 (work) (cachool) 1,00	rom Ass Rate a from A 0 108. T 0 109. T 0 110. U 8 111. A 0 112. V	ets 2 coets buil Tenent Pay enert Part titl Reimburs e coestance Paym Valkre Rent	0 0 0 0 ment	861
87. Lo 88. W 89. E: 90. Co 91. EI	71. Total Purision income 72. Total Pulitic Ageistant 73. Total Other Income 74. Total Non-Accel Income wincome Limit of the Comment of the sty Low Income Limit down by Low Income Limit unant Income Status gigbitly Universe Code	Sec 35,255 47,150 33,050 19,850 Low 2-Post 1981	500 F. Allow 97. Deductor & 98. Child Care & 99. Child Care & 90. Child Care & 100. 3% of Incom 101. Deability Ex	r Deper Expense Expense e pense duction	82. Actual Income 83. HJD Pass book 84. Imputed Income 85. Acest Income 8 & Rent Calculati Indents 4 (work) (cachool) 1,00	rom Ass Rate a from A 0 108. T 0 109. T 0 110. U 8 111. A 0 112. V 0 113. H	ots 2 soets 2	0 2.00 0 0 0 ment	861
87. Lo 88. W 89. E: 90. C: 91. E! 92. S:	71. Total Purision income 72. Total Putitic Accistant 73. Total Other Income 74. Total Non-Assettinco 74. Total Non-Assettinco 74. Total Non-Assettinco 75. Total Non-Assettinco 76. Total Non-Assettinco 76. Total Non-Assettinco 76. Total Non-Assettinco 76. Total Non-Assettinco 77. Total Non-Assettinco 77. Total Putition 77. Total Putition 78. Total Putit	Secone 35,255 47,150 33,050 19,850 Low 2-Post 1981	97. Deduction 8 99. Child Care 8 99. Child Care 8 99. Child Care 8 100. 3% of Incom 101. Disability De 102. Disability De 103. Medical Exp	r Deper expense expense pense duction ense	82. Actual Income 83. HJD Pass book 84. Imputed Income 85. Acest Income 8 & Rent Calculati Indents 4 (work) (cachool) 1,00	rom Ass Rate a from A 0 108. T 0 109. T 0 110. U 8 111. A 0 112. V 0 113. H	ets 2 coets buil Tenent Pay enert Part titl Reimburs e coestance Paym Valkre Rent	0 2.00 0 0 0 ment	861
87. Lo 88. W 89. E: 90. C: 91. Ei 92. S: 93. In	71. Stall Pursion income 72. Stall Pulsi Assistant 73. Stall Other Income 74. Stall New-Assist Incom 84. Stall New-Assist Income 84. Income Limit stall new Li	se Income  Sec  35,255 47,150 33,050 19,850 Low 2-Post 1981	97. Deductor & 98. Child Care & 99. Child Care & 90. Child Care & 100. 3% of Incom 101. Disability Ex (02. Disability Ex (03. Medical Dec (04. Medical Dec	or Deper expense expense pense duction ense fuction	82. Actual Income 83. HLD Pass book 84. Imputed income 85. Asset Income 85. Asset Income 86. Asset Income 86. (work) (work) (school)	rom Ass Rate a from A 0 108. T 0 109. T 0 110. U 8 111. A 0 112. V 0 113. H	ots 2 soets 2	0 2.00 0 0 0 ment	861
87. Ld 88. W 89. E: 90. Ci 91. Ei 92. Si 94. Pi	71. Total Purision income 72. Total Putitic Accistant 73. Total Other Income 74. Total Non-Assettinco 74. Total Non-Assettinco 74. Total Non-Assettinco 75. Total Non-Assettinco 76. Total Non-Assettinco 76. Total Non-Assettinco 76. Total Non-Assettinco 76. Total Non-Assettinco 77. Total Non-Assettinco 77. Total Putition 77. Total Putition 78. Total Putit	Sec Income  8 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	97. Deduction 8 99. Child Care 8 99. Child Care 8 99. Child Care 8 100. 3% of Incom 101. Disability De 102. Disability De 103. Medical Exp	r Deper expense expense e pense duction ense luction	82. Actual Income 83. HLD Pass book 84. Imputed income 85. Asset Income 85. Asset Income 86. Asset Income 86. (work) (work) (school)	rom Ass Rate a from A 0 108. T 0 109. T 0 110. U 8 111. A 0 112. V 0 113. H	ots 2 soets 2	0 2.00 0 0 0 ment	861

