About the Presenter

Ms. Staggs brings knowledge from both sides of the aisle. Formerly with the Colorado Housing and Finance Authority (CHFA) and, prior to that, the U.S. Department of Housing and Urban Development, she is an expert in compliance with low-income housing laws and regulations. As a long-time property manager, Ms. Staggs possesses the real-world, hands-on knowledge of applying the rules of the trade. Her experience includes:

• More than 20 years of property management experience with deep knowledge of multifamily programs and regulations, including: Fair Housing, Project Based Section 8, Low Income Housing Tax Credit, FDIC Affordable Housing Program, and FHA and Non-FHA Loan products

• Former Manager of Section 8, and Multifamily Program Compliance and Asset Management Officer with Colorado Housing and Finance Authority (CHFA)

• Former Project Manager with the U.S. Department of Housing and Urban Development

• Former Sr. Director of Property Management

• Former Community Manager/Assistant Manager with Windsor Communities / General Investment and Development

• Former District Manager with McCormack Baron Management Services and Wilhoit Properties

• Former Special Task Assignment Response Team Specialist with Property Asset Management / AIMCO

NAHMA Approved FHC™ Instructor

Before We Begin...

Do not implement anything you hear today without approval.

Feel free to ask questions as we go.

Follow company policies.

Refer Housing Notice 2013-6 or the HUD Handbook.
What is EIV

• An upfront income verification (UIV) tool & web-based application available to authorized program administrators of HUD rental housing assistance programs and HUD staff for oversight & monitoring
• Information in EIV is protected under the Federal Privacy Act

What Does EIV Do?

• EIV validates the reported wages for the resident as well as any unemployment or social security income.
• EIV validates income data through computer matching agreements between HUD and the Social Security Administration (SSA) & Health and Human Service (HHS)
What Does EIV Do?

- Helps eliminate the need for traditional 3rd party verifications that were once mailed to and from 3rd party sources
  - EIV is considered 3rd-party verification; however, you may not use the information in EIV to calculate annual income
    - Except for Social Security, UNLESS the resident disputes the information provided by EIV

Why Do We Have EIV

- Reduces improper payments
- Reduce fraud and abuse of programs
- Reduce waste of government funds
- Ensure the proper subsidy goes to appropriate families in need
- Ensures subsidy is not paid to deceased residents
Why Do We Have EIV

• EIV helps identify residents who have received improper payments and allows for the owner or HUD to recover overpayments
• EIV is meant to reduce staff time and property expenses
• Reduce the wait time while verifications were mailed out to and back from 3rd party sources

Where Does the Information Come From?

• TRACS Data
  – Derived from the HUD-50059
  – HOH summary information
• Employment Information
• Wages
• Unemployment Benefits
• Social Security Benefits
Key Terms

- EIV = Enterprise Income Verification
- UIV = Upfront Income Verification
- SSA = Social Security Administration
- SSI = Supplemental Social Security
- HHS = Health and Human Services
- NDNH = National Directory of New Hires
- SWICA = State Wage Income Collection Agency
HUD Terminology

- The Department of Housing and Urban Development (HUD):
  - **Must**: You are required to take the action specified.
  - **Cannot/Must Not**: The action is strictly prohibited.
  - **May**: You may choose to take action or not, must be consistent though
  - **Should**: The action is recommended.
  - **Can**: You have permission to take the action.

Key Players

- **HUD**
- **O/A = Owner/Agent**
- **Tenant = Resident**
- **Head of Household = HOH**
Policies and Procedures

• Why have Policies and Procedures?
  – Following written policies and procedures will ensure that applicants and residents are treated fairly and are not being discriminated against.

• O/As must have written policies and procedures for staff to follow for using the EIV Income Report as third party verification of employment and income and for using the other EIV reports, e.g., Income Discrepancy Report and the EIV Verification Reports.

INCOME VERIFICATIONS AND OTHER CONTENT
Income Verification and EIV

- The O/A is required to maintain the Income Report in the resident file along with the form HUD-50059 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition.

<table>
<thead>
<tr>
<th>Level</th>
<th>Verification Technique</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Upfront Income Verification (UIV) using HUD’s Enterprise Income Verification (EIV) system (not available for income verifications of applicants)</td>
<td>Highest (Mandatory)</td>
</tr>
<tr>
<td>5</td>
<td>Upfront Income Verification (UIV) using non-HUD system</td>
<td>Highest (Optional)</td>
</tr>
<tr>
<td>4</td>
<td>Written third Party Verification</td>
<td>High (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV-reported employment and income information and is unable to provide acceptable documentation to support dispute)</td>
</tr>
<tr>
<td>3</td>
<td>Written Third Party Verification Form</td>
<td>Medium-Low (Mandatory if written third party verification documents are not available or rejected by the PHA, and when the applicant or tenant is unable to provide acceptable documentation)</td>
</tr>
<tr>
<td>2</td>
<td>Oral Third Party Verification</td>
<td>Low (Mandatory if written third party verification is not available)</td>
</tr>
<tr>
<td>1</td>
<td>Tenant Declaration</td>
<td>Low (Use as a last resort when unable to obtain any type of third party verification)</td>
</tr>
</tbody>
</table>

**Note:** This verification hierarchy applies to income determinations for applicants and participants. However, EIV is not available for verifying income of applicants.
Upfront Income Verification (UIV)

- “The verification of income before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals.”

