**Chapter 7.A.**

**VERIFICATION**

[24 CFR 960.259, 24 CFR 5.230, Notice PIH 2018-18]

**Prior to the PHA’s HOTMA compliance date, the PHA will follow policies as outlined in this chapter. Upon the PHA’s HOTMA compliance date, the PHA will follow policies as outlined in Chapter 7.B.**

**INTRODUCTION**

This chapter describes HUD regulations and PHA policies related to verification of all information that is used to establish the family’s eligibility and level of assistance as follows:

* Part I: General Verification Requirements
* Part II: Verifying Family Information
* Part III: Verifying Income and Assets
* Part IV: Verifying Mandatory Deductions

The PHA must follow the Notice PIH 2018-18 and this chapter summarizes those requirements and provides supplementary PHA policies.

**PART I: GENERAL VERIFICATION REQUIREMENTS**

**7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION   
[24 CFR 960.259, 24 CFR 5.230; and Notice PIH 2023-27]**

**Consent Forms**

The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information. This requires the signing of release forms by family members. While it is required that PHAs use form HUD-9886-A, this form does not release all the information necessary to the administration of the program. The PHA must develop its own release forms to cover all other necessary information. Families must agree to sign all consent forms required by the PHA and HUD. **No PHA policy decisions are required.**

**Form HUD-9886-A [24 CFR 5.230(b)(1), b(2), (c)(4), and (c)(5); and Notice PIH 2023-27]**

All adult family members must sign form HUD-9886-A, Authorization for Release of Information.

The PHA has the discretion to establish policies around when family members must sign consent forms when they turn 18. PHAs must establish these policies stating when family members will be required to sign consent forms at intervals other than at reexamination.

**☑ Decision Point: When will family members who turn 18 be required to sign consent forms?**

Things to Consider

* The PHA cannot use the EIV Income Reports for a family member who turns 18 between recertifications until the tenant has signed the form, even though employment or income will be reported in EIV.
* Option 2 of the model policy states that the family member will be required to sign consent forms at the family’s next annual or interim, whichever is sooner.
* Option 1 states that the family member will be required to come in within 10 days of turning 18, which aligns with the practice in HUD’s Multifamily program. The model policy uses 10 business days as the timeframe for the family member to sign the form for ease of administration since time period is used elsewhere in the policy. The PHA may change this timeframe since this is not a HUD requirement.

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

Family members turning 18 years of age between annual recertifications will be notified in writing that they are required to sign the required Consent to the Release of Information Form HUD-9886-A within 10 business days of turning 18 years of age.

🞎 *Option 2: Delete model plan language and substitute language as shown below.*

Family members turning 18 years of age between annual recertifications will be notified in writing that they are required to sign the required Consent to the Release of Information Form HUD-9886-A at the family’s next annual or interim reexamination, whichever is earlier.

🞎 *Option 3: Use PHA-established policy. Edit the model plan language or delete it and insert the PHA’s policy.*

**Penalties for Failing to Consent [24 CFR 5.232]**

No policy decisions are required.

**7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS**

**Use of Other Programs’ Income Determinations [24 CFR 5.609(c)(3) and Notice PIH 2023‑27]**

PHAs may, but are not required to, determine a family’s annual income, including income from assets, prior to the application of any deductions, based on income determinations made within the previous 12-month period, using income determinations from means-tested federal public assistance programs.

**☑ Decision Point: Will the PHA use Safe Harbor income determinations from other means tested federal assistance programs?**

Things to Consider

* PHAs are not required to accept or use determinations of income from other federal means-tested forms of assistance.
* If the PHA adopts a policy to accept this type of verification, the PHA must establish in policy when they will accept Safe Harbor income determinations and from which programs.
* PHAs must also create policies that outline the course of action when families present multiple verifications from the same or different acceptable Safe Harbor programs.
* Option 1 states that the PHA will accept Safe Harbor determinations at annual reexamination but will not accept Safe Harbor determinations at new admission or interim. This is because the PHA may wish to establish a baseline income based on their own calculations and more robust third-party verification when the family first comes on the program, particularly since the PHA is determining income eligibility for the family. If the PHA wishes to accept Safe Harbor determination at new admission, Option 2 should be adopted.
* Option 1 and 2 also state that the PHA will accept documentation from all programs listed in Notice PIH 2023-27, with the exception of the Low-Income Housing Tax Credit (LIHTC) program. This is because the tax credit program typically calculates income using the most conservative calculation possible and income amounts often do not reflect family’s actual income. If the PHA wishes to accept certifications from the LIHTC program, Option 1 or 2 should be edited as applicable.
* PHAs must also create policies that outline the course of action when families present multiple verifications from the same or different acceptable Safe Harbor programs. Option 1 and 2 of the model policy both use the language in Notice 2023-27 that they will accept the most recent income determination, however the model policy adds a caveat not found in the notice that the family may provide acceptable evidence that an alternative verification should be used.
* If the PHA does not wish to use Safe Harbor determinations of income, nor adopt streamlining policies as outlined below, the PHA should adopt Option 3.
* If the PHA wishes to adopt streamlining policies but not use Safe Harbor determinations, Option 4 should be selected.

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

When available and applicable, the PHA will accept other programs’ Safe Harbor determinations of income at annual reexamination to determine the family’s total annual income. The PHA will still require third-party verification of all deductions such as the health and medical care expense or childcare expense deductions. Further, if the family is eligible for and claims the disability assistance expense or childcare expense deductions, where applicable, the PHA will obtain third-party verification of the amount of employment income of the individual(s) enabled to work in order to cap the respective expenses as required.

Prior to using any Safe Harbor determination from another program, the PHA will ask the family if they agree with the income amounts listed. If the family disputes the income amounts on the Safe Harbor determination, the PHA will obtain third-party verification of all sources of income and assets (as applicable).

The PHA will not accept other programs’ determinations of income for any new admission or interim reexamination.

With the exception of income determinations made under the Low Income Housing Tax Credit (LIHTC) program, the PHA will accept Safe Harbor determinations from any of the programs listed above.

In order to be acceptable, the income determination must:

Be dated within 12 months of the dates listed above;

State the family size

Be for the entire family (i.e., the family members listed in the documentation must match the family’s composition in the assisted unit, except for household members); and

Must state the amount of the family’s annual income.

The determination need not list each source of income individually. If the PHA does not receive any acceptable income determination documentation or is unable to obtain documentation, then the PHA will revert to third-party verification of income for the family.

When families present multiple verifications from the same or different acceptable Safe Harbor programs, the PHA will use the most recent income determination, unless the family presents acceptable evidence that the PHA should consider an alternative verification from a different Safe Harbor source.

