

Chapter 7

VERIFICATION

[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230, 24 CFR 5.233, 24CFR 5.236]

INTRODUCTION

The AHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The AHA must not pass on the cost of verification to the family.

The AHA will follow the verification guidance provided by HUD in PIH Notice 2010-19 Administrative Guidance for Effective and Mandated use of the Enterprise Income Verification (EIV) System, PIH Notice 2012-26 Extension of 2010-19; PIH Notice 2012-10 Verification of Social Security Numbers (SSN), Social Security (SS), and Supplemental Security Income (SSI) Benefits; and Effective Use of the Enterprise Income Verification (EIV) System's Identity Verification Report, and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary AHA policies.

Part I describes the general verification process. More detailed requirements related to individual factors are provided in subsequent parts including family information (Part II), income and assets (Part III), and mandatory deductions (Part IV).

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of the AHA.

PART I. GENERAL VERIFICATION REQUIREMENTS

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516 AND 982.551, 24 CFR 5.230]

The family must supply any information that the AHA or HUD determines is necessary to the administration of the program and must consent to AHA verification of that information [24 CFR 982.551].

Consent Forms

It is required that all adult applicants and participants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the AHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to use form HUD-9886 to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign

other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, the AHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with AHA procedures.

7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS

HUD's Verification Hierarchy

HUD authorizes the AHA to use six methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the AHA to use the most reliable form of verification that is available and to document the reasons when the AHA uses a lesser form of verification. In order of priority, the forms of verification that may be used are:

- Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) System (not available for income verification of applicants)
- Up-front Income Verification (UIV) using non-HUD system whenever available
- Written Third Party Verification
- Written Third Party Verification Form
- Oral Third Party Verification
- Tenant Declaration

Each of the verification methods is discussed in subsequent sections below.

Requirements for Acceptable Documents

Any documents used for verification generally must be dated within the 60-day period preceding the reexamination or AHA request date. The documents must not be damaged, altered or in any way illegible.

Print-outs from web pages, e-mails and faxes are considered original documents.

The AHA staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

Any family self declarations must be made in a format acceptable to the AHA.

HUD allows the AHA to obtain certifications in cases of assets less than \$5,000 and for fixed sources of incomes. The AHA has decided to conduct full reexaminations with all verifications during years divisible by 3. During the next two years, AHA will obtain only self-certifications for households with assets less than \$5,000. During the same two years, the AHA will evaluate if a source of income meets HUD's definition of a fixed-

source income. If income is determined to be fixed, AHA will apply a 3rd party cost of living adjustment without obtaining further verification.

File Documentation

The AHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the AHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

7-I.C. UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to the AHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the AHA. The Enterprise Income Verification (EIV) is a form of UIV and the AHA is required to use this system.

The AHA must restrict access to and safeguard UIV data in accordance with HUD guidance on security procedures, as issued and made available by HUD.

There may be legitimate differences between the information provided by the family and UIV-generated information. No adverse action can be taken against a family until the AHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of the AHA.

If the family disputes the information obtained from UIV or EIV and is unable to provide acceptable documentation to support his/her dispute, AHA is required to obtain written third party verification.

Definition of Substantial Difference

UIV information is used differently depending upon whether there is a *substantial difference* between information provided by the family and the UIV information. PIH Notice 2010-19 Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System defines a substantial difference as an amount equal to or greater than \$2,400, annually.

See Chapter 6 for the AHA's policy on the use of UIV to project annual income and for the AHA's threshold for substantial difference.

When No Substantial Difference Exists

If UIV information does not differ substantially from family information, the UIV documentation may serve as verification.

When a Substantial Difference Exists

When there is a substantial difference between the information provided by the UIV source and the family, the AHA must take the following actions:

- Discuss the income discrepancy with the tenant; and
- Request the tenant to provide any documentation to confirm or dispute the unreported or underreported income and/or income sources; and
- In the event the tenant is unable to provide acceptable documentation to resolve the income discrepancy, the AHA is required to request from the third party source, any information necessary to resolve the income discrepancy; and
- If applicable, determine the tenant's underpayment of rent as a result of unreported or underreported income, retroactively; and
- Take any other appropriate action as directed by HUD.

Use of HUD's Enterprise Income Verification (EIV) System

HUD's EIV system contains data showing earned income, unemployment benefits, Social Security and SSI benefits for participant families. HUD requires the AHA to use the EIV system when available. The following policies will apply when the AHA has access to HUD's EIV system.