UIV and EIV

- The EIV system is available as an UIV method.
- O/As are encouraged to continue using other non-HUD UIV tools, such as The Work Number (an automated verification system) and state government databases, to validate resident-reported income.
Written 3rd Party Verification

- An original or reliable document produced by a 3rd party source dated either within the 60-day period preceding the reexamination or the O/A request date
- Such documentation may be in the possession of the resident (or applicant), and is commonly referred to as resident provided documents
- “It is the Department’s position that such resident-provided documents are written third party verification since these documents originated from a third party source”
- The O/A may, at its discretion, may reject any resident provided documents and follow up directly with the 3rd party source to obtain necessary verification of information

Examples

- Pay stubs
- Payroll summary reports
- Employer notice/letter of hire/termination
- SSA benefit verification letter
- Bank statements
- Child support payment stubs
- Welfare benefit letters and/or printouts
- Unemployment monetary benefit notices

*NOTE* Current acceptable resident-provided documents must be used for income and rent determinations.
Document Requirements

• Minimum of four current and consecutive pay stubs
• Four to six pay stubs is ideal
• If not available use traditional 3rd party sources

When Can You NOT Use Resident Provided Documents

1. The document is not an original; or
2. The original document has been altered, mutilated, or is not legible; or
3. The document appears to be a forged document (i.e. does not appear to be authentic).

From Housing Notice H2013-06
Other Written 3rd Party Forms

• A standardized form to collect information from a third party source. The form is completed by the 3rd party by hand, or can be typed.
• O/As send the form directly to the third party source by mail, fax, or email

Other Written 3rd Party Forms

• Many documents in the possession of the resident are considered written 3rd party forms as they are derived from 3rd party sources:
  – Employers
  – Federal, state and/or local agencies
  – Banks
  – Insurance Agents
Oral 3\textsuperscript{rd} Party Verification

- Independent oral verification by contacting the source.
  - This verification method is commonly used in the event that the independent source does not respond to the O/A’s faxed, mailed, or e-mailed request for information in a reasonable time frame, HUD says, ten (10) business days.

Resident Certification

- An affidavit or notarized statement of Income or assets provided by the resident
- HUD says:
  - This verification method should be used as a last resort when the O/A has not been successful in obtaining information via all other verification techniques. When the O/A relies on resident declaration, the O/A must document in the resident file why third party verification was not available
When You MUST Obtain Written 3
d Party Verification

- When the tenant disputes the EIV information and is unable to provide acceptable documentation to support his/her dispute
- When the O/A requires additional information that is not available in EIV and/or the resident is unable to provide the O/A with current acceptable resident provided documentation.

MANDATORY REPORTS
New Admissions

• Review the EIV Income Report to confirm/validate family-reported income within 90 days after the move-in
• Maintain a copy of the Income Report provided by EIV in the resident file and
• Follow-up and Resolve any income discrepancies within 30-days of the EIV Income Report date

Other Required Reports

• Other EIV income reports (Income Discrepancy Report, New Hires Report, No Income Reported on 50059, and No Income Reported by HHS or SSA) to identify issues or discrepancies which may impact a family’s assistance
Mandatory Verification Reports

- EIV Verification Reports that further assist in reducing subsidy payment errors:
  - Existing Tenant Search,
  - Multiple Subsidy Report,
  - Identity Verification Reports, and
  - Deceased Tenants Report

INCOME REPORTS
Income Report

• O/A is required to have a current 9887-9887/A on hand for all adult household members
• New admission Income Reports are required with 90-days of the move-in date

Income Report

• Property staff is required to review the Income Report during all recertifications of family income & composition
• Obtain income documentation from resident(s)
• If necessary, obtain 3rd party verification from income source
Certification Page

- **Good Business Practices**: Discuss this report (and others) during the recertification interview.
- Have each adult household member sign and date an affidavit of agreement or disagreement with the content of the report.
  - This can also be done on a printed copy of the Certification Page screenshot.

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Income Report Certification Page

By signing below, the household member certifies that the PHA has discussed the EV-reported income information that pertains to him/her, and

- [ ] Agrees with the EV-reported information or [ ] Disputes the EV-reported information for the following reason(s):
  - [ ] Not employed by listed employer
  - [ ] Stopped working for employer on (specify date) / /
  - [ ] Not receiving SSI/Social Security benefits
  - [ ] Stopped receiving SSI/Social Security benefits on (specify date) / /
  - [ ] Not receiving unemployment compensation
  - [ ] Stopped receiving unemployment compensation on (specify date) / /
  - [ ] Other: __________________________________________________________
Please Note:

• EIV data of an adult household member may not be shared (or a copy provided or displayed) with another adult household member, unless the individual has provided written consent

Please Note:

• However, the O/A is not prohibited from discussing with the head of household (HOH) and showing the HOH how the household’s income and rent were determined based on the total family income reported and verified
USING EIV DATA TO DETERMINE INCOME

No Dispute of EIV Information

- EIV Income Report, current acceptable documentation provided by the resident and if necessary traditional third party verification form(s)
Disputed EIV Information

- EIV Income report, current acceptable documentation provided by the resident and/or traditional third party verification form(s) for disputed information

Resident Reported Income Not Verifiable Through EIV System

- Current acceptable documentation provided by the resident and if necessary traditional third party verification form(s)
What if the Resident Will Not Comply?

• HUD says: “If the resident does not provide the requested information, the O/A may mail or fax a third party verification request form to the third party source.

What if the Resident Will Not Comply?

• The O/A is required to request 3rd party verification when the resident disputes EIV information and the resident is unable to provide acceptable documentation to support disputed information.
  – However, the O/A should also remind the resident that s/he is required to supply any information requested by the O/A for use in a regularly scheduled annual or interim reexamination of family income and composition. The O/A may determine that the resident is not in compliance with program requirements and terminate tenancy or assistance, or both, if the resident fails to provide the requested information in a timely manner.
INCOME DISCREPANCIES

Income Discrepancy Report

- The Income Discrepancy Report contained in the EIV system identifies families that *may have* substantially under reported wages, social security benefits and/or unemployment compensation.
- If EIV-reported income is greater than tenant-reported income by $2,400 or greater annually, O/As are required to resolve these income discrepancies.
Income Discrepancy Report

- The Income Discrepancy Report is a tool to alert owner’s that there may be a discrepancy in the income reported by the resident during the period of income shown on the report.
- O/A must investigate all discrepancies identified on the report to determine whether or not the discrepancy is valid.
- O/A is not expected to reconcile dollar amounts to the penny when resolving discrepancies.

