

CHAPTER 7

VERIFICATION

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

INTRODUCTION:

HUD regulations require that the factors of eligibility and Total Tenant Payment and Family Share be verified by the NBHA. NBHA staff will obtain written verification from independent sources whenever possible and will document tenant files whenever third party verification is impossible to obtain.

Applicants and program participants must provide true and complete information to the NBHA whenever information is requested. The NBHA's verification requirements are designed to maintain program integrity. This chapter explains the NBHA's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in family composition. The NBHA will obtain proper authorization from the family before requesting information from independent sources.

A. METHODS OF VERIFICATION AND TIME ALLOWED:

The NBHA will verify information through the four methods of verification acceptable to HUD in the following order:

- HUD Sponsored Enterprise Income Verification (EIV) System
- Third-Party Written
- Oral
- Review of Documents
- Certification/Self-Declaration

The NBHA will allow ten business days for return of third-party verifications and one week (seven days) to obtain other types of verifications before going to the next method. The NBHA will document the file as to the reason third-party written or oral verification was not used.

In case where financial institutions cannot/will not provide third party verifications in a timely manner, the NBHA may accept other forms of verifications.

For applicants, verifications may not be more than sixty-days old at the time of voucher issuance. Documents must not be more than thirty calendar days old at time of receipt. For participants, verification will be valid for 90 days from date of receipt.

The NBHA will not delay the processing of an application or recertification beyond a reasonable and appropriate time period, because a third party information provider does not return the verification in a timely manner.

Third-Party Written Verification:

Third-party verification is used to verify information directly with the source. Third-party written verification forms will be sent via email, facsimile and/or US mail. The family will be required to sign an authorization for the information source to release the specified information.

Verifications received electronically directly from the source are considered third party written verifications.

The NBHA will accept verifications delivered by the family as third-party (if they can be verified by other means) from agencies, including, but not limited to:

- Social Security Administration
- Veterans Affairs
- Pharmacy (in regard to prescription drugs)
- A State or Federal Court
- Medical Providers
- Department of Labor
- Department of Social Services
- Workers' Compensation
- Banks
- Pensions

Third-Party Oral verification:

When third-party oral verification is used, staff will be required to prepare a written memorandum for the file noting with whom they spoke, the date of the conversation, and the facts provided. If provided by telephone, the NBHA must originate the call.

Review of Documents:

In the event that third-party written or oral verification is unavailable, or the information has not been verified by the third party within two weeks (14 days), the NBHA will utilize documents provided by the family as the primary source if the documents provide complete information.

All such documents, excluding government checks, will be photocopied and retained in the applicant file. In cases where documents are viewed which cannot be photocopied, staff viewing the document(s) will prepare a written memorandum for the file noting the details of the document.

In absence of third-party written or oral verification, the NBHA will accept the following documents from the family provided that the document is such that tampering would be easily noted:

- Printed wage stubs
- Computer printouts from the employer
- Signed letters (provided that the information is confirmed by telephone)
- Other documents noted in this chapter as acceptable verification.

The NBHA may accept faxed documents and photocopies.

If third-party verification is received after documents have been accepted as provisional verification, and there is a discrepancy, the NBHA will utilize the third party verification.

Self-Certification:

When verification cannot be made by third-party verification or review of documents, families will be required to submit a self-certification.

Self-certification means a statement signed under penalty of perjury which must be witnessed by a staff person.

B. RELEASE OF INFORMATION: [24 CFR 982.516 and 982.551, 24 CFR 5.230]

All adult family members will be required to sign the HUD 9886 Release of Information/privacy Act notice and disclosure form.

In addition, adult family members will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886. Authorization for Release of Information/Privacy Act Notice and disclosure form.

Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

Family member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

Families refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance. It is a family obligation to supply any information and to sign consent forms requested by the NBHA or HUD.