When the PHA uses a Safe Harbor income determination from another program, and the family’s income subsequently changes, the family is required to report the change to the PHA. Depending on when the change occurred, the change may or may not impact the PHA’s calculation of the family’s total annual income. Changes that occur between the time the PHA receives the Safe Harbor documentation and the effective date of the family’s annual reexamination will not be considered. If the family has a change in income that occurs after the annual reexamination effective date, the PHA will conduct an interim reexamination if the change meets the requirements for performing an interim reexamination as outlined in Chapter 11. In this case, the PHA will use third-party verification to verify the change.

🞎 *Option 2: Delete model plan language and substitute language as shown below.*

When available and applicable, the PHA will accept other programs’ Safe Harbor determinations of income at annual reexamination and new admission to determine the family’s total annual income. The PHA will still require third-party verification of all deductions such as the health and medical care expense or childcare expense deductions. Further, if the family is eligible for and claims the disability assistance expense or childcare expense deductions, where applicable, the PHA will obtain third-party verification of the amount of employment income of the individual(s) enabled to work in order to cap the respective expenses as required.

Prior to using any Safe Harbor determination from another program, the PHA will ask the family if they agree with the income amounts listed. If the family disputes the income amounts on the Safe Harbor determination, the PHA will obtain third-party verification of all sources of income and assets (as applicable).

The PHA will not accept other programs’ determinations of income for any new interim reexamination.

With the exception of income determinations made under the Low Income Housing Tax Credit (LIHTC) program, the PHA will accept Safe Harbor determinations from any of the programs listed above.

In order to be acceptable, the income determination must:

Be dated within 12 months of the dates listed above;

State the family size

Be for the entire family (i.e., the family members listed in the documentation must match the family’s composition in the assisted unit, except for household members); and

Must state the amount of the family’s annual income.

The determination need not list each source of income individually. If the PHA does not receive any acceptable income determination documentation or is unable to obtain documentation, then the PHA will revert to third-party verification of income for the family.

When families present multiple verifications from the same or different acceptable Safe Harbor programs, the PHA will use the most recent income determination, unless the family presents acceptable evidence that the PHA should consider an alternative verification from a different Safe Harbor source.

When the PHA uses a Safe Harbor income determination from another program, and the family’s income subsequently changes, the family is required to report the change to the PHA. Depending on when the change occurred, the change may or may not impact the PHA’s calculation of the family’s total annual income. Changes that occur between the time the PHA receives the Safe Harbor documentation and the effective date of the family’s certification will not be considered. If the family has a change in income that occurs after the effective date, the PHA will conduct an interim reexamination if the change meets the requirements for performing an interim reexamination as outlined in Chapter 11. In this case, the PHA will use third-party verification to verify the change.

🞎 *Option 3: Delete model plan language and substitute language as shown below.*

The PHA will not accept verification from other federal assistance programs. All income will be verified in accordance with the requirements of HUD’s verification hierarchy and PHA policies in this chapter.

🞎 *Option 4: Delete model plan language and substitute language as shown below.*

The PHA will not accept verification from other federal assistance programs. With the exception of when the PHA uses streamlined income determinations at annual reexamination as described below, all income will be verified in accordance with the requirements of HUD’s verification hierarchy and PHA policies in this chapter.

🞎 *Option 5: Use PHA-established policy. Edit the model plan language or delete it and insert the PHA’s policy.*

**HUD’s Verification Hierarchy**

This section in the model ACOP lists the HUD-established hierarchy of verification methods as described in Notice PIH 2018-18, Verification Guidance. Reference to this hierarchy is made throughout the remainder of the ACOP. In some cases HUD expects the PHA to use a combination of methods in order to obtain the most reliable information.

**No PHA policy decisions are required**.

**Requirements for Acceptable Documents**

When document review is necessary or desired, it is important to give PHA staff guidance on what is acceptable.

**☑ Decision Point: What are the PHA’s requirements for acceptable documents?**

Things to Consider

* In 2/22/24 FAQs, HUD stated that PHAs may adopt two HOTMA 102/104 provisions related to third-party verifications prior to the PHA’s full implementation of HOTMA 102/104:
  + Generally third-party verification may be dated within 120 days of the date received by the PHA
  + For fixed sources of income, the PHA may accept benefits statements dated within the appropriate benefit year.
* The current requirement for verification (as outlined in Notice PIH 2018-18) is that third-party verifications be dated within 60 days of the reexamination or PHA request. Option 1 adopts the HOTMA 102/104 requirement since this allows the PHA a larger window in which to accept verifications. If the PHA does not wish to adopt the HOTMA provision early, the time period should be changed to “60 days of the reexam or PHA request.”
* The condition of the document is vital to its integrity and usefulness. There should be no sign of tampering with the information. Documents are unacceptable if they have been damaged to the extent or written in a manner that the information is not useable. The format of the document is less important. Unless there is reason to believe the document is not authentic or that the information has been altered, print-outs from web pages should be acceptable.

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

Any documents used for verification must be the original (not photocopies) and generally must be dated within 120 days of receipt by the PHA. Statements dated within the appropriate benefit year are acceptable for fixed sources of income. The documents must not be damaged, altered or in any way illegible.

Print-outs from web pages are considered original documents.

The PHA staff member who views the original document must make a photocopy

Any family self-certifications must be made in a format acceptable to the PHA and must be signed by the family member whose information or status is being verified.

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**File Documentation**

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

**☑ Decision Point: How will the PHA ensure that the family file is documented with information applicable to the income and rent calculation determinations?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

The PHA will document, in the family file, the following:

Reported family annual income

Value of assets

Expenses related to deductions from annual income

Other factors influencing the adjusted income or income-based rent determination

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**7-I.C. STREAMLINED INCOME DETERMINATIONS [24 CFR 960.257(c) and Notice PIH 2023-27**

HUD permits PHAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or rate of interest. The PHA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, the PHA must perform third-party verification of all income sources.

🗹 **Decision Point: Will the PHA streamline the income determination process for family members with fixed sources of income?**

Things to Consider

* The options for streamlining the annual reexamination process are intended to reduce administrative burden by eliminating the need for third-party verification in some situations.
* For example, a client who receives a pension may receive an updated award letter only once per year. A streamlining policy would allow the PHA to apply a verified COLA to the pension amount, eliminating the need for third-party verification dated within 120 days.
* PHAs that adopt streamlined income determinations for fixed sources of income must still obtain family member signatures on the consent forms.
* Option 1 states that the PHA will streamline the income determination process for fixed sources of income.
* For ease of administration, Option 1 states that income from non-fixed sources will be verified annually regardless whether the family receives 90 percent or more of its income from fixed sources.
* Since streamlining policies are optional, Option 2 states that the PHA will instead opt to obtain third-party verification of fixed income annually.