Purpose and Content

- Again EIV identifies households where there is a difference of $2,400 or more annually in wages, unemployment compensation and/or Social Security Administration benefits as a result of the match between the data in TRACS and the EIV system.
Purpose and Content

• Negative numbers on the reports represent potential resident under-reporting of income
• Positive numbers on the reports represent potential resident over-reporting of income and/or management error

Income Discrepancy Report

• Income information is reported for income codes:

<table>
<thead>
<tr>
<th>TRACS Income Code</th>
<th>Type of Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Business</td>
</tr>
<tr>
<td>F</td>
<td>Federal Wage</td>
</tr>
<tr>
<td>M</td>
<td>Military Pay</td>
</tr>
<tr>
<td>W</td>
<td>Non-federal Wage (W2 wages ONLY)</td>
</tr>
<tr>
<td>U</td>
<td>Unemployment</td>
</tr>
<tr>
<td>SS</td>
<td>Social Security</td>
</tr>
<tr>
<td>SSI</td>
<td>Supplemental Security Income</td>
</tr>
</tbody>
</table>
Income Discrepancy Report

• Even though other income (welfare benefits, pensions, child support, etc.) are reported to TRACS, they are not used for the discrepancy analysis performed by EIV.

Income Discrepancy Report

• Prohibited O/A Action(s)
  – HUD regulation 24 CFR §5.236(a) prohibits O/As from taking adverse action against an individual based solely on data in the EIV system.
  – Adverse action includes but is not limited to suspending, terminating, reducing or making a final denial of rental assistance.
Income Discrepancy Report Definitions

• **Period of Income (POI):**
  – Timeline reference used to determine whether or not a discrepancy exists between projected household income (as reported in TRACS) and actual income (EIV data that was available at the time the projection was made.)
  – The POI start date is 15 months prior to the effective date of the most current 50059 reported in TRACS; and the POI end date is 3 months prior to the effective date of the most current 50059 reported in TRACS.
  – For example, if the effective date of the most current 50059 in TRACS is 05/01/2015: the POI for discrepancy analysis would have been 02/01/2014 – 01/31/2015.

Income Discrepancy Report Definitions

• **Projected Income:**
  – All wages, unemployment compensation, SS and SSI benefits entered on the Form HUD-50059 are transmitted to TRACS by the O/A
Income Discrepancy Report Definitions

• Actual Income:
  – Amounts reportable in EIV from the SSA database including:
    • SS, SSI, and Dual Entitlement Benefits and
    • NDNH including wages, W-4, and Unemployment Compensation

RESOLVING EIV INCOME DISCREPANCIES
**Income Discrepancy**

- **When the Resident Agrees with Income Discrepancy Report (No Dispute of EIV Information)**
  - When the resident agrees with the information contained in the Income Discrepancy Report but the income source is considered to be an excludable income source for the purposes of countable income toward household rent, the only action needed is for the O/A to place a note in the resident file detailing the situation as well as any applicable documentation to support it.

**Example:**

- A full-time student who is a dependent of the HOH
  - Discrepancy Resolution is:
    - 1) A note to the file stating that the individual is/was a full-time student throughout the discrepancy timeframe; and
    - 2) A copy of the full-time student status verification that details full-time student status throughout the timeframe.
Income Discrepancy
Resident Agrees with Income Discrepancy Report (No Dispute of EIV Information)

• When the resident agrees with the information contained in the Income Discrepancy Report, including any HUD-required countable income and/or income sources not previously reported to the O/A, the O/A must calculate the difference between the amount of rent that the resident should have paid vs. the amount that was charged.

• O/A are required to determine retroactive rent amount as far back as the O/A has documentation of family reported income.
  – For example, if the O/A determines that the family has not reported income for a period of five years and only has documentation for the last three years, the O/A is only able determine retroactive rent for the three years for which documentation is available.
Retroactive 3rd Party Verifications

• The O/A should utilize distinct retroactive 3rd party verifications to send to employers and the local State Workforce Agency (SWA) to ensure that the information returned includes all detail necessary to verify all income the resident has received from the source from the date the non-reporting or underreporting began.

• We recommend the following language on retroactive verification forms, as applicable…
Retroactive 3rd Party Verifications

• Before faxing or mailing the form, request that the resident contact his/her employer to advise his/her supervisor that the retroactive verification form will be sent and that they need it filled out and sent back to O/A as soon as possible.

Retroactive SSA Verification

• The Social Security Administration does not typically respond to 3rd party requests for information; therefore, the request for the historical printout of benefits must be made by the resident directly:
  – By calling toll-free at 1-800-772-1213, and using the automated application, OR
  – Members of the public can register for a “my” Social Security account at www.socialsecurity.gov/myaccount 24 hours a day/7 days a week.
Retroactive SSA Verification

• We recommend assisting the resident in obtaining this information from the SSA by allowing the resident to call from your office, or by assisting them with the online request while they are in your office.

O/A Actions Upon Receipt of Completed Retroactive 3rd Party Verification(s)

• Once the retroactive 3rd party verifications are returned, along with the attached printout requested which details gross earnings and/or benefits that were received during the “compensation data timeframe” that the O/A specified to the source on the retroactive 3rd party verification, the O/As must:
O/A Actions Upon Receipt of Completed Retroactive 3\textsuperscript{rd} Party Verification(s)

- Review this information against the 50059(s) in effect during the period that the resident had unreported or underreported income, along with any supporting documentation, in order to calculate the amount the resident must reimburse to the O/A.

O/A Actions Upon Receipt of Completed Retroactive 3\textsuperscript{rd} Party Verification(s)

- If the O/A does not have this historical information, the O/A cannot go back to the resident for unreported or underreported income.
- Resident is not obligated to reimburse the O/A for undercharges caused solely by the O/As failure to follow HUD’s procedures for computing rent or assistance payments.
O/A Discrepancy Resolution When Resident Agrees with Income Discrepancy Report

• After analyzing the completed retroactive 3rd party verification(s) in comparison to the 50059(s) in effect during the period the income was unreported or underreported, O/As **must**:
  • Calculate the difference between the amount of rent the resident should have paid and the amount of rent the resident was charged.