C. COMPUTER MATCHING:

For some time, HUD has conducted a computer matching initiative to independently verify resident income. HUD can access income information and compare it to information submitted by PHAs on the 50058 form. HUD can disclose Social Security information to PHAs, but is precluded by law from disclosing Federal tax return data to PHAs. If HUD receives information from federal tax return data indicating a discrepancy in the income reported by the family. HUD will notify the family of the discrepancy. The family is required to disclose this information to the NBHA in writing that the family has been advised to contact the NBHA, HUD will send the NBHA a list of families who have received "income discrepancy" letters.

D. **ITEMS TO BE VERIFIED:**

- All income.
- Full-time student status of all students who are eighteen years of age or older.
- Current assets including assets disposed of for less than fair market value in the preceding two years.
- Child care expense where it allows an adult family member to be employed or actively seeking employment to further his/her education.
- Total medical expenses of all family members in households whose head or spouse is elderly or disabled.
- Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family, which allow an adult family member to be employed.
- Disability for determination of preferences, allowances or deductions.
- U. S. Citizenship/eligible immigrant status
- Social Security Numbers for all family members are required at birth
- “Preference” Status
- Familial or Marital Status
- Verification of Reduction in Benefits for Noncompliance.

The NBHA will obtain written verification from the welfare agency stating that the family’s benefits have been reduced for fraud or noncompliance before denying the family’s request for a rent reduction:

- Legal Identity
- Family
- Verification Procedures

E. **VERIFICATION OF INCOME:**

This section defines the methods the NBHA will use to verify various types of income.

Employment Income:

NBHA verification forms request the employer to specify the following:

- Dates of employment
- Status of Employment, i.e. full-time or part-time
- Amount and frequency of pay
- Date of the last pay increase

- Likelihood of change of employment status and effective date of any known salary increase during the next 12 months
- Average hours per week worked
- Year to date earnings
- Estimated income from overtime, tips, bonus pay expected during the next 12 months
- Enterprise Income Verification (EIV)
- Department of Labor (DOL)

Acceptable methods of verification include, in this order:

- Access made available through HUD sponsored EIV on-line systems (when available)
- Employment verification form completed by the employer
- Check stubs or earning statements, which indicate the employee's gross pay, frequency of pay or year to date earnings.
- Verbal employment verification received directly from employer
- W-2 forms and income tax return forms
- Income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.
- Credit checks

If, at any time, it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period may be annualized. Those families, who work at seasonal employment and may not collect Ct Unemployment Compensation for part of the year, will have their anticipated annual income based upon the prior year's income according to their federal income tax records and/or associated W-2s, Form 1099s, etc. In these cases, these applicable tax records shall be considered appropriate verifications.

Applicants and program participants may be required to sign an authorization for release of information from the Internal Revenue Service for further verification of income.

In cases where there are questions about the validity of information provided by the family, the NBHA will require the most recent federal income tax statements.

Where doubt regarding income exists, a referral to IRS for confirmation will be made.

Social Security, Pensions, Supplementary Security Income (SSI), Disability Income:

Acceptable methods of verification include, in this order:

- Access made available through the HUD-sponsored EIV on-line system and use of TASS statements (when available).
- Benefit verification form completed by agency providing the benefits
- Award or benefit notification letters prepared and signed by the providing agency.
- Bank statements for direct deposit.

Unemployment Compensation:

Acceptable methods of verification include, in this order:

- Access made available through the HUD-sponsored EIV on-line system or via other written agreement through the local Department of Labor (DOL)
- NBHA verification form completed by the Department of Labor (DOL).

Welfare Payments or General Assistance:

Acceptable methods of verification include, in this order:

- Contact the Department of Social Services (DSS) to obtain Unemployment benefit information.
- Written statement from payment provider indicating the amount of grant/payment, start date of payment, and anticipated changes in payment in the next twelve months.

NBHA may contact the local Department of Social Service Agency to obtain current Unemployment benefit information.

Alimony or Child Support Payments:

Acceptable methods of verification include, in this order:

- NBHA verification form completed by Superior Court, Child Support Enforcement Agency.
- Copy of payment history printout from CT Support Enforcement Services.
- Oral verification from CT Support Enforcement Services.
- Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedule.
- The family must provide a notarized letter from the person paying the support, if payments are irregular.
- A written statement from an attorney certifying that a collection or enforcement action has been filed.

Net Income from a Business:

In order to verify the net income from a business, the NBHA will view IRS and financial documents from prior years and use this information to anticipate the income for the next twelve months.

Acceptable methods of verification include IRS Form 1040, including:

- Schedule C (Small Business)
- Schedule E (Rental Property Income)
- Schedule F (farm Income)

If accelerated depreciation was used on the tax return or financial statement. The calculation of depreciation expense, computed using straight-line depreciation rules must be provided.

- Audited or unaudited financial statements of the business.
- Credit report or loan application.
- Documents such as manifests, appointment books, cashbooks, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next twelve months. The family will be advised to maintain these documents in the future if they are not available.
- Family's self-certification as to net income realized from the business during previous year.

Child Care Business:

If an applicant/participant is operating a licensed day care business, income will be verified as with any other business.

In the event the family is providing day care services, and being paid through DSS, the family shall provide as many copies of payment sheets for all customers as possible for the last 12-months. In the event a customer is paying a co-pay, the NBHA shall obtain written income verification directly from the customer when possible. If necessary, verbal verification of co-pay will suffice.

If the applicant/participant is operating a "cash and carry" operation (which may or may not be licensed), the NBHA will require that the applicant/participant complete a form for each customer which indicates: name of person(s) whose child (children) is/are being cared for, phone number, number of hours child is being cared for, method of payment (check/cash), amount paid, and signature of person providing care.

If the family has filed a tax return, the family will be required to provide it.

If childcare services were terminated, third-party verification may be sent to the family whose child was cared for.

Recurring Gifts:

- The family must furnish a self-certification, which contains the following information.
- The person who provides the gifts.
- The value of the gifts.
- The regularity (dates) of the gifts.
- The purpose of the gifts

Exceptions:

College Athletic Scholarship monies specifically in housing.

Athletic Scholarship Financial Aid (aid specifically meant for housing)
Acceptable methods of verification include, in this order:

1. Written verification, from the registrar's office or other school official, detailing scholarship monies specifically meant for housing.

Full-time Student Status:

Only the first 480 of the earned income of full-time students, eighteen years of age or older, other than head, co-head, or spouse, will be counted towards family income.

Financial aid, scholarships and grants received by full-time students are not counted towards family income.

Verification of full-time student status includes written verification from the registrar's office or other school official, indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

F. **INCOME FROM ASSETS:**

Acceptable methods of verification include, in this order:

1. Savings Account Interest Income and Dividends:
 - NBHA verification form to be completed by relevant financial institution.
 - Account statements, passbooks, and/or certificates of deposit.
 - Broker's statements showing value of stocks or bonds and the earnings credited to the family. Earnings can be obtained from current newspaper quotations or broker's oral verification.

- IRS Form 1099 from the financial institution provided that the NBHA must adjust the information to project earnings expected for the next twelve months.
2. Interest Income from Mortgages or Similar Arrangements:
- Amortization schedule showing interest for the twelve months following the Effective date of the certification or recertification.
 - A letter from an Accountant, Attorney, Real Estate Broker, the Buyer, or a Financial Institution stating interest due for the next twelve months. (A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown).
 - If the family has filed a tax return they will be required to provide it.
3. Net Rental Income from Property Owned by Family:
- IRS Form 1040 with Schedule E (Rental Income)
 - Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.
 - Copies of latest rent receipts, leases, or other documentation of rent amounts.

G. VERIFICATION OF ASSETS:

Family Assets:

The NBHA will require the information necessary to determine the current cash value of the family's assets, (the net amount the family would receive if the asset were converted to cash).

Acceptable verification may include any of the following:

- Verification forms, letters, or documents from a financial institution or broker.
- Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
- Quotes from a stock broker or realty agent as to net amount family would receive if they liquidated securities or real estate.
- Real Estate Tax statements if the approximate current market value can be deduced from assessment.
- Financial statements for business assets.

- Copies of closing documents showing the selling price and the distribution of the sales proceeds.
- Appraisals of personal property held as an investment.
- Family's self-certification describing assets or cash held at the family's home or in safe deposit boxes.

Assets disposed of for less than Fair Market Value (FMV) during two-years preceding effective date of Certification or Recertification.

For all certifications and recertifications, the NBHA will obtain the family's certification as to whether any member has disposed of assets for less than fair market value within the past two years of the effective date of the certification or recertification.

If the family certifies that they have disposed of assets for less than fair market value, verification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.

H. VERIFICATION OF ALLOWABLE DEDUCTION FROM INCOME:

Child Care Expenses:

Child care expenses are defined as amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed or to further his/her education and only to the extent such amounts are not reimbursed. In cases of child care necessary to permit employment the amount deducted shall not exceed the amount of employment income that is included in annual income.

Families must provide certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

Written verification from the person who receives the payments is required. If the child care provider is an individual, she/he must provide a statement of the amount they are charging the family for their services.

Verifications must specify the child care provider's name, address, telephone number, social security number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.

Medical Expenses:

Families, whose head or co-head is elderly or disabled are eligible to claim medical expenses. They 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. One or more of the methods listed below will verify all expense claims:

- Written verification by a doctor, hospital, clinic personnel, dentist, and/or pharmacist, of:
 - a. the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and
 - b. 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.
- For attendant care, a knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes. The NBHA may request the attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.
- Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next twelve months.
- Copies of payment agreements or most recent invoices that verify payments made on outstanding medical bills that will continue over all or part of the next twelve months.
- Receipts or other record of medical expenses incurred during the past twelve months that can be used to anticipate future medical expenses. NBHA may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one time, nonrecurring expenses from the previous year.
- The NBHA will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

Assistance to Persons with Disabilities:

The allowable disability assistance expense is that portion that exceeds three percent (3%) of annual income:

In All Cases:

Written certification from a reliable, knowledgeable professional that the person with disabilities required services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed. This deduction may not exceed the earned income received by family members who are 18-years of age or older, and who are able to work because of such attendant care or auxiliary apparatus.

Income received by family:

Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

Attendant Care:

- Certification of family and attendant and/or copies of canceled checks family used to make payments.
- Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided.

Auxiliary Apparatus:

- Receipts for purchases or proof of monthly payments and maintenance expenses of or auxiliary apparatus.
- In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

I. VERIFYING NON-FINANCIAL FACTORS:

Verification of Legal Identity:

In order to prevent program abuse, the NBHA will require applicants to furnish verification of legal identity for all family members.

The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

- Current Driver's license or State Identification Card
- Certificate of Birth, naturalization papers
- U.S. Military Discharge (DD214)
- U. S. Passport

Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:

- Certificate of Birth or Naturalization
- Adoption papers
- Custody agreement
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- School ID cards
- Passport
- Current State Identification Card or Drivers License

Marriage or Civil Unions:

Family Relationships:

Self-certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide verification.

The following verifications will be accepted:

1. **Verification of relationship.**
 - Birth Certificates
2. **Verification of Guardianship:**
 - Court-ordered assignment
 - Affidavit of Parent
 - Verification from Social Services Agency
 - School Records
3. **Verification of Marital Status:**
 - Certificate of Marriage
 - Divorce Decree
 - Court Records

Verification of Permanent Absence of Family Member:

If an adult member who was formerly a member of the household is reported permanently absent by the family, the NBHA will consider any of the following as verification:

- Husband or wife institutes divorce action, and proof of another home address.
- Husband or wife institutes legal separation, and proof of another home address
- Order of protection/restraining order obtained by one family member against another.
- Proof of another home address, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement.
- Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.
- If the adult family member is incarcerated, a document from the Court or correctional facility should be obtained stating how long they will be incarcerated.
- School records indicating change of residence for children.

Verification of Change in Family Composition:

The NBHA may verify changes in family composition (either reported or unreported) through the family composition information packet, letters, telephone calls, utility records, inspections, landlords or through court records.

Verification of Disability:

Verification of disability may be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)) or verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehabilitation specialist, or licensed social worker, using the HUD language as the verification format.

Verification of Citizenship/Eligible Immigrant Status:

Ineligible family members have either been determined ineligible or elect not to contest their status. To be eligible for assistance, individuals must be U. S. Citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by Immigration and Naturalization Services (INS). Each family member must declare his or her status once. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while the NBHA hearing is pending.

Citizens or nationals of the United States are required to sign a declaration under penalty of perjury.

Eligible Immigrants who were Participants and 62 or over on June 19, 1995, are required to sign a declaration of eligible immigration status and provide proof of age.

Non-citizen with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are copied front and back and returned to the family. The NBHA verifies the status through the INS SAVE system. If this primary verification fails to verify status, the NBHA must request within ten days that the INS conduct a manual search.

Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.

Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of ineligible members.

Failure to Provide:

If an applicant or participant family member fails to sign required declarations and consent forms or provide documents, as required they must be listed as an

ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

Time of Verification:

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the time of application when other factors of eligibility are considered for family members added after other members have been verified, the verification occurs before the new family member may move in.

Once verification has been completed for any covered program, it need not be repeated except that, in the case of port-in families, if the initial NBHA does not supply the documents, the NBHA must conduct the determination.

The NBHA will not provide assistance to any family prior to the affirmative establishment and verification of the eligibility of the individual or at least one member of the family.

Extensions of Time to Provide Documents:

The NBHA will grant an extension of thirty days for families to submit evidence of eligible immigrant status.

Acceptable Documents of Eligible Immigration:

The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register.

- Resident Alien card (1-551)
- Alien Registration Receipt Card (1-151)
- Arrival-Department Record (1-94)
- Temporary Resident Card (1-688)
- Employment Authorization Card (1-688B)
- Receipt issued by the Bureau of Citizenship and Immigration Service, (formerly INS) for issuance of replacement of any of the above documents that shows individual's eligibility has been verified

A birth certificate is not acceptable verification of status. All documents in connection with U. S. citizenship/eligible immigrant status must be kept five years.

If the NBHA determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside permanently in the family's units, the family's assistance will be terminated, unless the ineligible individual has already been considered in pro-rating the family's assistance.

Verification of Social Security Number: [24 CFR 5.216]

Social Security numbers must be provided as a condition of eligibility for all family members if they have been issued a number. Verification of Social Security Numbers will be done through a social security card issued by the Social Security Administration. If a family member cannot produce a social security card, only the documents listed below showing his or her social security number may be used for verification. The family is also required to certify in writing that

the document(s) submitted in lieu of the social security card information provided is/are complete and accurate:

- Identification card issued by a Federal, State or Local Agency
- Identification card issued by Medicare
- Benefit award letters from government agencies
- Verification of benefits or social security number from Social Security Administration

All family members. This information is to be provided at birth. Failure to provide this documentation may result in termination of subsidy.

If an applicant or participant is able to disclose the social security number, but cannot meet the documentation requirements, the applicant or participant must sign a certification to that effect provided by the NBHA. The applicant/participant or family member will have an additional thirty days to provide proof of the social security number. If they fail to provide these documentations, the individual's assistance will be terminated.

In the case of an individual at least sixty-two years of age, the NBHA may grant extensions in 60-day increments for a total of 120 days. If, at the end of this time, the elderly individual has not provided documentation, the family's assistance will be terminated.