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are required.*

When the PHA does not use a Safe Harbor income determination from a federal assistance program to determine the family’s annual income as outlined above, then PHA will use a streamlined income determinations where applicable.

Regardless of the percent of a family’s unadjusted income from fixed income sources:

The PHA will streamline the annual reexamination process by applying the verified COLA/inflationary adjustment factor to fixed-income sources.

The family will be required to sign a self-certification stating that their sources of fixed income have not changed from the previous year.

The PHA will document in the file how the determination that a source of income was fixed was made.

If the family’s sources of fixed income have changed from the previous year, the PHA will obtain third-party verification of any new sources of fixed income.

All other income will be verified using third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy.

In the following circumstances, regardless of the percentage of income received from fixed sources, the PHA will obtain third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy:

Of all assets when net family assets exceed $5,000 ;

Of all deductions and allowances from annual income;

If a family member with a fixed source of income is added;

If verification of the COLA or rate of interest is not available;

During the intake process and at least once every three years thereafter.

🞎 *Option 2: Delete model ACOP language and substitute language as shown below.*

The PHA chooses not to streamline the annual reexamination process for fixed-income sources. The PHA will obtain third-party verification, where applicable, of all sources of income annually in accordance with PHA policies in the chapter and HUD regulations.

🞎 *Option 3: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**7-I.D. UP-FRONT INCOME VERIFICATION (UIV)**

**Use of HUD’s Enterprise Income Verification (EIV) System**

PHAs must use HUD’s EIV system in its entirety as a third-party source to verify tenant employment and income information during mandatory reexaminations or recertifications of family composition and income in accordance with 24 CFR 5.236 and administrative guidance issued by HUD. HUD’s EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families. The following policies apply to the use of HUD’s EIV system.

***EIV Income and IVT Reports***

**☑ Decision Point: How will the PHA use income reports from the EIV system?**

Things to Consider

* Because EIV data is based on information from the Public and Indian Housing Information Center (PIC) system, income information for new admissions is not available.
* HUD requires that the PHA must review both the EIV income report and the income validation tool (IVT) as part of the regular reexamination process.
  + The IVT is intended to assist the PHA in identifying unreported or under-reported income. The PHA must resolve discrepancies of $2,400 or more.
  + Since IVT discrepancies may result from terminated sources of income which were reported correctly, the PHA should eliminate “false-positive” discrepancies before taking any further steps.
* The model policy states that the income and IVT reports will be used for all annual reexaminations. Both reports must also be reviewed as part of the interim reexamination process.
* PHA policies should address what action(s) a PHA will take if the PHA determines through use of the EIV system that a family has concealed or underreported income. Rather than repeating the policies here, the model policy language refers to Chapter 15, “Program Integrity,” where these policies are already contained.

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

The PHA will obtain income and IVT reports for annual reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.

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

Income and IVT reports will be used in interim reexaminations to identify any discrepancies between reported income and income shown in the EIV system, and as necessary to verify earned income, and to verify and calculate unemployment benefits, Social Security and/or SSI benefits. EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.

Income and IVT reports will be retained in resident files with the applicable annual or interim reexamination documents for the duration of the tenancy.

When the PHA determines through EIV reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 15, Program Integrity.

However, the PHA will not use income information in EIV at annual reexam when Safe Harbor verification is used to determine a family’s income.

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

***EIV Identity Verification***

The EIV system verifies resident identities against Social Security Administration (SSA) records. These records are compared to Public and Indian Housing Information Center (PIC) data for a match on social security number, name, and date of birth.

PHAs are required to use EIV’s *Identity Verification Report* on a monthly basis to improve the availability of income information in EIV [Notice PIH 2018-18].

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

**☑ Decision Point: What actions will the PHA take when EIV identity verification fails?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

The PHA will identify residents whose identity verification has failed by reviewing EIV’s *Identity Verification Report* on a monthly basis. The PHA will attempt to resolve PIC/SSA discrepancies by obtaining appropriate documentation from the resident. When the PHA determines that discrepancies exist due to PHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy***.**

**Upfront Income Verification Using Non-HUD Systems (Optional)**

**☑ Decision Point: What UIV sources will the PHA use?**

Things to Consider

* PHAs must use HUD’s EIV system in its entirety.
* Many PHAs are using UIV information in addition to HUD’s EIV system. All sources of UIV income should be listed in this policy (e.g. TANF, Work Number, etc.). Informing applicants and residents of the use of UIV resources encourages more complete reporting.

**CAUTION:** **You must insert or delete information here. The model ACOP does not contain language that can be adopted as-is.**

🞎 *Option 1: Use the model ACOP language shown below. Insert additional sources of UIV as needed.*

The PHA will inform all applicants and residents of its use of the following UIV resources during the admission and reexamination process:

HUD’s EIV system

**[Insert any additional UIV sources used by the PHA]**

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**7-I.E. THIRD-PARTY WRITTEN AND ORAL VERIFICATION**

HUD’s current verification hierarchy defines two types of written third-party verification. The more preferable form, “written third-party verification,” consists of an original document generated by a third-party source, which may be received directly from a third-party source or provided to the PHA by the family. If written third-party verification is not available, the PHA must attempt to obtain a “written third-party verification form.” This is a standardized form used to collect information from a third party.

**Written Third-Party Verification [Notice PIH 2018-18]**

**☑ Decision Point: What are the requirements for acceptable third-party written verification?**

Things to Consider

* + Documents generated by a third party are now preferred over standardized third-party forms. The documents may be provided to the PHA by the family or by a third party.
  + HUD defines written third-party verification as “an original or authentic document generated by a third party source.” The PHA may only reject documents which are not original, appear to be forged, or are altered, mutilated, or illegible.
  + In 2/22/24 FAQs, HUD stated that PHAs may adopt two HOTMA 102/104 provisions related to third-party verifications prior to the PHA’s full implementation of HOTMA 102/104:
  + Generally third-party verification may be dated within 120 days of the date received by the PHA
  + For fixed sources of income, the PHA may accept benefits statements dated within the appropriate benefit year.
  + The current requirement for verification (as outlined in Notice PIH 2018-18) is that third-party verifications be dated within 60 days of the reexamination or PHA request. Option 1 adopts the HOTMA 102/104 requirement since this allows the PHA a larger window in which to accept verifications. If the PHA does not wish to adopt the HOTMA provision early, the time period should be changed to “60 days of the reexam or PHA request.”