• Notify the resident of the amount due and his/her obligation to reimburse the O/A.
  • Provide copy of retro calculations to resident / retain copy in resident file.
  • Process retroactive 50059(s), as applicable, and negotiate and enter into a repayment agreement with the resident
  • Unreported income that goes back further than 5 years can be reported to the HUD Office of Inspector General (OIG) for fraud.
Simultaneous Processing of the Current Recertification (AR or IR)

- While the O/A is investigating and resolving the income discrepancy, the O/A is simultaneously processing the current annual or interim recertification for the household. As such, O/As must:
  - Calculate the household income and rent by using:
    - SS and SSI income information included on the Income Report;
    - EIV Income Report as 3rd party verification of employment and unemployment status; and 4-6 current, consecutive check stubs for employment and unemployment (and/or 3rd party verification if determined necessary by O/A) toward the calculation of income and rent; and
    - 3rd party verification for other sources of income not reportable in EIV (such as Child Support, Alimony, etc.), as well as for assets and allowances, as applicable.
  - Provide 30-day notice of rent increase, if applicable.

Resident Disagrees with Income Discrepancy Report (Dispute of EIV Information)

- The O/A must still fully investigate the accuracy of the income discrepancy.
- The O/A will use the same investigative process, including the use of retroactive 3rd party verification(s), as detailed previously.
- When the retroactive 3rd party verifications are returned, the O/A must contact the resident and request that the resident come to the office within 10 days of notification to discuss the results.
How to Correct Errors in the EIV System

• Employment Error Corrections (From NDNH Database)
  – Resident should contact the employer directly, in writing, to dispute the employment and/or wage information to request that the employer correct the error(s); and
  – Resident should provide the O/A with a copy of the written correspondence to be filed in the resident file.

How to Correct Errors in the EIV System

• Unemployment Benefit Information Error Corrections (From NDNH Database)
  • Resident should contact the local State Workforce Agency directly, in writing, to dispute the unemployment benefit information to request that SWA correct the error(s); and
  • Resident should provide the O/A with a copy of the written correspondence to be filed in the resident file.
How to Correct Errors in the EIV System

- SS and SSI Benefit Information Error Corrections (From SSA Database)
- The resident 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 http://www.socialsecurity.gov.

Resident Disagrees with EIV and Retroactive 3rd Party Verification - Identity Theft

- If the resident disagrees with the retroactive 3rd party verifications, and continues to assert that the information in the EIV system does not belong to them, he/she may be a victim of identity theft. In order to resolve this, the resident should:
Resident Disagrees with EIV and Retroactive 3rd Party Verification - Identity Theft

- Check their Social Security records to ensure their 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: http://www.ftc.gov/bcp/edu/microsites/idtheft/)

Resident Disagrees with EIV and Retroactive 3rd Party Verification - Identity Theft

- Monitor his/her credit reports with the three national credit reporting agencies (Equifax, TransUnion, and Experian)
Resident Disagrees with EIV and Retroactive 3rd Party Verification - Identity Theft

- We recommend that the O/A require, as part of the site EIV policy, that within a 30-day timeframe of a resident claim of identity theft, the resident: certify and document that the actions above have been taken (including providing a claim number to the O/A).
- We further recommend that the O/A maintain the certification of identity theft, as well as all documentation submitted by the resident, in the resident file for a term of tenancy, plus 3 years.

Resident Disagrees with Income Discrepancy and Fails to Document Identity Theft Actions

- If the resident refuses to follow up and document identify theft accordingly, and as such has not documented in any way that the information in EIV or on the retroactive 3rd party verification(s) is inaccurate, the O/A must decide how to proceed in accordance with:
  - CHFA guidance
  - Attorney guidance, as applicable.
O/A Determination of Lease Violation and/or Fraud

• In addition to repayment of total rent that should have been paid, the resident may be subject to additional penalties for failure to report, or underreport, his/her income as required by the lease.

• If O/A determines the resident did not comply with the lease, the O/A **must** follow the guidance given by C/A, which could include:

  *NOTE* Fraud is determined based on all facts in the case and you 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 resident for fraud.
REAL WORLD EXAMPLES

Income Discrepancy Report

<table>
<thead>
<tr>
<th>Head of Household Information</th>
<th>BOB A RESIDENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security Number:</td>
<td>*<strong>-</strong>-1234</td>
</tr>
<tr>
<td>Contract Number:</td>
<td>CO99T001001</td>
</tr>
<tr>
<td>Project Number:</td>
<td>1011000</td>
</tr>
<tr>
<td>Project:</td>
<td>MAIN STREET APARTMENTS</td>
</tr>
<tr>
<td>Effective Date of Action:</td>
<td>10/01/2012</td>
</tr>
<tr>
<td>Next Re-certification Date:</td>
<td>10/01/2013</td>
</tr>
<tr>
<td>Projected Annual Wages and Benefits from Form HUD-50059:</td>
<td>$13,000.00</td>
</tr>
<tr>
<td>Period Of Income for Discrepancy Analysis</td>
<td>07/01/2011 - 06/30/2012</td>
</tr>
<tr>
<td>Discrepancy Analysis</td>
<td></td>
</tr>
<tr>
<td>Reported Annual Wages and Benefits from EIV Data:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Actuals</td>
</tr>
<tr>
<td>Reported Annual Wages and Benefits from EIV Data:</td>
<td>$73,443.00</td>
</tr>
<tr>
<td>Amount of Annual Income Discrepancy:</td>
<td>($60,403.00)</td>
</tr>
<tr>
<td>Amount of Monthly Income Discrepancy:</td>
<td>($5,036.92)</td>
</tr>
<tr>
<td>Percentage of Income Discrepancy:</td>
<td>(82.30%)</td>
</tr>
</tbody>
</table>

Effective Date of Action: Represents the effective date appearing on the most current HUD-50059 reported in TRACS for the household. It is used to calculate the Period of Income Start and End Date values selected for the Period of Income for Discrepancy Analysis.

Projected Annual Wages and Benefits from Form HUD-50059: The dollar amount that was compared to the income listed in EIV to determine if there is an income discrepancy.

Period of Income for Discrepancy Analysis: Date range EIV uses to calculate the actual income reported in EIV for the income comparison. Start date is 15 months prior to Effective Date of Action and end date is 3 months prior to Effective Date of Action.
Income Discrepancy Report

- Clicking the “Note” link, a screen pops up showing the income included in the projected Annual Wages and Benefits
- These are the ONLY income types used to calculate the EIV discrepancy
**Income Discrepancy Report**

**Head of Household Information**

Name: BOB A RESIDENT  
Social Security Number: ***.***-1234  
Contract Number: CO99T001001  
Project Number: 1011000  
Project: MAIN STREET APARTMENTS  
Effective Date of Action: 10/01/2012  
Next Re-certification Date: 10/01/2013  
Projected Annual Wages and Benefits from Form HUD-50059:

**Discrepancy Analysis**

<table>
<thead>
<tr>
<th>Period Of Income for Discrepancy Analysis</th>
<th>Actuals</th>
<th>Annualized Last Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/01/2011 - 06/30/2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported Annual Wages and Benefits from EIV Data:</td>
<td>$73,443.00</td>
<td>$63,708.00</td>
</tr>
<tr>
<td>Amount of Annual Income Discrepancy:</td>
<td>($60,443.00)</td>
<td>($49,708.00)</td>
</tr>
<tr>
<td>Amount of Monthly Income Discrepancy:</td>
<td>($5,036.92)</td>
<td>($4,142.33)</td>
</tr>
<tr>
<td>Percentage of Income Discrepancy:</td>
<td>(82.30%)</td>
<td>(79.27%)</td>
</tr>
</tbody>
</table>

- **Period of Income Start Date** – This date represents the starting point for the income period. It is 15 months prior to the effective date on the active HUD-50059 in TRACS.

**Income Discrepancy Report**

**Head of Household Information**

Name: BOB A RESIDENT  
Social Security Number: ***.***-1234  
Contract Number: CO99T001001  
Project Number: 1011000  
Project: MAIN STREET APARTMENTS  
Effective Date of Action: 10/01/2012  
Next Re-certification Date: 10/01/2013  
Projected Annual Wages and Benefits from Form HUD-50059:

**Discrepancy Analysis**

<table>
<thead>
<tr>
<th>Period Of Income for Discrepancy Analysis</th>
<th>Actuals</th>
<th>Annualized Last Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/01/2011 - 06/30/2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported Annual Wages and Benefits from EIV Data:</td>
<td>$73,443.00</td>
<td>$63,708.00</td>
</tr>
<tr>
<td>Amount of Annual Income Discrepancy:</td>
<td>($60,443.00)</td>
<td>($49,708.00)</td>
</tr>
<tr>
<td>Amount of Monthly Income Discrepancy:</td>
<td>($5,036.92)</td>
<td>($4,142.33)</td>
</tr>
<tr>
<td>Percentage of Income Discrepancy:</td>
<td>(82.30%)</td>
<td>(79.27%)</td>
</tr>
</tbody>
</table>

- **Period of Income End Date** – This date represents the end of the Period of Income and is 3 months prior to the effective date on the form HUD-50059. The end date is 12 months from the Period of Income Start Date.
Income Discrepancy Report

**Head of Household Information**

- **Name:** BOB A RESIDENT
- **Social Security Number:** ***-**-1234
- **Contract Number:** CO997001001
- **Project Number:** 1011000
- **Project:** MAIN STREET APARTMENTS
- **Effective Date of Action:** 10/01/2012
- **Next Re-certification Date:** 10/01/2013
- **Projected Annual Wages and Benefits from Form HUD-50059:** $13,000.00
- **Period of Income for Discrepancy Analysis:** 07/01/2011 - 06/30/2012

**Discrepancy Analysis**

- **Reported Annual Wages and Benefits from EIV Data:** $73,443.00
- **Amount of Annual Income Discrepancy:** ($60,443.00)
- **Amount of Monthly Income Discrepancy:** ($5,036.92)
- **Percentage of Income Discrepancy:** (82.30%)

- **Projected Annual Wages and Benefits from Form HUD-50059:** $13,000.00
- **Amount of Annual Income Discrepancy:** ($49,708.00)
- **Amount of Monthly Income Discrepancy:** ($4,142.33)
- **Percentage of Income Discrepancy:** (79.27%)

- **Example #1 – Income Discrepancy Report**

  **Head of Household Information**

  - **Name:** BOB A RESIDENT
  - **Social Security Number:** ***-**-1234
  - **Contract Number:** CO997001001
  - **Project Number:** 1011000
  - **Project:** MAIN STREET APARTMENTS
  - **Effective Date of Action:** 10/01/2012
  - **Next Re-certification Date:** 10/01/2013
  - **Projected Annual Wages and Benefits from Form HUD-50059:** $13,000.00
  - **Period of Income for Discrepancy Analysis:** 07/01/2011 - 06/30/2012

  **Discrepancy Analysis**

  - **Reported Annual Wages and Benefits from EIV Data:** $73,443.00
  - **Amount of Annual Income Discrepancy:** ($60,443.00)
  - **Amount of Monthly Income Discrepancy:** ($5,036.92)
  - **Percentage of Income Discrepancy:** (82.30%)

  - **Projected Annual Wages and Benefits from Form HUD-50059:** $13,000.00
  - **Amount of Annual Income Discrepancy:** ($49,708.00)
  - **Amount of Monthly Income Discrepancy:** ($4,142.33)
  - **Percentage of Income Discrepancy:** (79.27%)
Example #1 – Income Report

