

CHAPTER 5**VERIFICATION OF FACTORS AFFECTING ELIGIBILITY
DETERMINATIONS AND REEXAMINATIONS****5.0 INTRODUCTION**

Factors that affect the determination of eligibility and adjusted income for applicants and participants will be verified by the Housing Authority (HA). This chapter outlines the HA's policies pertaining to verification of factors affecting a family's eligibility and reexaminations of income and family composition.

5.1 HIERARCHY OF VERIFICATION

24 CFR 982.516 (a) (2): "The PHA must obtain and document in the tenant file third party verification of the following factors, or must document in the tenant file why third party verification was not available:

- (i) Reported family annual income**
- (ii) The value of assets**
- (iii) Expenses related to deductions from annual income**
- (iv) Other factors that affect the determination of adjusted income."**

PIH Notice 2010-19: "Written Third Party Verification (Level 4): An original or authentic document generated by a third party source dated either within the 60-day period preceding the reexamination or PHA request date. Such documentation may be in the possession of the tenant (or applicant), and is commonly referred to as tenant-provided documents. It is the Department's position that such tenant-provided documents are written third party verification since these documents originated from a third party source. The PHA may, at its discretion, reject any tenant-provided documents and follow up directly with the source to obtain necessary verification of information.

- (i) Upfront Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system**
- (ii) Upfront Income Verification (UIV) using non-HUD system**
- (iii) Written Third Party Verification**
- (iv) Written Third Party Verification Form**
- (v) Oral Third Party Verification**
- (vi) Tenant Declaration"**

Policy:

The HA will obtain and document in the file verification of the family's reported annual income and the value of assets using the following hierarchy:

- Up-front Income Verification (UIV), including HUD's Enterprise Income Verification
- Family-provided documentation
- Written third-party verification forms*
- Oral third-party verification
- Tenant declaration

*The HA may continue to use third-party verification to resolve income discrepancies or in the absence of other verification or participant provided documents.

Non MTW Policy:

The HA will use the same verification hierarchy as above to obtain and document expenses related to deductions from annual income and other factors that affect the determination of adjusted income.

5.2 INCOME FROM ASSETS

24 CFR 5.609 (b): "Annual income includes, but is not limited to: (3) Interest, dividends, and other net income of any kind from real or personal property... Where the family has net assets in excess of \$5,000, annual income shall include the greater of actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD."

MTW 2010 Activity:

HACSC will "eliminate calculating and including income received from family assets under \$50,000."

Policy:

MTW applicants and participants: If a family's total assets amount to less than \$50,000, the HA will not report family assets to HUD or calculate anticipated asset income to include in family's total annual income.

Non-MTW applicants and participants: The HA will calculate and include asset income derived from all family assets in compliance with 24 CFR 5.609 (b) (3).

5.3 INCOME EXCLUSIONS

24 CFR 908.101: “The purpose of this part is to require Public Housing Agencies (PHAs), including Moving-to-Work (MTW) PHAs, that operate Public Housing, Indian Housing, or Section 8 Rental Certificate, Housing Choice Voucher (HCV), Rental Voucher, and Moderate Rehabilitation programs to electronically submit certain data to HUD for those programs. These electronically submitted data are required for HUD forms: HUD-50058, including the Family Self-Sufficiency (FSS) Addendum.”

PIH Notice 2013-04 (HA)
Fully Excluded Income:

“Income that is fully excluded means the entire amount qualified to be excluded from the annual income determination. For fully excluded income, the PHA is not required to:

- Verify the income in accordance with the HUD-prescribed verification hierarchy;
- Document in the tenant file why third party verification was not available as required by 24 CFR 960.259(c) and 24 CFR 982.516(a)(2); and
- Report the income in Section 7 of the form HUD-50058.

PHAs may accept an applicant or participant’s self-certification as verification of fully excluded income. The PHA’s application and reexamination documentation, which is signed by all adult family members, may serve as the self-certification of the fully excluded income. PHAs have the option of elevating the verification requirements if necessary, to determine if a source of income qualifies for a full exclusion.”

Policy:

The HA will not verify, count or report income that is 100% excluded from the income calculation process on Form HUD-50058 MTW.

5.4 AGE OF APPLICANT VERIFICATION

24 CFR 982.201 (e): “The PHA must receive information verifying that an applicant is eligible within the period of 60 days before the PHA issues a voucher to the applicant.”

MTW Plan:

The HA will increase the “documentation submission window from 60 to 120 days” prior to initial subsidy issuance.

Policy:

MTW applicants: Information verifying that an applicant is eligible must be no older than 120 days from initial subsidy issuance.

Non-MTW applicants: Information verifying that an applicant is eligible must be no older than 60 days from subsidy issuance for families receiving special purpose vouchers.

5.5 AGE OF PARTICIPANT VERIFICATION

PIH Notice 2004-01, Page 10: “In support of the tenant’s declaration of income, the PHA may review original documents provided by the participant. All documents should be dated within the last 60 days of the interview.”

Policy:

MTW participants: Verification obtained at reexamination will be no more than 60 days old at the date of receipt of the documentation. However, if the documentation is issued quarterly, semi-annually or annually, the documentation must be the most recent issued by the verification source.

Non-MTW participants: Verification obtained at reexamination will be no more than 60 days old at the date of receipt of the documentation.

5.6 TEMPORARY, NON-RECURRING OR SPORADIC INCOME

24 CFR 5.609: “Annual income. (a) Annual income means all amounts, monetary or not, which ... (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date.”

24 CFR 5.609 (b) (7): “Periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.”

24 CFR 5.609 (c): “Annual income does not include the following: ... (9) Temporary, nonrecurring or sporadic income (including gifts).” Sporadic income is income that is not received periodically and cannot be reliably predicted.

Policy:

HA defines sporadic, non-recurring or temporary income as income lasting no longer than 90 cumulative days within a one-year period.

Loans with legally binding, documented terms and conditions for repayment, signed by the borrower and lender will not be considered income and will not be included in the family's total annual income. Money received through an undocumented personal loan will be included in the family's total annual income.

5.7 VERIFICATION OF ELIGIBLE IMMIGRATION STATUS

24 CFR 5.508 (b) (1) and (3): “Evidence of citizenship or eligible immigration status. Each family member, regardless of age, must submit the following evidence to the responsible entity:

- **Signed declaration of U.S. citizenship or U.S. nationality.**
- **For all other non-citizens, the evidence consists of a signed declaration of eligible immigration status, one of the INS documents referred to in 5.510, and a signed verification consent form.**

24 CFR 5.508 (e): “If one or more members of a family elect not to contend that they have eligible immigration status, and other members establish their citizenship or eligible immigration status, the family may be eligible for assistance. The family, however, must identify in writing the family member (or members) who will elect not to contend that he or she has eligible immigration status.”

Policy:

Housing assistance to applicants will be delayed while immigration status verification is pending.