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

Third-party documents provided by the family must be dated within 120 days of the PHA request date. The PHA will accept a statement dated within the appropriate benefit year for fixed income sources.

If the PHA determines that third-party documents provided by the family are not acceptable, the PHA will explain the reason to the family and request additional documentation.

As verification of earned income, the PHA will require the family to provide the two most current, consecutive pay stubs. At the PHA’s discretion, if additional paystubs are needed due to the family’s circumstances (e.g., sporadic income, fluctuating schedule, etc.), the PHA may request additional paystubs or a payroll record.

* *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**Written Third-Party Verification Form**

While HUD considers standardized third-party forms to be less reliable than the third-party written verification described above, this form of verification is mandatory when the family cannot provide acceptable documentation. Written third-party verification is also required when there appears to be unreported income and other forms of verification are not available.

**☑ Decision Point: When will the PHA obtain written third-party verification forms?**

Things to Consider

* + Notice PIH 2018-18 states that this form of verification is mandatory when neither upfront verification nor written third-party verification are available.
  + The PHA is also required to obtain the standardized forms as needed to resolve discrepancies identified as part of the annual or interim reexamination process.

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

The PHA will send third-party verification forms directly to the third party.

Third-party verification forms will be sent when third-party verification documents are unavailable or are rejected by the PHA.

* *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**Oral Third-Party Verification [Notice PIH 2018-18]**

Oral third-party verification is mandatory when neither form of written third-party verification is available. This method is typically used when an independent source fails to respond to a PHA request for written documentation.

**☑ Decision Point: How will the PHA utilize oral third-party verifications?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

In collecting third-party oral verification, PHA staff will record in the family’s file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

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

* *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**When Third-Party Information is Not Required [Notice PIH 2018-18]**

**☑ Decision Point: When will the PHA make exceptions to the requirement for third-party verification?**

Things to Consider

* + Under HUD’s current verification hierarchy, a family certification or declaration is the only non-third-party verification source. Therefore, when the PHA bypasses the third-party requirement, a self-certification is accepted.
  + For example, if a family is unable to provide original bank statements, the PHA could elect to request a written third-party verification form from the bank. Alternatively, the PHA could determine that this method would not be cost-effective, in which case a self-certification would be accepted.
  + The cost of verification cannot be passed on to the family.

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

If the family cannot provide original documents, the PHA will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

* *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

***Primary Documents***

**No PHA policy decisions are required**.

***Imputed Assets***

HUD permits PHAs to accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

**☑ Decision Point: How will the PHA verify the value of imputed assets?**

Things to consider:

* + It could be difficult or impossible to obtain third-party verification of assets which the family no longer owns. The default policy allows the PHA to accept the family’s certification in these situations.

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

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

* *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

***Value of Assets and Asset Income [24 CFR 960.259]***

For families with net assets totaling $5,000 or less, the PHA may accept the family’s declaration of asset value and anticipated asset income. However, the PHA is required to obtain third-party verification of all assets regardless of the amount during the intake process and at least every three years thereafter.

**☑ Decision Point: Will the PHA accept family self-certification of the value and expected income of assets totaling $5,000 or less?**

Things to Consider:

* + HUD has acknowledged that the overall impact of asset income on a PHA’s subsidy need is negligible. However, PHAs may expend considerable time and resources on the process of verifying asset value and asset income. For example, it is administratively burdensome to obtain third-party verification of low-balance checking accounts which do not earn interest.
  + To reduce administrative burden, HUD permits PHAs to accept family self-certification, including certification on an annual reexamination form, of asset value and asset income when the value of total family assets is $5,000 or less.
  + Third-party verification must be obtained during the intake process and every three years after program admission.
  + Option 1 provides that the PHA will accept self-certification from the family when applicable.
  + Select Option 2 if the PHA wishes to use third-party verification to verify asset value and asset income in all circumstances.
* *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

For families with net assets totaling $5,000 or less, the PHA will accept the family’s self-certification of the value of family assets and anticipated asset income when applicable. The family’s declaration must show each asset and the amount of income expected from that asset. All family members 18 years of age and older must sign the family’s declaration.

The PHA will use third-party documentation for assets as part of the intake process, whenever a family member is added to verify the individual’s assets and every three years thereafter.

🞎 *Option 2: Delete the language in the model plan and insert the language below.*

The PHA will obtain third-party verification of all assets regardless of the amount.

🞎 *Option 3: Use PHA-established policy. Edit the model plan language or delete it and insert the PHA’s policy.*

**7-I.F. SELF-CERTIFICATION**

The PHA may require a family to certify that a family member does not receive a particular type of income or benefit, as well as when they do and third-party verification is not available. The PHA needs to provide staff guidance on the conditions for using self-certification.

**☑ Decision Point: What is the PHA’s policy on self-certifications?**

Things to Consider:

* + Self-certification is the least-preferred method of verification. It is to be used as a last resort when other verification sources are not available.
  + The family’s file must be thoroughly documented in order to explain why this verification method was used.

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the PHA.

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

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**PART II: VERIFYING FAMILY INFORMATION**

**7-II.A. VERIFICATION OF LEGAL IDENTITY**

Verification of legal identity is not required by regulations, but is recommended by HUD, notably in Notice PIH 2001-15 and in its appendix, the Improving Income Integrity Guidance Booklet. Since verification of legal identity is a PHA policy issue, the PHA can determine what forms of documentation are acceptable.

**☑ Decision Point: What is the PHA’s policy on verification of legal identity?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

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

|  |  |
| --- | --- |
| **Verification of Legal Identity for Adults** | **Verification of Legal Identity for Children** |
| Certificate of birth, naturalization papers  Church issued baptismal certificate  Current, valid driver's license or Department of Motor Vehicle identification card  U.S. military discharge (DD 214)  Current U.S. passport  Current government employer identification card with picture | Certificate of birth  Adoption papers  Custody agreement  Health and Human Services ID  Certified school records |

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

If none of these documents can be provided and at the PHA’s discretion, a third party who knows the person may attest to the person’s identity. The certification must be provided in a format acceptable to the PHA and must be signed by the family member whose information or status is being verified.

Legal identity will be verified for all applicants at the time of eligibility determination and in cases where the PHA has reason to doubt the identity of a person representing themselves to be a tenant or a member of a tenant family.

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**7-II.B. SOCIAL SECURITY NUMBERS**

The family must provide documentation of a valid social security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include existing program participants as of January 31, 2010, who have either previously disclosed social security numbers HUD has determined to be valid, or who are 62 years of age or older and had not previously disclosed an SSN [24 CFR 5.216(g) and Notice PIH 2018-24].

