



**TO:** Owners and Managers of Project-Based Section 8 Properties

**FROM:** Robert Conroy, Director of Asset Management

**TOPIC**

**SECTION I: Implementation of Enterprise Income Verification (EIV) Use  
and Management and Occupancy Reviews (MORs) by MaineHousing**

Use of the Enterprise Income Verification (EIV) System for Multifamily Housing Programs became mandatory on January 31, 2010. This requirement is a result of the *“Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs – Final Rule”* published in the Federal Register on January 27, 2010 (FR-4988-F-02).

The EIV system is a web-based system that contains tenant benefit and wage-related data for use by HUD’s business partners. Specifically, the data is used by owners and management agents to assist them in verifying employment and income of existing tenants at recertification to ensure that the right benefits are going to the right persons; by Contract Administrators to assist them in preparing for and conducting Management and Occupancy Reviews (MORs); and by HUD’s Office of Inspector General to assist the Office in carrying out its objective to detect and pursue cases of waste, fraud, and abuse of HUD’s programs.

EIV contains personal information that is covered by the Privacy Act such as Social Security Numbers (SSNs), Social Security (SS)/Supplemental Security Income (SSI) benefit, wage, unemployment compensation, and new hire (W-4) information concerning persons participating in HUD-subsidized programs. Therefore, it is imperative that the use of this system and the information available are maintained in a secure fashion to protect the identity and privacy of program participants. Misuse or poor management of the data contained in EIV may result in felony criminal convictions, including significant fines and possible imprisonment.

MaineHousing is the Contract Administrator for Traditional and Performance-Based Contract Administration Section 8 properties in Maine. Under this contract with HUD, MaineHousing is required to conduct annual MORs to ensure compliance with federal, state and local regulations governing subsidized housing. As part of the MOR process, MaineHousing staff will be looking to ensure program compliance, accurate income and rent calculations, mortgage security compliance, and the appropriate use of EIV and the data it contains.

Initially, EIV may seem complicated and complex. Some owners and managers have had difficulty updating WASS IDs, clarifying EIV Coordinator Roles and assigning EIV User Access. Some of these difficulties come from not understanding the numerous documents and publications, while others are technical delays that HUD is working diligently to correct. Failure to establish access to the EIV will result in a finding, but extenuating circumstances during the application process should be reported to the MaineHousing staff conducting the reviews. Once full access is established, complete compliance with the EIV rules and regulations and the owner/managers policies and procedures is paramount.

When new initiatives and programs have been implemented in the past, MaineHousing has worked in collaboration with its housing partners to provide resources to make everyone's work more efficient. Attached to this Notice, please find an *Outline of Enterprise Income Verification (EIV) Requirements* related to Management and Occupancy Reviews. This document is a summary of the various EIV source documents. Its purpose is to help owners and managers understand what verifications and documents will need to be made available at the time of the MOR, how the MOR process will work and other related information. NOTE: This Outline is not intended to replace any of the documents or guidance provided directly by HUD. This Outline is meant to be a tool to help owners, managers and MaineHousing more efficiently meet EIV requirements.

Also attached, please find the *EIV Security Checklist*. This form will accompany the confirmation letter sent to owners and managers by the MaineHousing Asset Manager. Owners and managers are asked to have this form completed and available for review at the time of the MOR.

Also attached, please find the *EIV Monitoring Checklist*. This is a form that will be used by staff conducting the MOR. Each question relates to provisions within the EIV guidance for which MaineHousing is required to monitor compliance. This form is also meant to be a helpful tool for owners and managers as they prepare for the MOR. The verifications, documents and information identified on the form should be made available at the time of the MOR.

HUD guidance, forms, training materials, access applications and other information related to the EIV system may be found on HUD's website at <http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/eivhome.cfm>. HUD has also archived previous EIV webcasts that provide a great deal of information about the system's use and its requirements. Previous webcasts may be found at <http://www.hud.gov/webcasts/index.cfm>.

Finally, HUD has indicated in recent webcasts and industry conference calls that additional guidance and clarification about EIV will be released in the near future. The most efficient and timely method of staying informed as to updates and revisions is to subscribe to The Multifamily Housing Rental Integrity Improvement Project (RHIIP) Listserv. Previous RHIIP Notices are archived under "Listserv-Multifamily RHIIP Tips" at <http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>. To sign up for the RHIIP Listserv go to <http://www.hud.gov/subscribe/maillinglist.cfm>.

#### **ATTACHMENTS:**

- *Outline of Enterprise Income Verification (EIV) Requirements – Management and Occupancy Reviews*
- *EIV Security Checklist*
- *EIV Monitoring Checklist*

## MAINEHOUSING NONDISCRIMINATION NOTICE

Maine State Housing Authority (“MaineHousing”) does not discriminate on the basis of race, color, religion, sex, sexual orientation, national origin, ancestry, age, physical or mental disability, or familial status in the admission or access to, or treatment or employment in, its programs, and activities. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Mary Darling, Maine State Housing Authority, 353 Water Street, Augusta, Maine 04330-4633, Telephone Number (207) 626-4000 or 1-800-452-4668 (voice), or 1-800-452-4603 (TTY).



# OUTLINE OF ENTERPRISE INCOME VERIFICATION (EIV) REQUIREMENTS

## Management and Occupancy Reviews

### MaineHousing

#### **The Management and Occupancy Review**

At the time of the MOR, MaineHousing staff will:

- Review EIV Security Policies and Procedures
- The EIV Security Documentation will be reviewed and compared to the Report of EIV Access Roles
- The owner/agent will be interviewed regarding security of EIV data
- The standard sampling of tenant files will be audited to ensure the correct form HUD-9887 and form HUD-9887A are completed, on file and less than 15 months old
- The standard sampling of tenant files will be audited for applicable EIV reports and supporting documentation to verify resolution of discrepancies, if applicable
- EIV data/reports will be reviewed to ensure compliance with the established EIV Security Policies and Procedures
- The Resident Selection Plan will be reviewed to verify that EIV Policies and Procedures are documented
- Any discrepancies, observations and/or findings will be discussed with the owner/agent at the time of the exit interview

#### **The Management and Occupancy Review Report**

An MOR Report using form HUD-9834 will be generated following the on-site/administrative office visit and will be issued within 30 days and may contain the following findings:

- Owner/Agency does not have access to EIV
- Owner/Agency is not using EIV for recertifications effective June 1, 2010
- Missing/incomplete EIV documents as listed on the Addendum C. (Email HUD Headquarters immediately to terminate the coordinator's/user's access at the following address: [mf\\_alert@hud.gov](mailto:mf_alert@hud.gov).)
- Rules of Behavior for non-system users missing where applicable
- EIV data being share with other entities (e.g. state officials monitoring tax credit projects, Rural housing staff monitoring Section 515 projects, or Service coordinators)
- EIV data not kept secure
- Owner/agent has not updated Policies and Procedures to include EIV use
- Owner/agent has not updated Tenant Selection Plan to include use of Existing Tenant Report
- EIV Income Reports are not in tenant files as third party verifications
- Tenant files do not have documentation to support EIV discrepancy resolution
- Owner/Agent is not reviewing New Hires Report
- Unresolved Failed Verification and Pre-screening Discrepancies
- Deceased Tenant Report has not been reviewed and/or errors corrected
- Multiple Subsidy Report has not been reviewed and/or error corrected
- Owner/Agent is not following HUD's record retention requirements
- Missing/Incomplete form HUD-9887
- Owner/Agent is not providing tenants with the *EIV & You* brochure at move-in and recertification
- Owner/Agent is sharing access IDs and passwords

#### **Management and Occupancy Review Findings**

Each finding will specify the following items:

- The condition that warranted the issuance of the finding
- The criteria or citation that supports the finding
- The cause of the finding
- The effect of condition on compliance
- The required corrective action(s) and the timeframe in which the corrective action must occur

### **Authorized Access to EIV Data and Reports**

The following auditors/entities **ARE** granted access to EIV data and reports:

- Owners/Agents of HUD multifamily properties
- Services Bureaus under contract with owners/agents
- Contract Administrators (MaineHousing)
- Independent Public Auditors
- HUD staff
- HUD Office of the Inspector General for investigative purposes
- Individuals to whom the record pertains – at their request

The following auditors/entities **ARE NOT** granted access to EIV data and reports:

- Low-Income Housing Tax Credit (LIHTC) auditors (MaineHousing or LIHTC syndicators)
- USDA-Rural Development auditors
- Service Providers (DHHS)

**Note: If the subject property has multiple subsidies, such as Low-Income Housing Tax Credits or USDA-Rural Development Subsidy, in conjunction with HUD's HAP subsidy, it is suggested that EIV data and reports be kept in separate files so that unauthorized data sharing between programs does not occur.**

### **Possible Sanctions**

Sanctions for Unauthorized Disclosure of EIV Data/Reports:

- Felony criminal convictions and fines up to \$5,000 or imprisonment for up to five years, or
- Civil Damages established by the courts
- Immediate Termination of all EIV Access

Sanctions for Unauthorized Inspection of EIV Data/Reports

- Misdemeanor penalties up to \$1,000 and/or imprisonment for up to one year
- Civil Damages established by the courts
- Immediate Termination of all EIV Access



Project Name: \_\_\_\_\_

Project Number: \_\_\_\_\_

Management Company: \_\_\_\_\_

Asset Manager: \_\_\_\_\_

*Reviewers should review the Owner's/ Agent's (O/A's) (1) security policies and procedures; (2) security and system access files; and (3) any other documents that will provide answers to the questions below. Reviewers may also want to conduct an interview with the O/A and/or other designated staff persons that have knowledge of the O/A's security procedures and policies and are able to respond to the questions below.*

**Place an "X" in the applicable box. Provide comments to document circumstances as needed.**

**Yes No NA**

	Yes	No	NA
1. Does the O/A have a designated Security Office or equivalent? <b>Comments:</b>			
2. Does the O/A have a Security Policies and Procedures document? <b>Comments:</b>			
3. Does the O/A enforce security procedures? <b>Comments:</b>			
4. Does the O/A keep records and monitor security issues? <b>Comments:</b>			
5. Does the O/A conduct and document Security Awareness Training for EIV system users? <b>Comments:</b>			
6. Does the O/A maintain a record of all EIV system users and their assigned roles? (i.e. EIV Coordinator/User Access Authorization Forms(s) and EIV Owner Approval Letter) <b>Comments:</b>			
7. Does the O/A ensure that each user has and uses his/her own user ID and password? <b>Comments:</b>			
8. Does the O/A maintain copies of signed access authorizations and rules of behavior/user agreement forms for all EIV system users and coordinators? (If no, email HUD immediately at <a href="mailto:mf_alert@hud.gov">mf_alert@hud.gov</a> ) <b>Comments:</b>			
9. Does the O/A conduct a quarterly review of all EIV User IDs to determine if users still have a valid need to access EIV data? (EIV quarterly User Certification process) <b>Comments:</b>			
10. Does the O/A maintain a key control log to track the inventory of keys available for secure rooms, buildings or file cabinets? <b>Comments:</b>			
11. Does the O/A maintain a log of all destroyed EIV system documents <b>or</b> have a record retention policy? <b>Comments:</b>			
12. Does the O/A have valid (dated within the last 15 months) HUD-9887s in the reviewed tenant files? <b>Comments:</b>			
13. Does the O/A document the occurrence of all improper disclosures of EIV system information in writing <b>or</b> have a procedure to document improper disclosures? <b>Comments:</b>			

*Additional Questions on Reverse Side of Form*

Place an "X" in the applicable box. Provide comments to document circumstances as needed.

Yes No NA

<p>14. Does the O/A report any occurrence of unauthorized access or known security breaches to the designated HUD staff person(s) <b>or</b> have a procedure to report an occurrence of unauthorized access or known security breaches to the designated O/A / HUD staff person(s)?</p> <p><b>Comments:</b></p>			
<p>15. What security methods does the O/A use to provide physical security of EIV system data?</p> <p><i>Check all that apply:</i> ( ) Restricted areas ( ) Locked file cabinets ( ) Locked rooms ( ) None ( ) Other (please specify)</p>			
<p>16. How does the O/A dispose of EIV information once the data retention period has expired?</p> <p><i>Check all that apply:</i> ( ) Burn ( ) Shred ( ) Erase ( ) None ( ) Other (please specify)</p>			
<p>17. Does the O/A use the following verification reports and does the O/A print and retain a copy in the resident's file or with the application?</p> <p style="text-align: right;">Existing Tenant Search (at time of application)</p> <p style="text-align: right;">Multiple Subsidy Report</p> <p style="text-align: right;">Identity Verification Report</p> <p style="text-align: right;">Failed EIV Pre-Screening Report</p> <p style="text-align: right;">Failed Verification Report (failed the SSA identity test)</p> <p style="text-align: right;">Deceased Tenant Report</p>			
<p>18. Does O/A use the following Income reports at the time of recertification and at other times as indicated in their policies and procedures and does the O/A print and retain a copy in the resident's file?</p> <p style="text-align: right;">Income Report</p> <p style="text-align: right;">Income Discrepancy Report</p> <p style="text-align: right;">No Income Report</p> <p style="text-align: right;">New Hires Report</p>			
<p>19. Does the O/A document resolution of income discrepancies? (For income differences of \$2,400 or greater)</p>			
<p><b>Additional Comments:</b></p>			



# EIV Security Checklist

Property Name: \_\_\_\_\_

Project Number: \_\_\_\_\_

Management Company: \_\_\_\_\_

Date: \_\_\_\_\_

User Name (per iREMS)	User (U) Coord (C)	Status: Pending, Cert, Expired, or Term (w/ date)	Access Authorization Request (CAAF or UAAF)						Security Awareness Training Questionnaire (within 12 mos)			EIV Security Policies and Procedures							
			Original			Current			Y		N	Y		N					
			Y		N		Y		N		NA		Y		N		Y		N
			Y		N		Y		N		NA		Y		N		Y		N
			Y		N		Y		N		NA		Y		N		Y		N
			Y		N		Y		N		NA		Y		N		Y		N
			Y		N		Y		N		NA		Y		N		Y		N
			Y		N		Y		N		NA		Y		N		Y		N
			Y		N		Y		N		NA		Y		N		Y		N
			Y		N		Y		N		NA		Y		N		Y		N
			Y		N		Y		N		NA		Y		N		Y		N
			Y		N		Y		N		NA		Y		N		Y		N
			Y		N		Y		N		NA		Y		N		Y		N
			Y		N		Y		N		NA		Y		N		Y		N
			Y		N		Y		N		NA		Y		N		Y		N
			Y		N		Y		N		NA		Y		N		Y		N