EIV Income Reports

The data shown on the EIV Income Report is regularly updated; however, data may be between 3 and 6 months old at the time reports are generated.

The AHA will obtain the EIV Income Report for annual reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.

The EIV Income Report will be compared to family-provided information as part of the annual reexamination process. EIV Income Reports may be used in the calculation of annual income, as described in Chapter 6.I.C. EIV Income Reports may also be used to meet the regulatory requirement for third party verification, as described above. Policies for resolving discrepancies between EIV Income Reports and family-provided information will be resolved as described in Chapter 6.I.C. and in this chapter.

EIV Income Reports will be used in interim reexaminations to verify and calculate earned income, unemployment benefits, Social Security and/or SSI benefits, and to verify that families claiming zero income are not receiving income from any of these sources.

EIV Income Reports will be retained in a way that protects the participant's right to privacy and per EIV Security requirements.

When the PHA determines through the EIV Income Report and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

Income Discrepancy Report (IDR)

The IDR is a tool for identifying families who may have concealed or under-reported income. Data in the IDR represents income for past reporting periods and may be between 6 months and 30 months old at the time IDRs are generated.

Families who have not concealed or under-reported income may appear on the IDR in some circumstances, such as loss of a job or addition of new family members.

The AHA will generate and review IDRs on a quarterly basis. The IDR threshold percentage will be adjusted as necessary based on the findings in the IDRs.

In reviewing IDRs, the AHA will begin with the largest discrepancies.

When the AHA determines that a participant appearing on the IDR has not concealed or under-reported income, the participant's name will be placed on a list of "false positive" reviews. To avoid multiple reviews in this situation, participants appearing on this list will be eliminated from IDR processing until a subsequent interim or annual reexamination has been completed.

When it appears that a family may have concealed or under-reported income, the AHA will request written third party verification of the income in question.

When the AHA determines through IDR review and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

EIV Identity Verification

The EIV system verifies tenant identities against SSA records. These records are compared to PIC data for a match on Social Security number, name, and date of birth.

When identity verification for a participant fails, a message will be displayed within the EIV system and no income information will be displayed.

The AHA will identify participants whose identity verification has failed as part of the annual reexamination process.

The AHA will attempt to resolve PIC/SSA discrepancies by reviewing file documents. When the PHA determines that discrepancies exist due to AHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

7-I.D. THIRD PARTY VERIFICATIONS

Written Third Party Verification is defined by HUD as an original or authentic document generated by a third party source dated within the 60-day period preceding the reexamination or AHA request date. Such documentation may be in the possession of the tenant or applicant. Examples of acceptable tenant-provided documentation (generated by a third party source) include, but are not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

If the participant is unable to provide an acceptable Written Third Party Verification, the AHA will move onto the next form of verification.

Upon failure to obtain UIV/EIV or a Written Third Party Verification, AHA will use a standardized Written Third Party Verification form to collect information from a third

party source. Oral Third Party Verification, independent verification of information by contacting the Third Party via telephone or in-person visit will be used as the final attempt to obtain third party verification.

Reasonable Effort and Timing

The AHA will diligently seek third party verification using a combination of written and oral requests to verification sources. Information received orally from third parties may be used either to clarify information on third party written verifications or verification forms or as independent verification when written third party verification is not received in a timely fashion.

The AHA may mail, fax, e-mail, or hand deliver written third party verification forms and will accept third party responses using any of these methods. The AHA will make a request to the participant/applicant to supply written third party verifications and give the participant/applicant 14 calendar days to respond in writing to the request. If a response has not been received by the 15th calendar day, the AHA will request verification using a written third party verification form. The AHA will send a written request for verification to each required source and give the source 14 calendar days to respond in writing. If a response has not been received by the 15th calendar day, the AHA will request third party oral verification.

The AHA will make a minimum of two attempts, one of which may be oral, to obtain third party verification. A record of each attempt to contact the third party source (including no-answer calls) and all contacts with the source will be documented in the file. Regarding third party oral verification, AHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

When any source responds verbally to the initial written request for verification the AHA will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

The AHA will document in the file how the AHA arrived at a final conclusion about the income or expense to include in its calculations.

When Third Party Information is Late

If the AHA receives third party verification that differs from the amounts used in income and rent determinations and it is past the deadline for processing the reexamination, the AHA will conduct an interim reexamination to adjust the figures used for the reexamination.

When Third Party Verification is Not Required

Certain Assets and Expenses

The AHA will accept a self declaration from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

For assets \$5,000 and less and fixed sources of income, the AHA will not verify except every third year.

The AHA will determine that third-party verification is not available if the asset or expense involves an insignificant amount, making it not cost-effective or reasonable to obtain third-party verification [PIH Notice 2010-19]. AHA must document the file as to the reason(s) why third party verification was not available.

7-I.E. SELF DECLARATION

When information cannot be verified by a third party through Written Third Party Verifications, Written Third Party Verifications Forms, or Oral Third Party Verifications, family members will be required to submit self declarations attesting to the accuracy of the information they have provided to the AHA.

The AHA may require a family to certify that a family member does not receive a particular type of income or benefit.

The self declaration must be made in a format acceptable to the AHA and must be signed by the family member whose information or status is being verified.

Third-party verification of all family assets is required at least every 3 years. Staff shall accept a family’s declaration of the amount of assets of \$5,000 and less for years not requiring a third-party verification. This declaration must also include the amount of income expected to be received from those assets. The AHA’s self-certification document, which is signed by all adult family members 18 years of age and older, can serve as the declaration. Where the family has net family assets equal to or less than \$5000, the AHA does not need to request supporting documentation (e.g. bank statements) from the family to confirm the assets or the amount of income expected to be received from those assets. Where the family has net family assets in excess of \$5000, the AHA must obtain supporting documentation (e.g. bank statements) from the family to confirm the assets.

PART II. VERIFYING FAMILY INFORMATION

7-II.A. VERIFICATION OF LEGAL IDENTITY

The AHA will require families to furnish verification of legal identity for each household member.

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
Certificate of birth, naturalization papers Church issued baptismal certificate Current, valid driver's license or Department of Motor Vehicles identification card U.S. military discharge (DD 214) U.S. passport Employer identification card	Certificate of birth Adoption papers Custody agreement Health and Human Services ID School records

If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at the AHA's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the AHA and be signed in the presence of an AHA representative or AHA notary public.

When a member of the household becomes an adult, i.e., turns 18, the AHA will require them to furnish a photo ID as verification of legal identity at the family's next annual re-exam.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and HCV GB, p. 5-12]

Applicants and participants (including each member of the household, and including live-in aides, foster children, and foster adults) are required to disclose his/her Social Security Administration (SSA)-assigned social security number with the exception of the following individuals:

- Individuals who do not contend to have eligible immigration status and have not been assigned a social security number.
- Existing program participants as of January 31, 2010 who have previously disclosed their social security number and HUD has determined the number valid.
- Existing program participants as of January 31, 2010, who are 62 years of age or older and had not previously disclosed a valid social security number.

For household members who meet the first exception above, a self-certification stating that no SSN has been issued is required. The self-certification must be executed personally by any family member 18 or older, or by a parent or guardian for a minor.

For all others, documentation of a disclosed social security number must be provided. Acceptable evidence of the social security number consists of an original social security card issued by the SSA; an original SSA document, that contains the social security number and name of the individual; or an original document issued by a federal, state, or local government agency, which contains the social security number and name of the individual.

Social security numbers must be verified only once during continuously-assisted occupancy.

If any family member obtains an SSN after admission to the program, the new SSN must be disclosed at the next regularly scheduled reexamination and verification must be submitted. If the family reports a SSN, but cannot provide acceptable documentation of the number, the AHA will require a self-certification stating that documentation of the SSN cannot be provided at this time. The AHA will require documentation of the SSN within 30 calendar days from the date of the family member's self-certification mentioned above. If the family is an applicant, assistance cannot be provided until proper documentation of the SSN is provided for all members over the age of 6 years.

For children under the age of 6, proper documentation must be provided unless the child was added within 6 months of the issuance of voucher. In that case, the family has until 90 days after initial lease-up to provide the documentation.

The AHA will instruct the family to obtain a duplicate card from the local Social Security Administration (SSA) office.

The social security numbers of household members, such as live-in aids, must be verified by HUD requirement and for the purpose of conducting criminal background checks.

When a participant requests to add a new household member, who is at least six years of age or under the age of six and has a SSA-assigned social security number, to the family, the participant must disclose the social security number and provide acceptable documentation as outlined above. The individual will not be added to the household until verification of the social security number is received.

If the household is requesting to add a minor, under six years of age and who does not have a SSA-assigned social security number, the household must disclose the SSA-assigned social security number and provide the above verification within 90 calendar days of the child being added to the household. The AHA may grant a 90-day extension to this deadline if the AHA determines that unforeseen factors outside of the control of the family delayed the submission of the documentation. The family's assistance will be terminated if the family fails to submit the verification of social security number before the AHA approved deadline.

7-II.C. DOCUMENTATION OF AGE

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

If an official record of birth or evidence of social security retirement benefits cannot be provided, the AHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

7-II.D. FAMILY RELATIONSHIPS

Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

Separation or Divorce

A certified copy of a divorce decree or other court record is required to document that a couple is divorced or legally separated. If no court document is available, the head of household will be required to certify that the divorce or separation has taken place.

Absence of Adult Member

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill).

Foster Children and Foster Adults

Third party verification from the state or local government agency responsible for the placement of the individual with the family is required.

7-II.E. VERIFICATION OF STUDENT STATUS

The AHA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

The family claims full-time student status for an adult other than the head, spouse, or cohead, or

The family claims a child care deduction to enable a family member to further his or her education.

Restrictions on Assistance to Students Enrolled in Institutions of Higher Education

This section applies only to students who are seeking assistance on their own, separately from their parents. It does not apply to students residing with parents who are seeking or receiving HCV assistance.

In accordance with the verification hierarchy described in Section 7-1.B, the AHA will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

- The student is enrolled at an educational institution that does not meet the definition of *institution of higher education* in the Higher Education Act of 1965 (see Section Exhibit 3-2).
- The student is at least 24 years old.
- The student is a veteran, as defined in Section 3-II.E.
- The student is married.
- The student has at least one dependent child, as defined in Section 3-II.E.
- The student was receiving assistance as of November 30, 2005 and is a person with a disability as defined in section 3(b)(3)(E) of the 1937 Act.

If the AHA cannot verify at least one of these exemption criteria, the AHA will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. In addition to verifying the student's income eligibility, the AHA will then proceed to verify either the student's parents' income eligibility (see Section 7-III.J) or the student's independence from his/her parents (see below).

Independent Student

The AHA will verify a student's independence from his/her parents to determine that the student's parents' income is not relevant for determining the student's eligibility by doing all of the following:

- Either reviewing and verifying previous address information to determine whether the student has established a household separate from his/her parents for at least one year or reviewing and verifying documentation relevant to determining whether the student meets the U.S. Department of Education's definition of *independent student* (see Section 3-II.E)
- Reviewing prior year income tax returns to verify whether a parent has claimed the student as a dependent
- Requesting and obtaining written certification directly from the student's parents identifying the amount of support they will be providing to the student, even if the amount of support is \$0.

7-II.F. DOCUMENTATION OF DISABILITY

The AHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The AHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The AHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the AHA receives a verification document that provides such information, the AHA will not place this information in the tenant file. Under no circumstances will the AHA request a participant's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website at www.os.dhhs.gov.

The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities [24 CFR 100.202 (c)]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance

- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

Family Members Receiving SSA Disability Benefits

The AHA will attempt to obtain information about disability benefits through the HUD UIV System, EIV, when it is available. If the HUD UIV System is not available, the AHA will attempt to obtain written third party verification from the SSA through an original SSA document that confirms the current benefits provided by the family.

Verification of receipt of SSA benefits or SSI based upon disability is sufficient for verification of disability for the purpose of qualification for waiting list preferences or certain income disallowances and deductions.

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

Family Members Not Receiving SSA Disability Benefits

For family members claiming disability who do not receive SSI or other disability payments from the SSA, a knowledgeable professional must provide third party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. A detailed discussion of eligibility requirements is in the Eligibility chapter. This verifications chapter discusses HUD and AHA verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy [24 CFR 5.508(g)(5)]

U.S. Citizens and Nationals

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

The AHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless the AHA receives information indicating that an individual's declaration may not be accurate.

Eligible Immigrants

Documents Required

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-1 at the end of this chapter summarizes documents family members must provide.

AHA Verification [HCV GB, pp. 5-3 and 5-7]

The AHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS).

The AHA will follow all USCIS protocols for verification of eligible immigration status.

7-II.H. VERIFICATION OF PREFERENCE STATUS

The AHA must verify any preferences claimed by an applicant.

The AHA will verify local preferences in the following manner:

Residency: applicant must provide one items from Category A and one from Category B. If the applicant cannot provide one from Category A, then two documents from Category B may be accepted by staff or alternate documentation in extenuating circumstances such as homelessness:

- Category A:
 - Lease
 - Driver's License
 - Title to property
 - Proof of residency in a shelter in Alameda
- Category B:
 - 3 consecutive utility bills (including telephone, but not cell phone bill)
 - Tax return for the period of residency
 - Car registration (if the items from Category A is not a driver's license)
 - Other government documentation (e.g. Social Security benefit letter)

If at the time of application the applicant is staying in a shelter that is not located in Alameda, the AHA will consider the applicant to be a resident and give the local preference if the applicant's last permanent address was in the city of Alameda. If at the time of application the applicant is staying in a shelter located in the city of Alameda, the applicant will be given the local preference.

Member of the Military or Veteran Status:

- DD214 form to verify veteran and honorable discharge status of a family member or the spouse of a deceased veteran. Merchant Marines who served in active oceangoing service from December 7, 1941, to August 15, 1945, are considered veterans.
- U. S. military card to verify current military service.

PART III. VERIFYING INCOME AND ASSETS

Chapter 6, Part I of this plan describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides AHA policies that supplement the general verification procedures specified in Part I of this chapter.

7-III.A. EARNED INCOME

Tips

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

7-III.B. BUSINESS AND SELF-EMPLOYMENT INCOME

Business owners and self-employed persons will be required to provide all of the following:

An audited financial statement for the previous fiscal year if an audit was conducted.

A profit and loss statement for the last 12 months or the length of the business being in operation. The business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes for the preceding two years.

Bank statements for the last 12 months.

The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination the AHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three months, the AHA will accept the family member's certified estimate of income and schedule an interim reexamination in three months. If the family member has been self-employed for three to 12 months the AHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

Social Security/SSI Benefits

To verify the SS/SSI benefits of applicants, the AHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s), the AHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant has received the benefit verification letter they will be required to provide it to the AHA.

To verify the SS/SSI benefits of participants, the AHA will obtain information about social security/SSI benefits through the HUD EIV System. If benefit information is not available in HUD systems or the participant disputes the information obtained from EIV, the AHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the participant has received the benefit verification letter they will be required to provide it to the AHA.

7-III.D. ALIMONY OR CHILD SUPPORT

The way the AHA will seek verification for alimony and child support differs depending on whether the family declares that it receives regular payments.

If the family declares that it ***receives regular payments***, verification will be sought in the following order.

- If payments are made through a state or local entity and can be obtained through a UIV system, the AHA will request a record of payments for the past 12 months and request that the entity disclose any known information about the likelihood of future payments.

- Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.

- Copy of the latest check and/or payment stubs.

- Third party verification from the person paying the support.

- Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If the family declares that it ***receives irregular or no payments***, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts.

If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts.

Note: Families are not required to undertake independent enforcement action.

7-III.E. ASSETS AND INCOME FROM ASSETS

Assets Disposed of for Less than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. The AHA needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

The AHA will verify the value of assets disposed of only if:

The AHA does not already have a reasonable estimation of its value from previously collected information, or

The amount reported by the family in the certification appears obviously in error.

Example 1: An elderly participant reported a \$10,000 certificate of deposit at the last annual reexamination and the AHA verified this amount. Now the person reports that she has given this \$10,000 to her son. The AHA has a reasonable estimate of the value of the asset; therefore, re-verification of the value of the asset is not necessary.

Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the AHA will verify the value of this asset.

Verification requirements Bank Account Assets

The family must supply the AHA with the most recent statement from the financial institution including all pages when required to supply verification of assets (see Section 7-I.B.). The Housing Authority may also require additional statements as needed, including verification that previously reported bank account assets which are not reported at the following annual re-examination have been closed.

Assets of Added Family Members

Whenever a family member is added, AHA must obtain third-party verification of that family member's assets.

At the next annual reexamination of income following the addition of that family member, the AHA must obtain third-party verification of all family assets if the addition of that family member's assets puts the family above the \$5,000 asset threshold.

If the addition of that family member's assets does not put the family above the \$5,000 asset threshold, then the AHA is not required to obtain third-party verification of all family assets at the next annual reexamination of income following the addition of the

family member. However, third-party verification of all family assets is required at least every 3 year.

7-III.F. NET INCOME FROM RENTAL PROPERTY

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant; and

A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the AHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

7-III.G. RETIREMENT ACCOUNTS

Before retirement, the AHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 60 days from the interview or request date.

Upon retirement, the AHA will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

After retirement, the AHA will accept an original document from the entity holding the account dated no earlier than 60 days before that reflects any distributions of the account balance, any lump sums taken and any regular payments. A document older than 60 days is acceptable for confirming effective dates of income including lump sums.

7-III.H. INCOME FROM EXCLUDED SOURCES

A detailed discussion of excluded income is provided in Chapter 6, Part I.

The AHA must obtain verification for income exclusions only if, without verification, the AHA would not be able to determine whether the income is to be excluded. For example: If a family's 16 year old has a job at a fast food restaurant, the AHA will confirm that AHA records verify the child's age but will not request pay stubs or send a verification request to the restaurant. If a family claims the earned income disallowance for a source of income, both the source and the income must be verified.

The AHA will reconcile differences in amounts reported by third party verifications and the family only when the excluded amount is used to calculate the family share (as is

the case with the earned income disallowance). In all other cases, the AHA will report the amount to be excluded as indicated on documents provided by the family.

7-III.I. ZERO ANNUAL INCOME STATUS

The AHA will check UIV/EIV sources, request letters of termination of benefits from the family or current payment printouts (showing last payment and no new payments), and/or request information from third party sources to verify that certain forms of income such as unemployment benefits, TANF, SSI, etc., are not being received by families claiming to have zero annual income. Any adult household member claiming zero income will be required to complete the AHA's Zero Income Statement form.

7-III.J. STUDENT FINANCIAL ASSISTANCE

Any financial assistance, in excess of amounts received for tuition and required fees, that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income unless the student is over the age of 23 with dependent children or is residing with parents who are seeking or receiving HCV assistance [24 CFR 5.609(b)(9) and FR 4/10/06].

For students over the age of 23 with dependent children or students residing with parents who are seeking or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income [24 CFR 5.609(c)(6)]. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education (as defined in Exhibit 3-2). Excluded amounts are verified only if, without verification, the AHA would not be able to determine whether or to what extent the income is to be excluded (see Section 7-III.H).

For a student subject to having a portion of his/her student financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), the AHA will request written third party verification or use written third party verification forms to verify both the source and the amount from the educational institution attended by the student as well as from any other person or entity providing such assistance, as reported by the student.

In addition, the AHA will request written verification regarding the student's tuition and required fee amount such as invoices showing reason for each charge made to student and amount of each charge. If the student is unable to provide written third party verification, the AHA will use a written third party verification form to obtain the amount of tuition and required fees.

If the AHA is unable to obtain third party written verification of the requested information, the AHA will pursue other forms of verification following the verification hierarchy in Section 7-I.B.

7-III.K. PARENTAL INCOME OF STUDENTS SUBJECT TO ELIGIBILITY RESTRICTIONS

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving assistance as of November 30, 2005, the income of the student's parents must be considered when determining income eligibility, unless the student is determined independent from his or her parents in accordance with AHA policy [24 CFR 5.612 and FR 4/10/06, p. 18146].

This provision does not apply to students residing with parents who are seeking or receiving HCV assistance. It is limited to students who are seeking or receiving assistance on their own, separately from their parents.

If the AHA is required to determine the income eligibility of a student's parents, the AHA will request an income declaration and certification of income from the appropriate parent(s) (as determined in Section 3-II.E). The AHA will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The parents will be required to submit the information directly to the AHA. The required information must be submitted (postmarked) within 14 calendar days of the date of the AHA's request or within any extended timeframe approved by the AHA.

The AHA reserves the right to request and review supporting documentation at any time if it questions the declaration or certification. Supporting documentation may include, but is not limited to, Internal Revenue Service (IRS) tax returns, consecutive and original pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

PART IV. VERIFYING MANDATORY DEDUCTIONS

7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that the AHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

Dependent Deduction

See Chapter 6 (6-II.B.) for a full discussion of this deduction. The AHA will verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or cohead of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

Elderly/Disabled Family Deduction

See Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. The AHA must verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

7-IV.B. MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

The AHA will provide a third party verification form directly to the medical provider requesting the needed information.

Medical expenses will be verified through:

Written third party verification such as pharmacy printouts of monthly expenses

Written third party verification form signed by the provider, when possible

If third party is not possible, copies of cancelled checks used to make medical expense payments or receipts from the source will be used. In this case the AHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The AHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

If third party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months

In addition, the AHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

Eligible Household

The medical expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62, or a person with disabilities. The AHA will verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 (7-IV.A.) of this plan.

Qualified Expenses

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for the AHA's policy on what counts as a medical expense.

Unreimbursed Expenses

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source.

Expenses Incurred in Past Years

When anticipated costs are related to on-going payment of medical bills incurred in past years, the AHA will verify:

The anticipated repayment schedule,

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted from the family's annual income in past years.

7-IV.C. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

Attendant Care

The AHA will provide a third party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

Written third party verification, when possible

Written third party verification form signed by the provider, when possible

If third party is not possible, copies of cancelled checks used to make attendant care payments and/or receipts from care source

If third party or document review is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months

Auxiliary Apparatus

Expenses for auxiliary apparatus will be verified through:

Written third party verification such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months

Written third party verification form of anticipated purchase costs of auxiliary apparatus

If third party is not possible, written family certification of estimated apparatus costs for the upcoming 12 months

In addition, the AHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).

- The expense permits a family member, or members, to work (as described in 6-II.E.).
- The expense is not reimbursed from another source (as described in 6-II.E.).

Family Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The AHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

The AHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

The AHA will seek third party verification from a Rehabilitation Agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.).

If third party and document review verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

Unreimbursed Expenses

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

An attendant care provider will be asked to certify that, to the best of the provider's knowledge, the expenses are not paid by or reimbursed to the family from any source.

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

7-IV.D. CHILD CARE EXPENSES

Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter. In addition, the AHA must verify that:

- The child is eligible for care.
- The costs claimed are not reimbursed.
- The costs enable a family member to pursue an eligible activity.
- The costs are for an allowable type of child care.
- The costs are reasonable.

Eligible Child

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13. The AHA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

Unreimbursed Expense

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

The child care provider will be asked to certify that, to the best of the provider's knowledge, the child care expenses are not paid by or reimbursed to the family from any source.

The family will be required to certify that the child care expenses are not paid by or reimbursed to the family from any source.

Pursuing an Eligible Activity

The AHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

Information to be Gathered

The AHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

Whenever possible the AHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the AHA will require the family to submit to the AHA any reports provided from and to the other agency documenting the member's job seeking efforts to date. If unavailable, the AHA will send a written third party verification form to the agency requesting information of the member's job seeking efforts to date.

In the event third party verification is not available, the AHA will require the participant to record job search efforts. The AHA will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education

The AHA will ask that the family provide documentation from the academic or vocational educational institution for the person permitted to further his or her education by the child care verifying the enrollment and about the timing of classes for which the person is registered. If unavailable, the AHA will send a written third party verification form to the academic or vocational educational institution.

Gainful Employment

The AHA will seek verification of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified.

Allowable Type of Child Care

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

The AHA will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II.F).

The AHA will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

The AHA will verify that the child care provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

Reasonableness of Expenses

Only reasonable child care costs can be deducted.

The actual costs the family incurs will be compared with the AHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, the AHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

**EXHIBIT 7-1: SUMMARY OF DOCUMENTATION REQUIREMENTS
FOR NONCITIZENS [HCV GB, pp. 5-9 and 5-10]**

- **All** noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the AHA.
- All noncitizens must sign a verification consent form.
- Additional documents are required based upon the person's status.
- Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

- Form I-551 Alien Registration Receipt Card (for permanent resident aliens)
- Form I-94 Arrival-Departure Record annotated with one of the following:
 - “Admitted as a Refugee Pursuant to Section 207”
 - “Section 208” or “Asylum”
 - “Section 243(h)” or “Deportation stayed by Attorney General”
 - “Paroled Pursuant to Section 221 (d)(5) of the USCIS”

- Form I-94 Arrival-Departure Record with no annotation accompanied by:
 - A final court decision granting asylum (but only if no appeal is taken);
 - A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90);
 - A court decision granting withholding of deportation; or
 - A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).

- Form I-688 Temporary Resident Card annotated “Section 245A” or Section 210”.

- Form I-688B Employment Authorization Card annotated “Provision of Law 274a.12(11)” or “Provision of Law 274a.12”.

- A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*