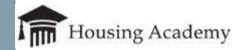
80. Extramely Low Income Limit 19,850 100. 3% of Income 605 111. Assistance Payment 621				Section B.	Sum	mary Information				
5. Next Recentification Date   09/01/2012   25. Solution   0   1		,		13. E BECOVE L						042
A. Property ID			1-5008			on Date 09/01/20	14 25	. No. ar Bearcan . Building D	13	
5. Project Number 23466789 48. Project Move-in Date 09/21/2013 27. Previous thit No. 20. Correction Date 17. Link Move in Date 27. Link Move in Date 29. Beauty Deposit 306 9. HUD-Chread Project 9 10. RPS County Code 9. HUD-Chread Project 9 10. Rep Score 11.65 9. HUD-Chread Project 9 12. Correction Type 9. Action Processed 31. Contract Rent 11.65 9. HUD-Chread Project 9 12. Correction Date 11.65 9. HUD-Chread Project 9 12. Correction Date 11.65 9. Link Move in Property 11.65 9. Link Move			27/1				26.	. Unit Transfer C		
6. Contract Number			2345678	9	un In E	No. 000100	27.	Previous Unit N	b.	306
1.				57 Hol Maro		January 1997/21/20			it	
8. Plan Process   1. Plan Pr				18 Certification						1169
20. Correction Type				19. Action Pro						
11. Previous Adusting Code   22. Prev. Building Type   33. Gross Runt   1165			N	ZU. Comiction					0	0
Section   D.   Income   Information   Section   E.   Asset Information	11. Pr	rvious Housing Code					33.	Gross Rent		1165
68.   67.   68.   89.   75.   76.   77.   78.   78.   Adual Value   Dissolption   Shates   Cash Value   Adual Value   Divested	12. Di:				udy typ					
Mode   Income   Spe Code   Amount   S8N Senerifis   Mbr.   Description   Safeta   Cash Value   Actual Value   Date   Divested		Section D. Incom	e Informatio			Section	ıE /	Asset Inform		
Total Employment Income										
1 W-Non-Fed. Wage		Income Type Code	Amount			Description	Status	Cash Value		
70 Total Emphyment Income	1	W=Non-Fed. Wage	22,172	CHITTE		Citizens Ckg	С	624	0	D Figure G
75   Total Pursion Income   0   82   Adtual Income from Assists   0   82   Adtual Income from Assists   0   83   Adtual Income from Assists   0   83   Adtual Income from Assists   0   84   Impublic Assistance income   0   84   Impublic Income from Assists   0   85   Adult Income Assists   0   85   Adult Income Assists   0   85   Adult Income Assists   0   86   Adult Income Assists   0   86   Adult Income Assists   0   87   Adult Income Assi										
75   Total Pursion Income   0   82   Adtual Income from Assists   0   82   Adtual Income from Assists   0   83   Adtual Income from Assists   0   83   Adtual Income from Assists   0   84   Impublic Assistance income   0   84   Impublic Income from Assists   0   85   Adult Income Assists   0   85   Adult Income Assists   0   85   Adult Income Assists   0   86   Adult Income Assists   0   86   Adult Income Assists   0   87   Adult Income Assi										
75   Total Pursion Income   0   82   Adtual Income from Assists   0   82   Adtual Income from Assists   0   83   Adtual Income from Assists   0   83   Adtual Income from Assists   0   84   Impublic Assistance income   0   84   Impublic Income from Assists   0   85   Adult Income Assists   0   85   Adult Income Assists   0   85   Adult Income Assists   0   86   Adult Income Assists   0   86   Adult Income Assists   0   87   Adult Income Assi										
75   Total Pursion Income   0   82   Adtual Income from Assists   0   82   Adtual Income from Assists   0   83   Adtual Income from Assists   0   83   Adtual Income from Assists   0   84   Impublic Assistance income   0   84   Impublic Income from Assists   0   85   Adult Income Assists   0   85   Adult Income Assists   0   85   Adult Income Assists   0   86   Adult Income Assists   0   86   Adult Income Assists   0   87   Adult Income Assi										
75   Total Pursion Income   0   82   Adtual Income from Assists   0   82   Adtual Income from Assists   0   83   Adtual Income from Assists   0   83   Adtual Income from Assists   0   84   Impublic Assistance income   0   84   Impublic Income from Assists   0   85   Adult Income Assists   0   85   Adult Income Assists   0   85   Adult Income Assists   0   86   Adult Income Assists   0   86   Adult Income Assists   0   87   Adult Income Assi										
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# Resolution for an Apparent Valid EIV Income Discrepancy – Unreported and/or Under-Reported Income