The PHA may only reject documentation of an SSN provided by an applicant or resident if the document is not an original document, if the original document has been altered, mutilated, is illegible, or if the document appears to be forged.

**☑ Decision Point: When will the PHA use self-certification and third-party documentation for verification of SSNs?**

Things to Consider

* In 2/22/24 FAQs, HUD stated that PHAs may adopt two HOTMA 102/104 provisions related to SSN verifications prior to the PHA’s full implementation of HOTMA 102/104.
* Option 1 adopts the HOTMA 102/104 requirement. If the PHA does not wish to adopt the HOTMA provision early, this piece should be deleted.

🞎 *Option 1: Use the model plan language shown below. No changes to the model policy are needed.*

The PHA will verify an individual’s SSN in the situations described above using the method described above as a last resort when no other forms of verification of the individual’s SSN are available.

🞎 *Option 2: Use PHA-established policy. Edit the model plan language or delete it and insert the PHA’s policy.*

**☑ Decision Point: If the PHA rejects documentation of an SSN, how long will the applicant or resident have to obtain and submit acceptable documentation?**

Things to Consider

* HUD does not prescribe the exact amount of time in which an applicant or resident must submit acceptable documentation for social security numbers after the PHA has rejected documentation. This timeframe will largely depend on your PHA’s other policies. However, because the timeframe of 90 days is specified in the regulations with regards to submitting documentation in similar circumstances, the default policy uses the 90-day timeframe in this context as well.

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model policy are needed.*

The PHA will explain to the applicant or resident the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the PHA within 90 days.

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**☑ Decision Point: Under what circumstances would the PHA grant an additional 90‑day compliance period for a child added to the household within 6 months prior to the date of program admission?**

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

The PHA will grant one additional 90-day extension if needed for reasons beyond the applicant’s control, such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

🞎 *Option 2: Use PHA-established policy. Edit the model plan language or delete it and insert the PHA’s policy.*

**☑ Decision Point: Under what circumstances would the PHA grant an additional 90-day compliance period when adding a new household member under the age of 6 who has not be assigned an SSN?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model policy are needed.*

The PHA will grant one additional 90-day extension if needed for reasons beyond the applicant’s control, such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**☑ Decision Point: How will the PHA verify each disclosed SSN?**

Things to Consider

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model policy are needed.*

The PHA will verify each disclosed SSN by:

Obtaining documentation from applicants and residents that is acceptable as evidence of social security numbers

Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**☑ Decision Point: Will the PHA destroy copies of documentation accepted as evidence of social security numbers?**

Things to Consider

* Notice PIH 2018-24 states that once the EIV identity verification status is classified as “verified,” the PHA may remove and destroy copies of documentation of evidence of social security numbers.
* The notice encourages that PHAs minimize the number of records that display an individual’s full nine-digit SSN. The retention of the EIV report in the individual’s file is adequate documentation. These methods help to minimize the risk of exposing individuals’ SSNs.

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model policy are needed.*

Once an individual’s status is classified as “verified” in HUD’s EIV system, the PHA will not remove and destroy copies of documentation accepted as evidence of social security numbers.

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**7-II.C. DOCUMENTATION OF AGE**

Regulations at 24 CFR 982.516(a)(2)(iv) state that in addition to income, assets, and deductions, the PHA must verify “other factors that affect the determination of adjusted income.” Such factors include spousal relationships, age, and citizenship status, among others. Age is especially important for determination of income and deductions when someone in the family is under 18 or is age 62 or older. Generally, a birth certificate or other official record of birth is the preferred form of age verification, and for elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable. The PHA needs to provide guidance to staff when these types of verification are not available.

**☑ Decision Point: What will the PHA accept as verification of age when birth certificates or evidence of social security retirement benefits are not available?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**7-II.D. FAMILY RELATIONSHIPS**

The relationship of each household member to the head of household may affect the determination of adjusted income and must therefore be verified [24 CFR 982.516(a)(2)(iv)]. Definitions of the primary household relationships are provided in Chapter 3. The PHA must give guidance to staff regarding the extent to which these relationships will be verified.

**☑ Decision Point: How, and to what extent, will the PHA verify family relationships?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**Marriage**

Marital status could affect the determination of total or adjusted income. Examples would be when the person designated as spouse of the head is working and under age 18, or if the head is not elderly or disabled but the person designated as spouse of the head is. It could also affect the family’s eligibility for the program, depending on the PHA’s definition of family. PHA staff needs guidance on what to do if some information causes staff to doubt the validity of the marital relationship.

**☑ Decision Point: How will the PHA verify marital status?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

Certification by the head of household is normally sufficient verification. If the PHA has reasonable doubts about a marital relationship, the PHA will require the family to document the marriage with a marriage certificate or other documentation to verify that the couple is married.

In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**Separation or Divorce**

There may be situations where the PHA would need to verify a separation or divorce beyond the certification of the head of household. In these situations PHA staff needs guidance on what to do if some information causes staff to doubt the self-certification.

**☑ Decision Point: How will the PHA verify a separation or divorce?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

Certification by the head of household is normally sufficient verification. If the PHA has reasonable doubts about a divorce or separation, the PHA will require the family to provide documentation of the divorce or separation with a certified copy of a divorce decree, signed by a court officer; a copy of a court-ordered maintenance or other court record; or other documentation that shows a couple is divorced or separated.

If no court document is available, documentation from a community-based agency will be accepted.

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**Absence of Adult Member**

When an adult family member is reported as permanently absent, PHA staff needs guidance on how to verify the absence is permanent.

**☑ Decision Point: How will the PHA verify the absence of an adult family member?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**Foster Children and Foster Adults**

When a family claims foster children or adults, the PHA needs to verify their status to properly calculate the family’s income and deductions. Guidance needs to be provided as to how the status of foster children and adults will be verified.

**☑ Decision Point: How will the PHA verify the status of foster children and adults?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**7-II.E. VERIFICATION OF STUDENT STATUS**

The status of a student family member could affect the income and deductions for a family. Adult full-time students are to be considered dependents if they are not the head, spouse, or cohead. Some employment income of adult full-time students who are not the head, spouse, or cohead is excluded from income. A family can claim childcare deductions if the childcare enables a family member to further their education. Guidance needs to be provided as to how and when student status is to be verified.

