

V. VERIFICATION REQUIREMENTS

A. GENERAL REQUIREMENTS

The verification requirements described in this section are applicable to initial screening for eligibility, initial certification, interim re-certifications and annual re-certifications.

The CDC will use HUD's Verification Hierarchy to verify all income determinations for applicants and participants. If Upfront Income Verification and Written third party verification are not available or rejected by the CDC, or the applicant or tenant is unable to provide acceptable documentation the CDC will attempt to send a form directly to the third party source by mail, fax, or email. Two documented attempts to obtain the Third-Party form should be made before another form of verification is used. The CDC will send verification forms in the mail along with a request that the form be returned by fax or mail. If up-front or third-party documentation is not available, the reason must be documented in the file.

Verified Information obtained for the purpose of admission to the program may not be older than sixty (60) days from the effective date of certification. Verified information obtained for the purpose of Annual Re-certifications and Interim Re-certifications may not be older than one hundred and twenty days (120) from the effective date of certification. Verified information not subject to change (such as a person's date and place of birth) need not be re-verified.

Information obtained that is subject to change and for which verifications are more than CDC's limit as outlined above, should be re-verified. HUD requires that verification forms to support CDC's admission decisions be placed in the applicant's (and subsequently, the tenant's) files. Information that is subject to change, such as income, assets, family composition, etc. should be verified close to certification or recertification. Preferences must be verified once, just before admission

B. TIERS OF VERIFICATION ACCEPTABLE TO HUD

Information will be verified in order through the six tiers of verification listed below.

1. Up-front Income Verification (Level 5/6)

The CDC will utilize available up-front income verification (UIV) resources. HUD's Enterprise Income Verification (EIV) System will

be utilized for all interim and annual re-certifications. The CDC will obtain up-front income verifications prior to or during the certification or recertification interview. Information obtained through UIV/EIV will be compared to documents provided by the family. The CDC will use the EIV System to verify employment, wage, unemployment compensation and Social Security benefits by doing the following:

- a. Reviewing the EIV Income Report to confirm/validate tenant-reported income; and
- b. Printing and maintaining an EIV Income Report (or an EIV Individual Control Number (ICN) page for interim reexamination) in the tenant file; and
- c. Obtaining current acceptable tenant-provided documentation to supplement EIV information; and
- d. Using current tenant-provided documentation and/or third party verification to calculate annual income.

Note: Social Security benefit information in EIV is updated every three months. If the tenant agrees with the EIV reported benefit information, CDC does not need to obtain or request a benefit verification letter from the tenant.

Where available, computer matching may be done utilizing the following sources:

- a. HUD's Enterprise Income Verification (EIV) System;
- b. State Wage Information Collection Agencies (SWICA);
- c. The New Hire Directory;
- d. The Work Number (or similar sites) for employment verifications;
- e. State Attorney General online child support information (where available); or
- f. A credit report for all adults at initial certification and/or recertification.

Note: 24 CFR 5.236(a) prohibits PHAs from taking adverse action based solely on EIV information.

2. Third-Party Written Verification (Level 4)

An original or authentic document generated by a third party source dated either within the 60 day period preceding initial occupancy or within CDC's request date. Such documentation may be in the possession of the tenant (or applicant). Such tenant-provided documents must be original and generated from a third party source. CDC may, at its discretion, reject any tenant-provided document and follow up directly with the source to obtain necessary verification of information.

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 printouts, and unemployment monetary benefit notices.

Current acceptable tenant-provided documents MUST be used for income and rent determinations.

CDC must obtain at a minimum, two current and consecutive pay stubs for determining annual income from wages. For new income sources or when two pay stubs are not available, the CDC will project income based on the information obtained from a traditional written third party verification form sent directly to the income source.

All such documents will be photocopied and retained in the applicant's file. In cases where documents are viewed which cannot be photocopied, staff viewing the documents will complete a Documents Viewed Form. All copies of original documents will be marked "Copied from Original".

Photocopies will not generally be accepted.

3. Written Third Party Verification Form (Level 3)

A standardized form to collect information from a third party source. The form is completed by the third party by hand (in writing or typeset). CDC sends the form directly to the third party source by mail, fax, or email.