<table>
<thead>
<tr>
<th>Wages</th>
<th>Pay Period</th>
<th>Amount</th>
<th>FEIN</th>
<th>Employer Name and Address</th>
<th>Date Received By EIV</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q4 of 2012</td>
<td>$11,077.00</td>
<td>0000002</td>
<td>BETA STAFF 4 INC 800 CORPORATE DR STE 600, FT LAUDERDALE FL 33334-3621</td>
<td>3/19/2013</td>
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<tr>
<td></td>
<td>Q3 of 2012</td>
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<td>0000002</td>
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</tr>
<tr>
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<td>Q2 of 2012</td>
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<td>11/22/2012</td>
</tr>
<tr>
<td></td>
<td>Q1 of 2012</td>
<td>$12,012.00</td>
<td>0000001</td>
<td>ALPHASTAFF 3 INC 800 CORPORATE DR STE 600, FT LAUDERDALE FL 33334-3621</td>
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</tr>
<tr>
<td></td>
<td>Q4 of 2011</td>
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<tr>
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<td>Q3 of 2011</td>
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<tr>
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</tr>
<tr>
<td></td>
<td>Q2 of 2011</td>
<td>$15,277.00</td>
<td>0000001</td>
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<td>$6,766.00</td>
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<td>ALPHASTAFF 3 INC 800 CORPORATE DR STE 600, FT LAUDERDALE FL 33334-3621</td>
<td>8/20/2011</td>
</tr>
</tbody>
</table>

Example #1 – Income Report

POI: 07/01/2011 – 06/30/2012

- Q1 2011: $16,165
- Q2 2011: $16,165
- Q4 2011: $13,424
- Q1 2012: $12,012
- Q2 2012: $15,677
- TOTAL: $73,433
Example #1

- **POI**: 07/01/2011 – 06/30/2012
  - Q3 2011: $16,165
  - Q3 2011: $16,165
  - Q4 2011: $13,424
  - Q1 2012: $12,012
  - Q2 2012: $15,677

### Section D. Income Information

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td>1</td>
<td>W-Non-Federal Wage</td>
<td>13,000</td>
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### Income Discrepancy Report

- **Head of Household Information**
  - **Name**: BOB A RESIDENT
  - **Social Security Number**: ***-**-1234
  - **Contract Number**: CO99T001001
  - **Project Number**: 1011000
  - **Project**: MAIN STREET APARTMENTS
  - **Effective Date of Action**: 10/01/2012
  - **Next Re-certification Date**: 10/01/2013
  - **Projected Annual Wages and Benefits from Form HUD-50059**: $13,000.00

- **Period Of Income for Discrepancy Analysis**: 07/01/2011 – 06/30/2012

- **Discrepancy Analysis**
  - **Reported Annual Wages and Benefits from EIV Data**: $73,443.00
  - **Projected Annual Wages and Benefits from Form HUD-50059**: $13,000.00
  - **Amount of Annual Income Discrepancy**: ($60,443.00)
  - **Amount of Monthly Income Discrepancy**: ($$5,036.92$$)
  - **Percentage of Income Discrepancy**: (82.30%)

- **EIV Reports Actual Annual Income**: $73,443
- **HUD-50059 Annual Income**: $13,000
- **Differences (discrepancy)**: $60,443
Example #1 - Resolution

• 1. Did the resident report the jobs listed on the EIV reports?

  – YES – Verify previous 3rd party verification obtained from employer and check calculations. If calculations are correct, obtain new 3rd party verification to verify if there has been a change in income that caused a change of income of more than $200/month.

Example #1 - Resolution

• 1. Did the resident report the jobs listed on the EIV reports?

  – NO – Obtain 3rd party verification from employers listed.
Example #1 - Resolution

• 2. Meet with resident and determine what happened.
  – In this example, the resident did not report the job change
  – Alphastaff ended on 02/28/2013, however raise was never reported by resident (as verified by 3rd party verification)
Example #1 - Resolution

Employer's Name: Bob Resident

Presently Employed: Yes Date First Employed 02/28/2012

Base Pay: $62,400 per (circle one) hourly weekly bi-weekly semi-monthly monthly other

Overtime Rate: $ N/A per hour Average # of overtime hours per week N/A

Shift Differential Rate: $ N/A per hour Average # of shift differential hours per week N/A

Commissions, bonuses, tips, other: $ N/A per (circle one) hourly weekly bi-weekly semi-monthly monthly yearly other

List any anticipated change in the employee's rate of pay within the next 12 months: Increase from $13,000 to $62,400 on 12/01/2011

Example #1

<table>
<thead>
<tr>
<th>Cert Type</th>
<th>Effective Date</th>
<th>Alpha Staff Income Reported</th>
<th>Alpha Staff Un-reported</th>
<th>Beta Staff Income Reported</th>
<th>Beta Staff Un-reported</th>
<th>Old Tenant Rent</th>
<th>New Tenant Rent</th>
<th>Difference</th>
<th>Number of Months</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>AR</td>
<td>10/1/2011</td>
<td>$13,000</td>
<td>$325</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>IR*</td>
<td>12/1/2011</td>
<td>$13,000</td>
<td>$49,400</td>
<td>$325</td>
<td>$1,560</td>
<td>$1,235</td>
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<td>$3,705</td>
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<td>($300)</td>
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<td></td>
<td>1</td>
<td>($300)</td>
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<tr>
<td>IR*</td>
<td>04/1/2012</td>
<td>$45,800</td>
<td>$325</td>
<td>$1,145</td>
<td>$820</td>
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<td></td>
<td>2</td>
<td>$1,640</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL DUE $5,045
Example #1 – Resolution

<table>
<thead>
<tr>
<th>Cert</th>
<th>Effective Date</th>
<th>Alpha Staff Income Reported</th>
<th>Alpha Staff Unreported</th>
<th>Beta Staff Income Reported</th>
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<th>New Tenant Rent</th>
<th>Difference</th>
<th>Number of Months</th>
<th>Difference</th>
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</thead>
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<td>$13,000</td>
<td>$325</td>
<td></td>
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<td></td>
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<td>$1,235</td>
<td>3</td>
<td>$3,705</td>
<td></td>
</tr>
<tr>
<td>IR*</td>
<td>03/1/2012</td>
<td>$13,000</td>
<td>$25</td>
<td>$325</td>
<td>$25</td>
<td>($300)</td>
<td>1</td>
<td>($300)</td>
<td></td>
</tr>
<tr>
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<td>04/1/2012</td>
<td>$13,000</td>
<td>$45,800</td>
<td>$325</td>
<td>$1,145</td>
<td>$820</td>
<td>2</td>
<td>$1,640</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL DUE: $5,045

- IR’s were added to account for:
  - 12/01/11 IR: Raise at Alpha Staff
  - 03/01/12 IR: Job loss at Alpha Staff
  - 04/01/12 IR: New job at Beta Staff

Example #1 – Resolution

**Head of Household Information**

**Name:** BOB A RESIDENT  
**Social Security Number:** ***-**-1234  
**Contract Number:** CO99T001001  
**Project Number:** 1011000  
**Project:** MAIN STREET APARTMENTS  
**Effective Date of Action:** 10/01/2012  
**Next Re-certification Date:** 10/01/2013  
**Projected Annual Wages and Benefits from Form HUD-50059:** $13,000.00  
**Note**

**Period Of Income for Discrepancy Analysis:** 07/01/2011 - 06/30/2012  
**Discrepancy Analysis**

<table>
<thead>
<tr>
<th>Reported Annual Wages and Benefits from EIV Data:</th>
<th>$73,443.00</th>
<th>$63,708.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of Annual Income Discrepancy:</td>
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<td>($49,708.00)</td>
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<td>($4,142.33)</td>
</tr>
<tr>
<td>Percentage of Income Discrepancy:</td>
<td>(82.30%)</td>
<td>(79.27%)</td>
</tr>
</tbody>
</table>

Created 12/01/11 IR to add Alpha Staff raise, 03/01/12 IR due to job loss at Alpha staff, and 04/01/12 IR for previously unreported new job at Beta Staff. Q3 of 2011 income was reported twice on Income Report. Corrections were transmitted on May 2013 voucher.
## Example #2 – Income Discrepancy Report

### Head of Household Information
- **Name:** BOB A RESIDENT
- **Social Security Number:** ***-**-1234
- **Contract Number:** C099T001001
- **Project Number:** 1011000
- **Project:** MAIN STREET APARTMENTS
- **Effective Date of Action:** 12/18/2012
- **Next Re-certification Date:** 12/01/2013

### Projected Annual Wages and Benefits from Form HUD-50059:
- **$0.00**

### Period Of Income for Discrepancy Analysis
- **09/18/2011 – 09/17/2012**

### Discrepancy Analysis
<table>
<thead>
<tr>
<th>Actuals</th>
<th>Annualized Last Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$6,263.00</strong></td>
<td><strong>$1,460.00</strong></td>
</tr>
<tr>
<td><strong>($6,263.63)</strong></td>
<td><strong>($1,460.00)</strong></td>
</tr>
<tr>
<td><strong>($521.97)</strong></td>
<td><strong>($121.67)</strong></td>
</tr>
</tbody>
</table>

### Percentage of Income Discrepancy:
- **(100.00%)**
- **(100.00%)**

### Example #2 – Income Report

<table>
<thead>
<tr>
<th>Wages</th>
<th>Pay Period</th>
<th>Amount</th>
<th>FEIN</th>
<th>Employer Name and Address</th>
<th>Date Received By EIV</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q2 of 2012</strong></td>
<td>$2,555.00</td>
<td>00-0000002</td>
<td>BETA STAFF 4 INC</td>
<td>800 CORPORATE DR STE 600, FT LAUDERDALE FL 33334-3621</td>
<td>3/19/2013</td>
</tr>
<tr>
<td><strong>Q1 of 2012</strong></td>
<td>$481.00</td>
<td>00-0000002</td>
<td>BETA STAFF 4 INC</td>
<td>800 CORPORATE DR STE 600, FT LAUDERDALE FL 33334-3621</td>
<td>3/19/2013</td>
</tr>
<tr>
<td><strong>Q4 of 2011</strong></td>
<td>$2,934.00</td>
<td>00-0000002</td>
<td>BETA STAFF 4 INC</td>
<td>800 CORPORATE DR STE 600, FT LAUDERDALE FL 33334-3621</td>
<td>3/19/2013</td>
</tr>
<tr>
<td><strong>Q3 of 2011</strong></td>
<td>$891.00</td>
<td>00-0000001</td>
<td>ALPHASTAFF 3 INC</td>
<td>800 CORPORATE DR STE 600, FT LAUDERDALE FL 33334-3621</td>
<td>3/19/2013</td>
</tr>
<tr>
<td><strong>Q3 of 2011</strong></td>
<td>$1,187.00</td>
<td>00-0000001</td>
<td>ALPHASTAFF 3 INC</td>
<td>800 CORPORATE DR STE 600, FT LAUDERDALE FL 33334-3621</td>
<td>3/19/2013</td>
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<tr>
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<td>3/19/2013</td>
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<td><strong>Q1 of 2011</strong></td>
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<td>FOUNDERS BUSINESS SER LLC</td>
<td>3401 QUEBEC ST STE 8000, DENVER CO 80207-2330</td>
<td>3/19/2013</td>
</tr>
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</table>
### Example #2 – Income Report

<table>
<thead>
<tr>
<th>Pay Period</th>
<th>Amount</th>
<th>FEIN</th>
<th>Employer Name and Address</th>
<th>Date Received By EIV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 of 2012</td>
<td>$2,555.00-00-0000002</td>
<td>00</td>
<td>BETA STAFF 4 INC</td>
<td>3/19/2013</td>
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<td>3/19/2013</td>
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<tr>
<td>Q3 of 2011</td>
<td>$891.00-00-0000002</td>
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<td>ALPHASTAFF 4 INC</td>
<td>3/19/2013</td>
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<tr>
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<td>00</td>
<td>ALPHASTAFF 3 INC</td>
<td>3/19/2013</td>
</tr>
</tbody>
</table>

- **POI**: 09/18/2011 – 09/17/2012
  - Q3 2011: $1,187 (partial)
  - Q3 2011: $ 891 (partial)
  - Q4 2011: $2,934
  - Q1 2012: $ 481
  - Q2 2012: $2,555
  - **TOTAL**: $8,084

### Example #2 – Resolution

- **Head of Household Information**
  - **Name**: BOB A RESIDENT
  - **Social Security Number**: ***-**-1234
  - **Contract Number**: CO99T01001
  - **Project Number**: 1011000
  - **Project**: MAIN STREET APARTMENTS
  - **Effective Date of Action**: 12/18/2012
  - **Next Re-certification Date**: 12/01/2013
  - **Projected Annual Wages and Benefits from Form HUD-50059**: $0.00

- **Period Of Income for Discrepancy Analysis**: 09/01/2012 – 09/17/2012

- **Discrepancy Analysis**
  - **Reported Annual Wages and Benefits from EIV Data**: $5,263.00
  - **Amount of Annual Income Discrepancy**: ($6,263.63) ($1,460.00)
  - **Amount of Monthly Income Discrepancy**: ($521.97) ($121.67)
  - **Percentage of Income Discrepancy**: (100.00%) (100.00%)

- **EIV Reports Actual Annual Income**: $6,263.00
- **HUD-50059 Annual Income**: $0.00
- **Differences (discrepancy)**: $6,263.63
Example #1

• **POI**: 09/18/2011 – 09/17/2012
  – Q3 2011: $1,187/3 = $395.67
  – Q3 2011: $891/3 = $297
  – Q4 2011: $2,934
  – Q1 2012: $481
  – Q2 2012: $2,555
  – TOTAL: $6,662.67

Example 2 - Income Discrepancy Report

• O/A is not expected to reconcile dollar amounts to the penny when resolving discrepancies
Example #2

• **POI**: 09/18/2011 – 09/17/2012
  
  – Q3 2011: $395.67
  – Q3 2011: $297
  – Q4 2011: $2,934
  – Q1 2012: $481
  – Q2 2012: $2,555
  – TOTAL: $6,662.67

<table>
<thead>
<tr>
<th>Section D. Income Information</th>
</tr>
</thead>
</table>

---

**Head of Household Information**

<table>
<thead>
<tr>
<th>Name:</th>
<th>BOB A RESIDENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security Number:</td>
<td>*<strong>-</strong>-1234</td>
</tr>
<tr>
<td>Contract Number</td>
<td>CO997001001</td>
</tr>
<tr>
<td>Project Number</td>
<td>1011001</td>
</tr>
<tr>
<td>Project:</td>
<td>MAIN STREET APARTMENTS</td>
</tr>
<tr>
<td>Effective Date of Action:</td>
<td>12/18/2012</td>
</tr>
<tr>
<td>Next Re-certification Date:</td>
<td>12/01/2013</td>
</tr>
<tr>
<td>Projected Annual Wages and Benefits from Form HUD-50059:</td>
<td>$0.00</td>
</tr>
<tr>
<td>Period Of Income for Discrepancy Analysis</td>
<td>09/18/2011 – 09/17/2012</td>
</tr>
<tr>
<td>Discrepancy Analysis</td>
<td>Actuals</td>
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<tr>
<td>Reported Annual Wages and Benefits from EIV Data:</td>
<td>$6,263.00</td>
</tr>
<tr>
<td>Amount of Annual Income Discrepancy:</td>
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<td>($521.97)</td>
</tr>
<tr>
<td>Percentage of Income Discrepancy:</td>
<td>(100.00%)</td>
</tr>
</tbody>
</table>
Example #2 – Resolution

Head of Household Information

<table>
<thead>
<tr>
<th>Name:</th>
<th>BOB A RESIDENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security Number:</td>
<td>*<strong>-</strong>-1234</td>
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<tr>
<td>Contract Number:</td>
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<tr>
<td>Project Number:</td>
<td>1011000</td>
</tr>
<tr>
<td>Project:</td>
<td>MAIN STREET APARTMENTS</td>
</tr>
<tr>
<td>Effective Date of Action:</td>
<td>12/18/2012</td>
</tr>
<tr>
<td>Next Re-certification Date:</td>
<td>12/01/2013</td>
</tr>
</tbody>
</table>

Projected Annual Wages and Benefits from Form HUD-50059:

<table>
<thead>
<tr>
<th>Period Of Income for Discrepancy Analysis</th>
<th>09/18/2011 – 09/17/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discrepancy Analysis</td>
<td></td>
</tr>
<tr>
<td>Reported Annual Wages and Benefits from EIV Data:</td>
<td></td>
</tr>
<tr>
<td>Annualized Last Quarter</td>
<td></td>
</tr>
<tr>
<td>Amount of Annual Income Discrepancy:</td>
<td></td>
</tr>
<tr>
<td>Percentage of Income Discrepancy:</td>
<td></td>
</tr>
</tbody>
</table>

POI is before move-in date of 12/18/2012.
No discrepancy exists.

RECORD RETENTION
Retention of Reports

- The Income Report, the Summary Report(s) showing Identity Verification Status as “Verified” and the Income Discrepancy Report(s) and supporting documentation must be retained in the tenant file for the term of tenancy plus three years.

Retention of Reports

- Any tenant provided documentation, or other third party verification of income, received to supplement the SSA or NDNH data must be retained in the tenant file for the term of tenancy plus three years.
Retention of Reports

• Results of the Existing Tenant Search must be retained with the application:
  – (a) If applicant is not admitted, the application and search results must be retained for three years.
  – (b) If applicant is admitted, the application and search results must be retained in the tenant file for the term of tenancy plus three years.

Retention of Reports

• The master files for the New Hires Report, Identity Verification Reports, Multiple Subsidy Report and Deceased Tenants Report must be retained for three years.
Destroying Data

• Once the retention period has expired, owners must dispose of the data in a manner that will prevent any unauthorized access to personal information, e.g., burn, pulverize, shred, etc
HEATHER STAGGS
720-943-8603

Questions?
heather@star-momentum.com

More Information?
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