**☑ Decision Point: How and when will the PHA verify student status?**

Things to Consider

* Notice PIH 2005-16, Policy Guidance on College Student Admissions, encourages PHAs to require college students who are members of non-parental/guardian households to provide a written/signed certification that the student does or does not receive financial support from parents or guardians, and the amount of the support.
* For PHAs who want to adopt this type of policy, see Option 2. Please note that in addition to requiring certification of financial support received from parents or guardians, the language in Option 2 also requires certification of financial support received from anyone outside the assisted household

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

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

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

The family claims a childcare deduction to enable a family member to further their education.

🞎 *Option 2: Add the language below to the model ACOP.*

Each college student living in a non-parental/guardian household will be required to provide a written/signed certification stating the amount of financial support (even if zero) that they anticipate receiving from parents, guardians, or other individuals not living in the household. If the student reports that s/he will be receiving financial support, the PHA will verify the information in accordance with the verification hierarchy in Section 7-I.B

🞎 *Option 3: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**7-II.F. DOCUMENTATION OF DISABILITY**

The PHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income.

**Family Members Receiving SSA Disability Benefits**

**☑ Decision Point: How will the PHA verify the disability status of family members who are receiving SSA disability benefits?**

Things to Consider

* Notice PIH 2004-18, issued on September 17, 2004, describes required procedures for verifying SS/SSI benefits of applicants and residents. If a disabled family member is receiving SSA disability benefits, verifying receipt of these payments serves as adequate verification of the family member’s disability. Therefore this policy reflects the procedures required by, and recommended in, the notice.

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

For family members claiming disability who receive disability payments from the SSA, the PHA will attempt to obtain information about disability benefits through HUD’s Enterprise Income Verification (EIV) system. If documentation is not available through HUD’s EIV system, the PHA will request a current (dated within the appropriate benefit year) SSA benefit verification letter from each family member claiming disability status. If a family member is unable to provide the document, the PHA will ask the family to obtain a benefit verification letter either by calling SSA at 1-800-772-1213, or by requesting one from [www.ssa.gov](http://www.ssa.gov). Once the family receives the benefit verification letter, they will be required to provide the letter to the PHA.

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**Family Members Not Receiving SSA Disability Benefits**

**☑ Decision Point: How will the PHA verify the disability status of family members who are not receiving SSA Disability benefits?**

Things to Consider

* In cases where a family is not receiving SSA Disability benefits, the PHA would follow its normal verification process and obtain third-party verification. This policy clarifies that a knowledgeable professional must provide third-party verification that a family member meets the HUD definition of disability.

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy*.

**7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS (24 CFR 5.508)**

**Overview**

**No PHA policy decisions are required**.

**U.S. Citizens and Nationals**

HUD requires a declaration be signed by each family member (or by a guardian for minors) who claims to be a U.S. citizen or national. However, HUD states that a PHA may request further verification of the family member’s status. Guidance must be provided as to when and how such verification will be required by the PHA.

**☑ Decision Point: How and when will the PHA require additional verification of U.S. citizen or national status?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**Eligible Immigrants**

**No PHA policy decisions are required**.

**7-II.H. VERIFICATION OF PREFERENCE STATUS**

PHAs determine their own local waiting list preferences. If the PHA offers local preferences, the PHA must also determine its own methods of verification of preference eligibility. The PHA could extend the verification standards found in 24 CFR 982.516(a)(2) to preferences, but this is not mandatory.

**☑ Decision Point: If the PHA offers waiting list preferences, how will it verify preferences?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

The PHA offers a preference for working families, described in Section 4‑III.B.

The PHA may verify that the family qualifies for the working family preference based on the family’s submission of the working member’s most recent paycheck stub indicating that the working member works at least 20 hours per week. The paycheck stub must have been issued to the working member within the last thirty days.

The PHA may also seek third party verification from the employer of the head, spouse, cohead or sole member of a family requesting a preference as a working family.

The PHA also offers a preference for victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking as described in Section 4-III.B. To verify that applicants qualify for the preference, the PHA will follow documentation requirements outlined in Section 16-VII.D.

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**PART III: VERIFYING INCOME AND ASSETS**

**☑ Decision Point: Does the PHA accept documentation from means-tested federal assistance programs?**

Things to Consider

* If the PHA adopted a policy earlier in the chapter to accept safe harbor documentation from means-tested federal assistance programs, the only information that PHAs are permitted to use to determine income under this safe harbor is the total income determination made by the federal means-test program administrator. Other federal programs may provide additional information about income inclusions and exclusions in their award letters; however, these determinations and any other information must not be considered by the PHA for purposes of the HOTMA Safe Harbor provision.
* PHAs are not permitted to mix and match Safe Harbor income determinations and other income verifications.
* Further, when using safe harbor to verify a family’s income, PHAs may not further inquire about a family’s net family assets, nor about the income earned from those assets, except with respect to whether or not the family owns assets that exceed the asset limitation in 24 CFR 5.618.
* Option 1 clarifies that the below policies do not apply when the PHA uses this type of verification.
* If the PHA did not adopt a policy to accept safe harbor documentation from means-tested federal assistance program, the policy should be deleted.

🞎 *Option 1: Use the model policy language shown below. No changes to the model policy are needed.*

The PHA is utilizing Safe Harbor income verifications in accordance with policies listed in 7-I.B. Therefore, when Safe Harbor determinations are used, policies on the verification of income and assets listed below will not apply. However, the PHA will follow policies listed below when:

The PHA does not accept Safe Harbor documentation;

The PHA is unable to obtain Safe Harbor documentation;

The family disputes the other program’s income determination; or

The PHA is required to verify employment income to cap unreimbursed childcare and/or disability assistance expenses.

In the situations listed above, the below policies on the verification of income and assets will apply.

🞎 *Option 2: Use PHA-established policy. Edit the model policy language or delete it and insert the PHA’s policy.*

**7-III.A. EARNED INCOME**

**Tips**

The standard verification policies found in Part I of this chapter apply to the verification of earned income. However, tip income poses a unique situation in that it is difficult to anticipate and third-party verification is not always available. Therefore, tip income requires clarification in PHA policy.

**☑ Decision Point: What additional verification policies will the PHA require if a family reports income from tips?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**Wages**

**☑ Decision Point: What additional verification policies will the PHA require if a family reports income from tips?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

For wages other than tips, the family must provide originals of the two most current, consecutive pay stubs.

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

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

As with tip income, income from a business or from self-employment is often difficult to verify through a third party. Tax-related documents may be the best source of information; however, this is not anticipated income. Sometimes self-certification may be required. It is an even greater challenge if the business is new, since there will be no historical data to use as a basis for anticipating income. The PHA needs to have policies specific to business and self-employment income to assist staff in understanding what verification methods are to be used.