Verification is received through the US mail, personally hand delivered by the third party, or received electronically via fax or e-mail directly from the source.

Third party verification forms will not be hand carried by the family under any circumstances. The applicant/participant never touches the verification.

The CDC is required to request a written third party form under the following circumstances:

- a. When the tenant disputes the EIV information and is unable to provide acceptable documentation to support his/her dispute.
- b. When the CDC requires additional information that is not available in EIV and/or the tenant is unable to provide the CDC with

current acceptable tenant-provided documentation. Examples of additional information, includes, but is not limited to, the following:

1. Effective dates of income
2. For new employment: pay rate, number of hours worked per week, pay frequency, etc.
3. Confirmation of change in circumstances (i.e. reduced rate of pay, temporary leave of absence, etc.)

In the event the third-party has not responded within ten (10) calendar days from the date the second written request was mailed, CDC will document the file proceed to contact the appropriate parties by telephone to obtain the required information.

4. Third-Party Oral Verification (Level 2)

Telephone verifications may be used to substantiate representations made by an applicant or participant when two documented attempts to obtain a third-party form have been made without success.

Third-party oral verification will be used in the event that the independent source does not respond to the CDC's faxed, mailed, or e-mailed request for information in a reasonable time frame (10 calendar days). When third-party oral verification is used, staff will be required to complete a verification form noting with whom they spoke, the date and any facts provided during the conversation. Each question on the original verification form will be asked. If third-party oral verifications are obtained via telephone, the CDC MUST originate the call. The file will be documented with each attempt to obtain third-party oral verification.

5. Tenant Declaration/ Self Certification (Level 1)

On a provisional basis, the CDC may accept an affidavit or notarized statement of reported income and/or expenses to the CDC. The CDC may attempt to verify the information contained in the certification/self-declaration. This verification method will be used as a last resort when the CDC has not been successful in obtaining information via all other verification techniques. When the CDC relies on tenant declaration, the CDC must document in the tenant file why third party verification was not available.

If third-party verification is received after documents have been

accepted as provisional verification, and there is a discrepancy, the third-party verification will be used.

Self-certification may be accepted for assets disposed of within the two years prior to certification. Self-certification is not allowed for currently held assets.

Self-certification will be accepted via a HUD approved certification form that the individual presenting it is a victim of domestic violence, dating violence, or stalking and the incident or incidents in question are bona fide incidents of such actual or threatened abuse and meet the requirements set forth in the Violence Against Women Act. Such certification shall include the name of the perpetrator.

The individual shall provide such certification within ten (10) calendar days after the owner, manager, or CDC requested such certification. If the individual does not provide such certification within 10 calendar days after requested, admissions to the housing assistance program may be denied or the housing assistance may be terminated.

6. FILE DOCUMENTATION REQUIRED BY HUD FOR THE USE OF EIV

A. For each new admission and historical adjustment the CDC will;

1. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
2. Print and maintain a copy of the EIV Income Report in the tenant file; and
3. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.

B. For each interim reexamination of family income and composition, the CDC will have the following documentation in the tenant file;

1. ICN Page when there is no household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report.
2. EIV Income Report when there is an income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report.

C. For each annual reexamination of family income and composition, the CDC will have the following documentation in the tenant file:

1. No Dispute of EIV Information: EIV Income Report, current acceptable tenant-provided documentation, and if necessary traditional third party verification form.
2. Disputed EIV Information: EIV Income report, current

acceptable tenant-provided documentation, and/or traditional third party verification form(s) for disputed information

3. Tenant-reported income not verifiable through EIV system: Current tenant-provided documents, and if necessary traditional third party verification form(s)

C. INFORMATION TO BE VERIFIED

The following information must be verified:

1. Preferences applicable to placement on and selection from the waiting list based on the selection preferences adopted by the CDC.
2. Claims by an applicant or program participant that the individual is a victim of domestic violence, dating violence, or stalking and that the incident in question are bona fide incidents of such actual or threatened abuse and meet the requirements set forth in the Violence Against Women Act. Such verification/certification shall include the name of the perpetrator.
3. Zero and/or sporadic income status of household. Zero and/or sporadic income applicants and participant will be required to complete a family expense form at each certification or recertification. Every zero and/or sporadic income resident will be required to attend a face to face interim recertification every **ninety (90) days**.
4. Full time student status including High School students who are eighteen (18) years of age or older;
5. Current assets including assets disposed of for less than fair market value in the preceding two years;
6. Childcare expenses when it allows an adult family member to be employed; look for work, or further his/her education;
7. Total medical expenses of all family members in households whose head, spouse, or co-head is elderly or disabled;
8. Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus that allow any adult family member, including the person with the disability, to be employed;
9. Legal identity;
10. U.S. citizenship/eligible immigration status;

11. Social Security Numbers for all family members six (6) years of age or older;
12. Familial/Marital status when needed for head, spouse, or co-head definition;
13. Disability for determination of allowances, deductions or requests for accommodation including need for a live in aide;
14. Time spent seeking employment when childcare is claimed for the activity; and
15. All sources of income.
16. Obtain information from the Dru Sjodin National Sex Offender Public Web Site to determine if any member of the applicant's household is subject to a lifetime registration requirement.

D. RELEASE OF INFORMATION

As a condition of admission to, or continued occupancy of, any assisted unit, the CDC will require the family head and such other family members eighteen (18) years of age and older to execute a HUD-approved release and consent form authorizing any depository or private source of income, or any Federal, state or local agency, to furnish or to release to the CDC and to HUD such information as the CDC or HUD determines to be necessary. This includes a consent form for release of criminal/sex offender status information signed by each adult household member. The CDC will furnish applicants and participants a Release of Information/Privacy Act Notice [HUD-9886 (7/94)] when collecting information to verify income. Refusal to cooperate with the HUD prescribed verification process as outlined in this Plan and HUD regulations will result in denial of admission or termination of assistance.

E. AUTHORITY TO OBTAIN CRIMINAL HISTORY RECORDS

The CDC is authorized by 24 CFR part 5, subpart J to obtain criminal conviction records from a law enforcement agency and to use those records to screen applicants for admission to covered housing programs.

24 CFR part 5, subpart J, §5.905 states that a PHA that administers a Housing Choice Voucher program must carry out background checks necessary to determine whether a member of a household applying for admission to any federally-assisted housing program is subject to a lifetime sex offender registration requirement under a State Sex Offender Registration program. During the application process CDC will obtain

information from the Dru Sjodin National Sex Offender Public Web Site to determine if any member over the age of eighteen (18) is subject to a lifetime registration requirement under any state sex offender registration program.

F. PERMITTED USE AND DISCLOSURE

The use and disclosure of criminal records/sex offender registration records received by the CDC may only be used for applicant screening and/or for termination of assistance. The CDC may disclose criminal conviction records as follows:

1. To officers or employees of the CDC, or to authorized representatives of the CDC who have a job-related need to have access to the information. For example, if the CDC is seeking to terminate assistance to a Housing Choice Voucher participant on the basis of criminal activity/sex offender status as shown in criminal conviction records, the records may be disclosed to CDC employees performing functions related to the termination, or to the CDC hearing officer conducting an administrative grievance hearing concerning the proposed termination.
2. If the CDC obtains criminal records from a State or local agency showing that a household member has been convicted of a crime relevant to applicant screening or tenant lease enforcement or termination of assistance, the CDC must:
 - Notify the household of the proposed action based on the information obtained; and
 - Provide the subject of the record and the applicant or Housing Choice Voucher—participant a copy of such information and an opportunity to dispute the accuracy and relevance of the information.

Note: This opportunity must be provided before a denial of admission, lease enforcement action or termination of assistance on the basis of such information.

3. Any other negligent or knowing action that is inconsistent with the statute or regulations. Conviction for a misdemeanor and imposition of a penalty of not more than \$5,000 is the potential for:
 - Any person, including an officer, employee, or authorized representative of the CDC who knowingly and willfully requests or obtains any information concerning an applicant for, or tenant of the CDC under false pretenses; and
 - Any person, including an officer, employee, or authorized

representative of the CDC who knowingly and willfully discloses any such information in any manner to any individual not entitled under any law to receive the information.

4. The CDC may be liable under civil law to any applicant for, or Housing Choice Voucher-participant of the CDC who is affected by either of the following:
 - A negligent or knowing disclosure of criminal records information obtained under statutory authority about such person by an officer, employee, or authorized representative of a CDC if the disclosure is not authorized under the statute or regulations; or
 - An applicant for, or assisted participant of the CDC may seek relief against the CDC for inappropriate disclosure by bringing a civil action for damages and such other relief as may be appropriate. The United States district court in which the applicant or participant resides, in which the unauthorized action occurred, or in which the officer, employee, or representative of a CDC alleged to be responsible resides, has jurisdiction. Appropriate relief may include reasonable attorney's fees and other litigation costs.

G. RECEIPT OF INFORMATION FROM LAW ENFORCEMENT AGENCIES

When the law enforcement agency/state registration entity receives the CDC's request, the agency must promptly release to the CDC a certified copy of criminal conviction records concerning the household member they have in their possession or under their control. National Crime Information Center (NCIC) records must be provided in accordance with NCIC procedures.

The law enforcement agency may charge a reasonable fee for this service but any fee charged by the agency for this service may not be passed on to the applicant.

H. RECORDS MANAGEMENT

1. The CDC has established and implemented a system of records management that ensures that records received from a law enforcement agency are:
 - Maintained confidentially;
 - Not misused or improperly disseminated;
 - Destroyed once the purpose for which the record was

requested has been accomplished, including expiration of the period for filing a challenge to the CDC action without institution of a challenge or final disposition of any such litigation.

2. The records management requirements do not apply to sex offender registration information that is public information or is obtained by the CDC other than from a State or local agency responsible for the collection or maintenance of such information.

I. VERIFICATION OF LOCAL PREFERENCES

The following methods may be used based upon the CDC's preference policies:

1. Involuntary Displacement (Federal or State declared disaster, Government Action, Inaccessibility, Property Disposition)
 - a. Verification of an applicant's involuntary displacement is established by the following documentation.
 - Certification from a unit or agency of government that an applicant has been or will be displaced as a result of a disaster.
 - Certification from a unit or agency of government that an applicant has been or will be displaced by government action.
 - Certification from an owner or owner's agent, that an applicant had to, or will have to vacate a unit by a certain date because of an owner action specified in the regulations.
 - Certification of displacement because of domestic violence from the local police department, social services agency, or court of competent jurisdiction, or a clergyman, physician, or public or private facility that provides shelter or counseling to the victims of domestic violence. The applicant family will be required to certify that the abuser will not return to the residence without prior written permission of CDC.
 - Certification of displacement to avoid reprisals, if a family member is providing information to a law enforcement agency. The law enforcement agency must conduct a threat assessment and recommend that the family be re-housed to avoid or minimize risk.

- Certification of displacement by hate crimes, if one or more family member is a victim of a hate crime and law enforcement officials and/or appropriate social service agencies show that the hate crime occurred recently or is of a continuing nature. A hate crime is actual or threatened physical violence or intimidation that is directed against a person or his/her property and that is based on the person's race, color, religion, sex, natural origin, disability, or familial status.

The owner and/or the appropriate social services agency can provide certification of displacement due to inaccessibility of the unit. In this case, the owner must be able to demonstrate that he/she is not required by law to make the unit accessible.

- Certification by HUD or other governmental or relocation agency regarding the displacement of families in a multi-family housing development that is subject to disposition.

2. Verification of Residency

- Utility bills in the name of the family;
- Telephone/cable bills;
- Verification from schools where children are enrolled;
- Rental or lease agreements;
- Landlord statements;
- Public social services verifications.

4. Verification of Veteran Status or Surviving Spouse of Veteran

- Honorable, general discharge papers;
- DD 214 form.
- Marriage License

5. Verification of elderly or disability status

- Birth certificate, Driver's license or Social Security Letter will be used for verification of age (62 years or older.)
- SSI recipients will automatically be deemed qualified for this preference.
- CDC will obtain a Verification of Disability for all non-SSI recipients

J. VERIFICATION OF INCOME

All Income will be verified. This may include, but not be limited to the following:

1. Gross Employment Income of all Household Members;
2. Social Security, Pensions, SSI and Disability Income;
3. Unemployment Compensation;
4. Welfare Payments or General Assistance;
5. Alimony or Child Support , Monetary or Not;
6. Net Income From a Business, Including Childcare and Home Sales;
7. Recurring Monetary Contributions and Gifts;
8. Zero and/or Sporadic Income Status;
9. Full-Time Student Status; or
10. All Income Excluded by Federal Mandate will be Verified for Reporting Purposes Only.

K. ASSETS AND INCOME FROM ASSETS

Families with assets are required to report all assets annually. The amount of interest earned on those assets is included as income used to calculate the tenant's rent obligation. Where the family has net family assets equal to or less than \$5,000, the CDC 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. CDC will accept a family's self declaration of the amount of assets of less than \$5,000, and the amount of income expected to be received from those assets. Where the family has net family assets in excess of \$5,000, the CDC must obtain supporting documentation from the family to confirm the assets. Any assets will be reported on HUD Form 50058 (PIH Notice 2013-03 expires 3/31/2014). Assets may include, but not be limited to the following:

1. Checking Accounts
2. Current Savings Accounts and Certificates of Deposit of all Household

- Members;
3. Property Owned or Financed by Household Members;
 4. Cash Value of Life Insurance Policies;
 5. Retirement/Pension Funds; or
 6. Assets Disposed of for Less than Fair Market Value in Previous 24 Months.

Effective upon approval by the Board of Commissioners, and based on PIH Notice 2013-03, CDC will allow households to self-certify as to having assets of less than \$5000. PIH Notice expires 3/31/2014. If this notice is extended, CDC will continue to allow this type of certification for assets of less than \$5000, however if the notice expires, this type of verification will no longer be used.

L. VERIFICATION OF DEDUCTIONS FROM INCOME

1. Childcare Expenses

The CDC will verify:

- Eligibility for Childcare Expenses;
- Reasonable Cost for Childcare:
 - If childcare is required to further his/her education or to actively seek employment childcare costs must be reasonable. The following limits apply for reasonable childcare (exceptions may be made on a case-by-case basis for unusual circumstances or disabilities): Limits – \$15 for up to 3 hours;
 - If childcare is required for employment, childcare expense will be capped by employment income.
 - Childcare for actively seeking employment is allowed if the resident provides verifiable documentation of his/her efforts to seek employment away from home. Childcare will not be provided for time spent seeking employment via home computer.

2. Medical and Handicapped Assistance Expenses

IRS publication 502 will be used as guidance where questions arise as to an item's eligibility. This publication provides a complete listing and description of allowable medical and dental expenses that can be included as medical deductions. Where an expense item can be treated as either a medical or a disability assistance expense the CDC

will calculate the expenses both ways and give the family the greater deduction.

The CDC will advise all families at each certification/recertification that they may report any one-time non-recurring medical or disability expense cost and request an interim recertification.

Families who claim medical expenses or expenses to assist a person with disability will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source, as well as, proof of reimbursement of all medical expenses. Reimbursement of medical expenses must be reported on form HUD-50058. (24 CFR 5.609) All expense claims will be verified by one or more of the methods listed below.

- Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, concerning anticipated medical costs to be incurred by the family and regular payments due on medical bills; and extent to which those expenses will be reimbursed by insurance or a government agency.
- Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
- Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next twelve (12) months. A computer printout will be accepted.

3. Disability Assistance Expense Deduction

Families are entitled to deduction for un-reimbursed expenses for care attendants and auxiliary apparatus expenses for a member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including member disabled) to work. The allowable disability assistance expense is that portion that exceeds three percent of annual income. This deduction may not exceed the earned income received by family members who are eighteen (18) or over, and who are able to work because of such attendant care or auxiliary apparatus.

The CDC will verify:

- The disability;
- The un-reimbursed expenses for care or apparatus;
- Whether the expense is directly related to enabling employment; and
- Income earned due to the care or apparatus.

M. VERIFYING NON-FINANCIAL FACTORS

Non-financial factors that must be verified include, but are not limited to:

1. Legal Identity;
2. Marital Status;
3. Familial Relationships;
4. Permanent Absence of Adult Member;
5. Change in Family Composition;
6. Disability;
7. Funds Owed the CDC or Other Housing Authorities;
8. Social Security Numbers

The CDC will require the applicant to provide Social Security Numbers for all family members six (6) years old or older or certify that no Social Security Number has been issued; or

9. Citizenship and Non-Eligible Immigration Status.