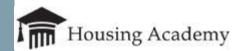
- EIV Income Discrepancy Resolution:
  - Add detailed notes to the EIV Income Discrepancy Report and EIV income discrepancy case file checklist to be filed in the tenant file to "tell the story"
    - Increase in hours and new employment
  - Cite the Handbook and applicable 3<sup>rd</sup> party verifications in the tenant file
    - □ Chapter 7, Paragraph 7-10: All tenants **must** notify the Owner when the family's income cumulatively increases by \$200 or more per month AND when an adult member of the family who was reported as unemployed on the most recent (re)certification obtains employment
      - Provide a detailed timeline, include calculations and reference supporting documentation to detail the increase in hours and new employment
  - Conclude the investigation (for the household)
    - ☐ Important Reminder: All household members must be documented in the final EIV Income Discrepancy Resolution

### Tenant Failure to Comply



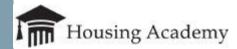
- If a tenant's inaction prevents or disrupts the Owner's effort to investigate (and document) ALL discrepancies identified on the (Income Discrepancy) report and/or if the tenant does not provide sufficient documentation required to conclude an EIV income discrepancy, the Owner must decide how to proceed in accordance with:
  - Chapter 8, Paragraph 8-18 (Procedures for Addressing Discrepancies and Errors);
  - Chapter 8, Paragraph 8-19 (Procedures for Addressing Fraud); and
  - Attorney Guidance, as applicable

#### Owner Determination of Lease Violation and/or Fraud Housing Academy



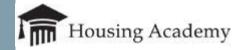
- In addition to reimbursing HUD for improper subsidy payments, the tenant may be subject to additional penalties for failure to report his/her income as required by the lease
- If an Owner determines that a tenant did not comply with the lease, the Owner must follow the guidance in the Handbook for:
  - Terminating tenancy (Chapter 8, Section 3); and/or
  - Requirements on fraud and filing a civil action against a tenant to recover improper subsidy payments (Chapter 8, Paragraph 8-18 & 8-19)
- Where fraud is suspected, the Owner **should**:
  - Report to the local HUD Office of Inspector General (OIG). Before doing so, it is a good business practice to consult the Compliance Department (at the company for which you work) and/or your supervisor.
    - **NOTE**: Fraud is determined based on all facts in the case. An Owner must be able to prove intent which requires considerable documentation. Consult applicable personnel within your company, as well as with legal counsel, before taking action against a tenant for fraud

# Summary of Workflow for Apparent Valid EIV Income Discrepancies



Conclusion:	All EIV Income Discrepancies require investigation and documentation (regardless of whether or not they are valid). We recommend that documentation to resolve an EIV income discrepancy include the following: detailed notes as to the Owner's findings from the investigation, Handbook and/or Federal Register citations, references to any 3 <sup>rd</sup> party verifications (used to make a determination) and income and/or rent calculations, as applicable.
Trigger:	Owner is not able to determine that there is an apparent explanation as to why the EIV income discrepancy is invalid; therefore, Owner determines that the EIV income discrepancy is valid.
Decision Point:	Is Owner able to determine that the unreporting and/or under-reporting of income began prior to the POI start date for the discrepant source(s) of income? If yes, Owner obtains additional documentation before proceeding with investigation. If no, Owner proceeds with investigation.
Trigger:	Owner determines that the unreporting and/or under-reporting of income began prior to the POI start date for the discrepant source(s) of income.
Action:	Owner determines the 5-year look back period start date, obtains additional retroactive 3 <sup>rd</sup> party verifications (including detailed wage printouts and/or benefits statements, as applicable) for the discrepant source(s) of income (not to exceed the 5-year look back period determined by the signature date on form HUD-9887) and updates the EIV income discrepancy case file checklist.

# Summary of Workflow for Apparent Valid EIV Income Discrepancies (Con't)



Conclusion:

All EIV Income Discrepancies require investigation and documentation (regardless of whether or not they are valid). We recommend that documentation to resolve an EIV income discrepancy include the following: detailed notes as to the Owner's findings from the investigation, Handbook and/or Federal Register citations, references to any 3<sup>rd</sup> party verifications (used to make a determination) and income and/or rent calculations, as applicable.

Trigger:

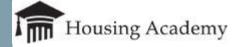
Owner processes new and/or correction form HUD-50059s to calculate the difference between the amount of rent the tenant should have paid and the amount of rent the tenant was charged.

Action:

Owner requests and prepares for a tenant meeting.

Owner conducts a tenant meeting to: review and discuss the results of the retroactive 3<sup>rd</sup> party verification(s) obtained, inform the tenant of the repayment amount due and his/her obligation to reimburse the Owner (\*provided the Owner did not identify an Owner miscalculation and/or error), negotiate, complete, sign and date the EIV repayment agreement with the tenant(s), and review, sign and date all applicable new and/or correction form HUD-50059s with the tenant(s). Owner processes the retroactive form HUD-50059(s) and the EIV repayment agreement in his/her property management software. Owner concludes investigation.

## **Trainer Contact Information**



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