**☑ Decision Point: What are the PHA’s verification policies for business and self-employment income?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

Business owners and self-employed persons will be required to provide:

An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes in the preceding year

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules

The PHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

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

If a family member has been self-employed less than three (3) months, the PHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months the PHA will require the family to provide documentation of income and expenses for this period and use that information to project income

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

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

**Social Security/SSI Benefits**

The standard verification policies found in Part I of this chapter apply to the verification of periodic payments and payments in lieu of earnings. Because social security and SSI income are to be verified through HUD’s EIV system, further clarification is needed for verification of these incomes. **No policy decisions are required.**

**7-III.D. ALIMONY OR CHILD SUPPORT**

For alimony and child support, there could be two different scenarios; the family receives the court awarded or agreement amount, or the family does not receive the court awarded or agreement amount. These scenarios can be handled differently.

**☑ Decision Point: What are the PHA’s policies on verification of income from alimony or child support?**

Things to Consider

* If the family is receiving irregular or no payments, did they make all reasonable efforts to collect the amounts due?
* The PHA cannot require that the family undertake enforcement action but could count the full amount of the court order or agreement if they do not make an effort to collect the full amount.
* See decision point on the next page.

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

The methods the PHA will use to verify alimony and child support payments differ depending on whether the family declares that it receives regular payments.

If the family declares that it ***receives regular payments***, verification will be obtained in the following order of priority:

Copies of the receipts and/or payment stubs for the 60 days prior to PHA request

Third-party verification form from the state or local child support enforcement agency

Third-party verification form from the person paying the support

Family's self-certification of amount received

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

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

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

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**7-III.E. ASSETS AND INCOME FROM ASSETS**

**Assets Disposed of for Less than Fair Market Value**

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. Since the PHA needs to verify only those certifications that warrant documentation, guidance must be given to staff on what the PHA will verify [HCV, p. 5-28].

**☑ Decision Point: Under what circumstances will the PHA verify the value of assets disposed of for less than fair market value?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

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

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

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

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

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**7-III.F. NET INCOME FROM RENTAL PROPERTY**

Families who receive an income from rental property must provide adequate information for the PHA to anticipate net rental income. The PHA must provide guidance on what is to be reported and what is considered sufficient documentation of the income reported.

**☑ Decision Point: What are the PHA’s policies on verification of net income from rental property?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

The family must provide:

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

A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income).

If schedule E was not prepared, the PHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**7-III.G. RETIREMENT ACCOUNTS**

The standard verification policies found in Part I of this chapter apply to the verification of retirement accounts. When third-party verification is not available the type of original document that will be accepted could vary with the family member’s retirement status. The PHA must provide guidance on how retirement accounts will be verified if third-party verification is not available.

**☑ Decision Point: What are the PHA’s policies on verification of retirement accounts when third-party verification is not available?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

The PHA will accept written third-party documents supplied by the family as evidence of the status of retirement accounts.

The type of original document that will be accepted depends upon the family member’s retirement status.

*Before* retirement, the PHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination.

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

*After* retirement, the PHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**7-III.H. INCOME FROM EXCLUDED SOURCES**

HUD guidance on verification of excluded income draws a distinction between income which is fully excluded and income which is only partially excluded.

For fully excluded income, the PHA is **not** required to follow the verification hierarchy, document why third-party verification is not available, or report the income on the 50058. Fully excluded income is defined as income that is entirely excluded from the annual income determination (for example, food stamps, earned income of a minor, or foster care funds) [Notice PIH 2013-04].

PHAs may accept a family’s signed application or reexamination form as self-certification of fully excluded income. They do not have to require additional documentation. However, if there is any doubt that a source of income qualifies for full exclusion, PHAs have the option of requiring additional verification.

For partially excluded income, the PHA **is** required to follow the verification hierarchy and all applicable regulations, and to report the income on the 50058. Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income (for example, the income of an adult full-time student, or income excluded under the earned income disallowance).

**☑ Decision Point: What is the PHA’s policy on verification of income exclusions?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

The PHA will accept the family’s self-certification as verification of fully excluded income. The PHA may request additional documentation if necessary to document the income source.

The PHA will verify the source and amount of partially excluded income as described in Part 1 of this chapter.

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**7-III.I. ZERO INCOME FAMILIES [Notice PIH 2023-27]**

**☑ Decision Point: What is the PHA’s policy on checking potential income sources for families claiming to have zero income?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

The PHA will check UIV sources and/or may request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, earned income, child support, etc., are not being received by families claiming to have zero annual income.

The PHA will also require that each family member who claims zero income status complete a zero-income form. If any sources of income are identified on the form, the PHA will verify the income in accordance with the policies in this chapter prior to including the income in the family’s annual income. The PHA will conduct interims in accordance with PHA policy in Chapter 9.

* *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**7-III.J. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)]**

The regulations under HOTMA distinguish between two categories of student financial assistance paid to both full-time and part-time students.Any assistance to students under section 479B of the Higher Education Act of 1965 (Tile IV of the HEA) must be excluded from the family’s annual income [24 CFR 5.609(b)(9)(i)].Any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education not otherwise excluded by the federally mandated income exclusions are excluded [24 CFR 5.609(b)(9)(ii)].

**☑ Decision Point: How will the PHA verify the amount of student financial assistance that must be included in the calculation of annual income?**

Things to Consider

* To properly calculate the annual income of a student enrolled in an institution of higher education, the PHA must verify the amount of student financial assistance the student is receiving, as well as the source of the income.
* Because amounts of student financial assistance in excess of actual covered costs may be included, PHAs must also verify this amount of actual covered costs.
* Much of the information the PHA needs to verify (amounts received under the Higher Education Act of 1965, amounts received from the institution of higher education, and the amount of a student’s costs) must be provided by the educational institution a student is attending.
* To verify amounts from private sources, the PHA will request that the family provide third-party written verification.

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

The PHA will request written third-party verification of both the source and the amount of student financial assistance. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, unless the student’s only source of assistance is assistance under Title IV of the HEA, the PHA will request written verification of the cost of the student’s tuition, books, supplies, room and board, and other required fees and charges to the student from the educational institution.

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**PART IV: VERIFYING MANDATORY DEDUCTIONS**

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

**No PHA policy decisions are required**.

**7-IV.B. HEALTH AND MEDICAL CARE EXPENSE DEDUCTION**

**Amount of Expense**

The policies related to health and medical care expenses are found in Chapter 6 (6-II.D). The standard verification policies found in Part I of this chapter apply to the verification of health and medical care expenses.

**☑ Decision Point: How will the PHA verify the dollar amounts of health and medical care expenses?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

Health and medical care expenses will be verified through:

Written third-party documents provided by the family, such as pharmacy printouts or receipts.

The PHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The PHA will also accept evidence of monthly payments or total payments that will be due for health and medical care expenses during the upcoming 12 months.

Written third-party verification forms, if the family is unable to provide acceptable documentation.

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**Eligible Household**

**No PHA policy decisions are required**.

**Qualified Expenses**

**No PHA policy decisions are required**.

**Unreimbursed Expenses**

The PHA needs to clarify how it will determine that health and medical care expenses will not be reimbursed by other sources.

**☑ Decision Point: How will the PHA determine that medical expenses will not be reimbursed by other sources?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

The family will be required to certify that the health and medical care expenses are not paid or reimbursed to the family from any source. If expenses are verified through a third party, the third party must certify that the expenses are not paid or reimbursed from any other source.

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**Expenses Incurred in Past Years**

Families can claim as health and medical care expenses the anticipated costs related to on-going payments of medical bills incurred in past years, provided that the same expenses have not been deducted in prior years. The PHA must provide guidance on how these expenses will be verified.

**☑ Decision Point: How will the PHA verify anticipated health and medical care** **expenses related to on-going payments of medical bills incurred in past years?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

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

The anticipated repayment schedule

The amounts paid in the past, and

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**7-IV.C. DISABILITY ASSISTANCE EXPENSES**

**Amount of Expense**

The deduction for disability assistance expenses covers both attendant care and auxiliary apparatus. Because one is a care provider and the other is generally a piece of equipment or the servicing of that equipment, the policy for verifying amounts for attendant care will be somewhat different than for auxiliary apparatus. The PHA needs to provide guidance to staff as to how verification of each is to be handled. The standard verification policies found in Part I of this chapter apply to the verification of disability assistance expenses.

***Attendant Care***

**☑ Decision Point: How will the PHA verify the dollar amounts for disability assistance expenses for attendant care?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

Expenses for attendant care will be verified through:

Written third-party documents provided by the family, such as receipts or cancelled checks.

Third-party verification form signed by the provider, if family-provided documents are not available.

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

***Auxiliary Apparatus***

**☑ Decision Point: How will the PHA verify the dollar amounts for disability assistance expenses for auxiliary apparatus?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

Expenses for auxiliary apparatus will be verified through:

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

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**Family Member is a Person with Disabilities**

No PHA policy decisions are required.

**Family Member(s) Permitted to Work**

The PHA must verify that the expenses claimed actually enable a family member, or members, to work. The person enabled to work could be the person with disabilities but does not have to be. The expense could enable more than one person to work. The PHA needs to provide guidance as to how it is verified that the person or persons who work are enabled to do so by the disability assistance expense.

**☑ Decision Point: How will the PHA verify that the disability assistance expense enables someone to work?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

The PHA will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work. (See 6-II.E.) This documentation may be provided by the family.

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**Unreimbursed Expenses**

The PHA needs to clarify how it will determine that disability assistance expenses will not be reimbursed by other sources.

**☑ Decision Point: How will the PHA determine that disability assistance expenses will not be reimbursed by other sources?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**7-IV.D. CHILDCARE EXPENSES**

**Eligible Child**

**No PHA policy decisions are required**.

**Unreimbursed Expense**

The PHA needs to clarify how it will determine that childcare expenses will not be reimbursed by other sources.

**☑ Decision Point: How will the PHA determine that childcare expenses will not be reimbursed by other sources?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**Pursuing an Eligible Activity**

The PHA must verify that the childcare enables a family member or members to seek work, pursue education, or be gainfully employed. The PHA needs to provide staff guidance on what information needs to be gathered, specific to the eligible activity claimed.

**☑ Decision Point: What information needs to be gathered and verified to determine that the childcare enables someone to pursue an eligible activity?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

*Information to be Gathered*

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

*Seeking Work*

Whenever possible the PHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the PHA will request family-provided verification from the agency of the member’s job seeking efforts to date and require the family to submit to the PHA any reports provided to the other agency.

In the event third-party verification is not available, the PHA will provide the family with a form on which the family member must record job search efforts. The PHA will review this information at each subsequent reexamination for which this deduction is claimed.

*Furthering Education*

The PHA will ask that the academic or vocational educational institution verify that the person permitted to further their education by the childcare is enrolled and provide information about the timing of classes for which the person is registered.

*Gainful Employment*

The PHA will seek third-party verification of the work schedule of the person who is permitted to work by the childcare. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified. The documentation may be provided by the family.

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**Allowable Type of Childcare**

The Notice PIH 2004-01, Verification Guidance makes it clear that PHAs cannot choose the type of childcare provided [VG, p. 26]. PHAs must provide clear guidance on what activities will not be covered (such as housekeeping services) and what to do if payments to a provider cover the care of other children who are not eligible for childcare (such as children age 13 and over). See Chapter 6 (6-II.F.) of this ACOP for discussion of types of allowable childcare.

**☑ Decision Point: How will the PHA verify that childcare expenses cover an allowable type of childcare?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

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

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

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**Reasonableness of Expenses**

Since only reasonable childcare expenses can be deducted, the PHA must have a system for comparing what is determined as reasonable with the family’s actual childcare expenses. The PHA must further determine what it will do under various circumstances when actual childcare costs exceed what is determined by the PHA to be reasonable.

**☑ Decision Point: How will the PHA verify that childcare expenses are reasonable?**

🞎 *Option 1: Use the model ACOP language shown below. No changes to the model ACOP are needed.*

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

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

🞎 *Option 2: Use PHA-established policy. Edit the model ACOP language or delete it and insert the PHA’s policy.*

**FINALIZING THE DOCUMENT**

Take a final look at the changes you have made in this chapter of the ACOP.  
Have you:

(1) Added or subtracted any exhibits at the end of the chapter?  Yes  No.

(2) Added, subtracted or reordered any major sections (at the A, B, or C level?)  Yes  No

If you answered yes to either of these questions, you must adjust the chapter to match your changes.

**☑ Decision Point: Are any changes required to this chapter?**

No. No changes to the model policy are needed.

Yes. Edits only. Edit and insert PHA language as appropriate.

Yes. PHA changed the organization of the chapter. Adjust the chapter to reflect your changes **and** review the rest of the document to make sure that any references to section numbers are correct.

**☑ Decision Point: Are changes required in other chapters as a result of changes to this chapter?**

Check the “Things to Consider” under each decision point to identify if changes to the model policy will require changes to policies in other chapters of the ACOP.

No. Changes to other chapters are not necessary.

Yes. Changes to the following chapters are also required: