



Case Study #1—Social Security (SS) & Supplemental Security Income (SSI)

Project/Tenant Profile	
Project Name	ABC Property
Subsidy Type	Section 811 Project Rental Assistance Contract (PRAC)
Effective Date	12/13/2007
Next Re-certification Date	12/01/2008
Head of Household	Mr. John Dowe

Steps for Resolution

Step 1: Print and review EIV income reports, as described and provided below:

- **Income Report**, which displays 1) SS, SSI, and Dual Entitlement benefit information from SSA and 2) wage, unemployment compensation, and new hire (W-4) information from the Department of Health and Human Services' (HHS') National Directory of New Hires (NDNH) for tenants in the owner's or management agent's (O/A's) portfolio of multifamily housing properties.
- **Income Discrepancy Report***, which identifies families that may have *substantially* underreported SS/SSI, wages, and/or unemployment compensation amounts to O/As based on the tenant income data from the form HUD-50059, *Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures*, that is transmitted to the Tenant Rental Assistance Certification System (TRACS). A difference of \$2,400 or greater annually, between what is reflected on the form HUD-50059(s) and what is reflected on the EIV **Income Report**, for a period of income (POI), is considered a *substantial* amount with respect to underreported tenant income.

* A manual calculation of the EIV-generated **Reported Annual Wages and Benefits from EIV**, for both the **Actuals** and **Annualized Last Quarter**, has been provided for comparison.

Step 2: Pull the tenant's form HUD-50059(s), from the tenant's file, to check SS/SSI, employment and/or unemployment compensation amounts reported on the forms for the POI. The POI start date is **15 months** prior to the family's "Effective Date" on form HUD-50059 and the end date is **3 months** prior to the "Effective Date" on form HUD-50059. Since the "Effective Date" of Mr. Dowe's form HUD-50059 is 12/13/2007, the POI for review is **09/13/2006 – 09/12/2007**. This is the period when the income discrepancy occurred.

Before moving on to the next steps in the resolution process, let's review the EIV Income Report and EIV Income Discrepancy Report, and follow up with a review of annual income information on form HUD-50059 to cover **Steps 1** and **2**.

Step 1 Discussed

EIV Income Report

Summary Report		Income Report		Income Discrepancy Report	
Wage and Benefit Report for Household of [REDACTED]					
Contract Number		Subsidy Type		Section 811 PRAC	
Project:		Project Number			
Next Re-certification Date: 12/01/2008		Form 50059 as of:			
Address:		Effective Date:		12/13/2007	
Most Recent Type of Action: MI-Move-In Certification					
Head of Household:		Date of Birth:		XX/XX/1969	
Social Security Number: ***-**-****		SSN:		***-**-****	
Family Member:		Relationship:		Head of Household	
Date of Birth: XX/XX/1969					
Employment Information					
EIV received no Employment (W4) data.					
Wages					
EIV received no income data.					
Unemployment Benefits					
EIV received no benefit data.					
Social Security Benefits					
Verification Data		Benefit History			
Payment Status Code:	C - Current payment status (except railroad payment)	Date	Gross Benefit		
Date of Current Entitlement:	7/2001	12/2007	\$830.00	Benefits paid	
Net Monthly Benefit if Payable:	\$830.00	12/2006	\$811.00	Benefits paid	
Payee Name and Address:		12/2005	\$785.00	Benefits paid	
		12/2004	\$754.00	Benefits paid	
		11/2004	\$735.00	Benefits paid	
		12/2003	\$734.60	Benefits paid	
		6/2003	\$719.70	Benefits paid	
		12/2002	\$719.00	Benefits paid	
Lump Sum					
Dual Entitlement					
EIV received no benefit data.					
Medicare Data					
Verification Data		Premium	Buy-in	Buy-in Start	Buy-in Stop
Payee Name and Address:		Hospital Insurance: \$0.00	N	Not Available	Not Available
		Supp. Med. Insurance: \$96.40	Y	12/01/2004	Not Available
Supplemental Security Benefits					
Verification Data		Payment History of Net Benefits Paid			
Payment Status Code:	C01 - Current Pay	Date	Federal Amount	State Amount	Type of Payment
Alien Indicator:		09/01/2008	\$0.00	\$262.00	Recurring Payment
SSI Monthly Assistance Amount (Current):	\$0.00	01/01/2008	\$0.00	\$262.00	Recurring Payment
State Supplement Amount (Current):	\$262.00	01/01/2007	\$0.00	\$267.00	Recurring Payment
Payee Name and Address:		01/01/2006	\$0.00	\$273.00	Recurring Payment
		03/01/2005	\$0.00	\$280.00	Recurring Payment
		02/22/2005	\$0.00	\$289.53	Underpayment
		02/01/2005	\$0.00	\$280.00	Recurring Payment
		01/01/2005	\$0.00	\$22.50	Recurring Payment
Disability					
Disability:	Yes	On-set Date:	01/12/2001		
Report Date: 06/10/2008					
* The difference between the gross and net benefit may include the Medicare premium and/or additional deductions, such as garnishments, which are not listed on this report.					
Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.					
Report Generated By - LADONNA Y REED-MORTON					

According to the EIV Income Report, as displayed above, EIV shows Mr. Dowe has consistently received both SS and SSI, going back to 2002 for SS and 2005 for SSI. EIV will show tenant SSA benefit information for the last eight years. Our concern, however, in resolving tenant income discrepancies is with the POI, which is **09/13/2006 – 09/12/2007**. To calculate the POI, we must calculate a portion of Mr. Dowe's 2006 SS and SSI benefits and a portion of his 2007 SS and SSI. Let's look at Mr. Dowe's EIV Income Discrepancy Report.

EIV Income Discrepancy Report

Summary Report	Income Report	Income Discrepancy Report
Head of Household Information		
Name:		
Social Security Number:		
Contract Number		
Project Number		
Project:		
Effective Date of Action:	12/13/2007	
Next Re-certification Date:	12/01/2008	
Projected Annual Wages and Benefits from Form HUD-50059:	\$9,732.00	
Period of Income for Discrepancy Analysis	09/13/2006 - 09/12/2007	
Discrepancy Analysis	Actuals	Annualized Last Quarter
Reported Annual Wages and Benefits from EIV Data:	\$12,863.67	\$13,042.32
Amount of Annual Income Discrepancy:	(\$3,131.87)	(\$3,310.32)
Amount of Monthly Income Discrepancy:	(\$260.97)	(\$275.86)
Percentage of Income Discrepancy:	(24.35%)	(25.38%)
<small>Note: Negative numbers represent potential under reporting of income. Please discuss this income discrepancy with the tenant. Positive numbers represent potential decrease in tenant income.</small>		
<small>Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.</small>		
<small>Report Generated By - _____ LADONNA Y REED-MORTON</small>		

You will notice that the EIV Income Discrepancy Report calculates and displays the tenant's **Projected Annual Wages and Benefits from Form HUD-50059**, which comes from TRACS, and the **Reported Annual Wages and Benefits from EIV Data**, which comes from SSA and/or HHS' NDNH, to give you the income discrepancy amount: amounts \$2,400 or greater annually.

Although the system has calculated the income discrepancy for us, the following explains just how to calculate discrepancies, in the event it is necessary for discrepancy resolution.

We will start by calculating the **Reported Annual Wages and Benefits from EIV Data, Actuals** and **Annualized Last Quarter**. Remember, this is the amount reported by the third party income source; in this case, SSA. For this exercise, you will need Mr. Dowe's EIV Income Report, a calculator, and a calendar in order to identify and calculate amounts received from SSA during the POI.

Before we get started, you should be aware of the following:

- EIV calculates the income discrepancy based on the exact number of days for the POI.
- EIV first calculates SS and SSI benefit amounts for the full benefit year and then calculates the SS and SSI benefit amount for a portion of that full benefit year to determine the **Reported Annual Wages and Benefits from EIV Data** for the POI.
- Amounts are carried out to the sixth decimal (00.000000).
- When an EIV Income Report shows SSI benefits payment dates, for example, 02/22/2006, the benefit is effective on that date because the day is provided.
- When an EIV Income Report shows SS benefits payment dates, for example, 12/2005;12/2006;12/2007, etc., this means benefits became effective 01/01/2006; 01/01/2007; and 01/01/2008.

Now let's get started...

Reported Annual Wages and Benefits from EIV Data: <u>ACTUALS</u>	
Period of Income Discrepancy Analysis:	9/13/2006 – 9/12/2007
Social Security Benefits	
<ul style="list-style-type: none">• Benefits received for the full benefit year, 01/01/2006 – 12/31/2006 = \$9,420.00<ul style="list-style-type: none">○ <u>Breakdown</u>: \$785.00 monthly SS benefit payment x 12 months• Benefits received for a portion of that full benefit year, 09/13/2006 – 12/31/2006 = \$2,838.904090<ul style="list-style-type: none">○ <u>Breakdown</u>: \$9,420.00 annual SS amount / 365 days per year = \$25.81 per day in benefit amounts. \$25.81 x 110 days, the number of days between 09/13/2006 – 12/31/2006.• Benefits received for the full benefit year, 01/01/2007 – 12/31/2007 = \$9732.00<ul style="list-style-type: none">○ <u>Breakdown</u>: \$811.00 monthly SS benefit payment x 12 months• Benefits received for a portion of that full benefit year, 01/1/2007 – 9/12/2007 = \$6,799.068345<ul style="list-style-type: none">○ <u>Breakdown</u>: \$9732.00 annual SS amount / 365 days per year = \$26.66 per day in benefit amounts. \$26.66 x 255 days, the number of days between 01/01/2007 – 09/12/2007	
** <u>Social Security Benefits received for POI = \$9,637.972405</u> <ul style="list-style-type: none">○ Breakdown: \$2,838.904090 + \$6,799.0683485	

Reported Annual Wages and Benefits from EIV Data: ACTUALS

Supplemental Security Benefits

- Benefits received for the full benefit year, 01/01/2006 – 12/31/2006 = \$3,276.00
 - Breakdown: \$273.00 monthly SSI benefit payment x 12 months
- Benefits received for a portion of that full benefit year, 09/13/2006 – 12/31/2006 = **\$987.287620**
 - Breakdown: \$3,276.00 annual SSI amount / 365 days per year = \$8.975 per day in benefit amount. \$8.975 x 110 days, the number of days between 09/13/2006 – 12/31/2006
- Benefits received for the full benefit year, 01/01/2007 – 12/31/2007 = \$3,204.00
 - Breakdown: \$267.00 monthly SSI benefit payment x 12 months
- Benefits received for a portion of that full benefit year, 01/01/2007 – 09/12/2007 = **\$2,238.410910**
 - Breakdown: \$3,204.00 annual SSI amount / 365 days per year = \$8.778 per day in benefit amounts. \$8.778 x 255 days, the number of days between 01/01/2007 – 09/12/2007

****** Supplemental Security Benefits received for POI = **\$3,225.69853**

- Breakdown: \$987.287620 + \$2,238.410910

ACTUALS:

- Breakdown: \$9637.972405 + \$3225.69853 = 12863.670935 (~12,863.67)

\$12,863.67

You will notice the manual calculation and EIV-calculated amount are equal.

Moving forward to calculating the annualized last quarter amount, please note the rules change slightly from what was provided for calculating the 'Actuals'. EIV calculates SS and SSI benefit amounts received for an annual or prorated period, depending on whether the tenant received one or multiple payments in a year. With this, our basis, we calculate benefit amounts for the last quarter of the POI and then annualize that amount to get the final figure.

Now let's begin...

Reported Annual Wages and Benefits from EIV Data: <u>ANNUALIZED LAST QUARTER</u>	
Last Quarter of POI:	06/13/2007 – 9/12/2007
Social Security Benefits	
<ul style="list-style-type: none"> • Benefits during the last 3 months of the POI, 06/13/2007 – 09/12/2007 = \$2,452.997196 <ul style="list-style-type: none"> ○ <u>Breakdown</u>: \$811.00 monthly SS benefit payment x 12 months = \$9,732.00 annual SS amount / 365 days per year = \$26.663 per day in benefit amounts. \$26.663 x 92 days, the number of days between 06/13/2007 – 09/12/2007 	
<p>** <u>Social Security benefits received for the annualized last quarter</u> = \$9,811.988784</p> <ul style="list-style-type: none"> ○ <u>Breakdown</u>: \$2,452.997196 x 4, the number of quarters in a year 	
Supplemental Security Benefits	
<ul style="list-style-type: none"> • Benefits during the last 3 months of the POI, 06/13/2007 – 09/12/2007 = \$807.583544 <ul style="list-style-type: none"> ○ <u>Breakdown</u>: \$267.00 monthly SSI benefit payments x 12 months = \$3,204.00 annual SSI amount / 365 days per year = \$8.778 per day in benefit amounts. \$8.778 x 92 days, the number of days between 06/13/2007 – 09/12/2007 	
<p>** <u>Supplemental Security Benefits received for the annualized last quarter</u> = \$3,230.334176</p> <ul style="list-style-type: none"> ○ <u>Breakdown</u>: \$807.583544 x 4, the number of quarters in a year 	
ANNUALIZED LAST QUARTER: <ul style="list-style-type: none"> ○ <u>Breakdown</u>: \$9,811.988784 + \$3,230.334176 = 13,042.32296 (~13,042.32) 	<div style="border: 2px solid black; border-radius: 50%; width: 60px; height: 40px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"> \$13,042.32 </div>

You will notice the manual calculation and EIV-calculated amount are equal.

This concludes **Step 1**. Please note it is not necessary to manually calculate the tenant income discrepancy, because EIV will do it for you and display it on the Income Discrepancy Report. It may only be necessary to calculate the discrepancy manually when the tenant disputes the amount of the income discrepancy.

Step 2 Discussed

Now let's look at the form HUD-50059 to obtain tenant income information recorded on the form, and transmitted through TRACS, during the POI.

TRACS 50059 Certification List

The screenshot on the below page reflects **Projected Annual Wages and Benefits from Form HUD-50059**, *Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures* that was transmitted through TRACS.

Annual
Income

*U.S. Department of Housing and Urban Development
TRACS Certification List*

Sorted By: Unit

Effective Date	Cert Type	Action Code	Action Effect Date	TRACS Process Date	AP	TTP	Annual Income	Adjusted Income	Gross Rent	Assist Status Code	Project Number	Contract Number	Subsidy Type	Previous Contract Number	Next Recert Date	Bedroom Count	Over/Under Housed	Move In Date
12/13/2007	MI			05/28/2008	\$511	\$26	\$9732	\$8652	\$727	N			8		12/01/2008	1		12/13/2007

RETURN TO QUERY

form HUD-50059 Information transmitted through TRACS, Effective 12/13/2007 SS (Social Security) = \$9,732.00

** TRACS amounts compared with EIV are SS/SSI, wage, and unemployment compensation. Other amounts such as child support, pensions, asset income, etc. are not considered in the income discrepancy determination and amount.*

You will notice that the **Annual Income** amount, transmitted through TRACS, is **\$9,732.00**. According to form HUD-50059 data, effective 12/13/2007, the \$9,732.00 amount transmitted is from SS benefits. No SSI benefit amounts were transmitted through TRACS, as of the Effective Date, 12/13/2007.

Going back to the EIV Income Discrepancy Report, you will also notice the **Projected Annual Wages and Benefits from Form HUD-50059**, which comes from TRACS, is **\$9,732.00**. The **\$3,204.00** (\$267.00 monthly SSI benefit x 12 months) in SSI benefit payment amounts Mr. Dowe received between 01/01/2007 – 12/31/2007 is not reflected in TRACS, and thus is

**Department of Housing and Urban Development (HUD)
Office of Housing (Housing), Office of Housing Assistance and Grant Administration (HAGA)**

causing the income discrepancy, which again, is defined as amounts \$2,400 or greater. Amounts less than \$2,400 are not considered income discrepancies.

Now that we know why EIV is producing an EIV Income Discrepancy Report for Mr. Dowe, we are ready to move on to the next steps.

Step 3: Review the tenant's file to check Mr. Dowe's application for assistance and his signed form HUD-50059 prior to move-in on December 13, 2007.

Step 4: If Mr. Dowe's application and signed form HUD-50059 reflect the SSI benefits payment from SSA, make the correction in TRACS to resolve the income discrepancy. If Mr. Dowe's application reflects the SSI benefits information, but his signed form HUD-50059 does not, continue on to **Steps 5 and 6**.

Step 5: Contact Mr. Dowe and 1) inform him of the income discrepancy and 2) request Mr. Dowe come in and sign another form HUD-50059 reflecting the SSI benefits payments from SSA.

If Mr. Dowe was forthright, indicating the receipt of both SS and SSI benefits payments from SSA at the time of application and interview, written third party verification should not be necessary. Written third party verification is only needed when the tenant disputes income amounts displayed in EIV.

Step 6: If the income discrepancy occurred through no fault of Mr. Dowe, Mr. Dowe is not required to reimburse the owner for undercharges caused solely by the owner's failure to follow HUD's procedures for computing rent or assistance payments. The Owner, however, must reimburse HUD for the overpayment of assistance, if the overpayment was due to the owner's error or the owner's failure to follow HUD's procedures. See Chapter 8, Paragraph 8-20, Reimbursement to HUD for Overpayment of Assistance, of Handbook 4350.3 REV-1, *Occupancy Requirements of Subsidized Multifamily Housing Programs*.

Case Study #2—Wages

PROJECT/TENANT PROFILE	
Project Name	Ridgeway Apartments
Subsidy Type	Section 202/8
Effective Date	08/01/2007
Next Re-certification Date	08/01/2008
Head of Household	Mr. Joe Bill

Steps for Resolution

Step 1: Print and review EIV income reports, as previously described.

Step 2: Pull the tenant’s form HUD-50059(s) from the tenant’s file to check SS/SSI, employment and unemployment compensation amounts reported on the forms for the POI. Since the “Effective Date” of Mr. Bill’s form HUD-50059 is 08/01/2007, the POI for review is **05/01/2006 – 04/30/2007**. Again, this is the period when the income discrepancy occurred.

Step 1 Discussed

EIV Income Report

Summary Report		Income Report		Income Discrepancy Report	
Wage and Benefit Report for Household of [REDACTED]					
Contract Number		Subsidy Type	Section 811 PRAC		
Project:		Project Number			
Next Re-certification Date:	08/01/2008	Form 50059 as of:	09/07/2007		
Address:					
Most Recent Type of Action:	IC-Initial Certification	Effective Date:	08/01/2007		
Head of Household:					
Social Security Number:	***-**-****	Date of Birth:	XX/XX/1957		
Family Member:	[REDACTED]	SSN:	***-**-****		
Date of Birth:	XX/XX/1957	Relationship:	Head of Household		
Employment Information					
EIV received no Employment (W4) data.					
Wages					
Pay Period	Amount	FEIN	Employer Name and Address	Date Received by EIV	
04 of 2007	\$9,184.00		CORPORATION PHILADELPHIA PA	05/21/2008	
05 of 2007	\$3,711.00		SERVICES INC 1, PHILADELPHIA PA	02/18/2008	
02 of 2007	\$4,761.00		SERVICES INC 3, PHILADELPHIA PA	01/18/2008	
01 of 2007	\$3,633.00		SERVICES INC PHILADELPHIA PA	01/18/2008	
04 of 2006	\$3,791.00		SERVICES INC PHILADELPHIA PA 1	01/18/2008	
03 of 2006	\$3,350.00		SERVICES INC PHILADELPHIA PA	01/18/2008	
02 of 2006	\$4,079.00		SERVICES INC PHILADELPHIA PA	01/18/2008	
01 of 2006	\$3,480.00		SERVICES INC 3, PHILADELPHIA PA 1	01/18/2008	
Unemployment Benefits					
EIV received no benefit data.					

Social Security Benefits			
EIV received no benefit data.			
Dual Entitlement			
EIV received no benefit data.			
Medicare Data			
EIV received no benefit data.			
Supplemental Security Benefits			
Verification Data		Payment History of Net Benefits Paid	
Payment Status Code:	T51 - Terminated - System generated termination (no previous payment made)	Date	Federal Amount
Alien Indicator:	K	State Amount	Type of Payment
SSI Monthly Assistance Amount (Current):	\$0.00		
State Supplement Amount (Current):	\$0.00		
Payee Name and Address:			
Disability			
Disability:	Yes	On-set Date:	
Report Date: 06/10/2008			
* The difference between the gross and net benefit may include the Medicare premium and/or additional deductions, such as garnishments, which are not listed on this report.			
Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.			
Report Generated By - _____ LADONNA Y REED-MORTON			

According to the EIV Income Report, as displayed above, EIV shows Mr. Bill has consistently received wages from employment for the eight quarters displayed in EIV beginning with Q2 of 2006. EIV only displays the last eight quarters of wage and unemployment income. In resolving the tenant income discrepancy, we must review wages received during the POI, **05/01/2006 – 04/30/2007**, which are amounts received between Q2 of 2006 and Q2 of 2007. Let's look at Mr. Bill's EIV Income Discrepancy Report.

Income Discrepancy Report

Summary Report	Income Report	Income Discrepancy Report
Head of Household Information		
Name:		
Social Security Number:		
Contract Number		
Project Number		
Project:		
Effective Date of Action:	08/01/2007	
Next Re-certification Date:	08/01/2008	
Projected Annual Wages and Benefits from Form HUD-50059:	\$10,464.00	
Period Of Income for Discrepancy Analysis	05/01/2006 - 04/30/2007	
Discrepancy Analysis	Actuals	Annualized Last Quarter
Reported Annual Wages and Benefits from EIV Data:	\$15,077.84	\$15,804.78
Amount of Annual Income Discrepancy:	(\$4,613.84)	(\$5,340.78)
Amount of Monthly Income Discrepancy:	(\$384.49)	(\$445.06)
Percentage of Income Discrepancy:	(30.6%)	(33.79%)
<small>Note: Negative numbers represent potential under reporting of income. Please discuss this income discrepancy with the tenant. Positive numbers represent potential decrease in tenant income.</small>		
Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.		
<small>Report Generated By - _____ LADONNA Y REED-MORTON</small>		

For this exercise, you will need Mr. Bill's Income Report, a calculator, and a calendar in order to identify and calculate amounts received from wages during the POI.

Before we get started, you should be aware of the following:

- EIV calculates the income discrepancy based on the exact number of days for the POI.
- EIV first calculates wage amounts for the full Quarter and then calculates the wage amount for a portion of that full quarter to determine the **Reported Annual Wages and Benefits from EIV Data** for the POI.
- Amounts are carried out to the sixth decimal point (00.000000).
- Quarterly reporting information is as follows:

Quarter	Quarterly Months	Number of Days in Month	Number of Days in Quarter
Quarter 1 (Q1) (Jan 1 – Mar. 31)	January	31	90
	February	28	
	March	31	
Quarter 2 (Q2) (Apr. 1 – June 30)	April	30	91
	May	31	
	June	30	
Quarter 3 (Q3) (Jul. 1 – Sep. 30)	July	31	92
	August	31	
	September	30	
Quarter 4 (Q4) (Oct. 1 – Dec. 31)	October	31	92
	November	30	
	December	31	

Now let's get started...

Reported Annual Wages and Benefits from EIV Data: <u>ACTUALS</u>	
Period of Income Discrepancy Analysis:	05/01/2006 – 4/30/2007
Wages	
<ul style="list-style-type: none"> • Wages received for Q2 of 2006, 04/01/2006 – 06/30/2006 = \$4,079.00 • Wages received for a portion of Q2 of 2006, 05/01/2006 – 06/30/2006 = \$2,734.274675 <ul style="list-style-type: none"> ○ <u>Breakdown:</u> \$4,079.00 Q2 of 2006 amount / 91 days in Quarter 2 = \$44.824175 per day in wages. \$44.824175 x 61 days, the number of days between 05/01/2006 – 06/30/2006. • Wages received for Q3 of 2006, 07/01/2006 – 09/30/2006 = \$3,350.00 • Wages received for Q4 of 2006, 10/01/2006 – 12/31/2006 = \$3,791.00 • Wages received for Q1 of 2007, 01/01/2007 – 03/31/2007 = \$3,633.00 • Wages received for Q2 of 2007, 04/01/2007 – 06/30/2007 = \$4,761.00 • Wages received for a portion of Q2 of 2007, 04/01/2007 – 04/30/2007 = \$1,569.56043 <ul style="list-style-type: none"> ○ <u>Breakdown:</u> \$4,761.00 Q2 of 2007 amount / 91 days in Q2 = \$52.318681 day in wages. \$52.318681 x 30 days, the number of days between 04/01/2007 – 04/30/2007 	
ACTUALS:	\$15,077.84
<ul style="list-style-type: none"> ○ <u>Breakdown:</u> \$2,734.274675 + \$3,350.00 + \$3,791.00 + \$3,633.00 + \$1,569.56043 = 15,077.835105 (~15,077.84) 	

You will notice the manual calculation and EIV-calculated amount are equal.

Moving forward to calculating the annualized last quarter amount, we are calculating wage amounts for the last quarter of the POI, which is 02/01/2007 – 04/30/2007, and then annualizing that amount to get the final figure. All rules principles remain the same.

Now let's begin...

Reported Annual Wages and Benefits from EIV Data: ANNUALIZED LAST QUARTER	
Last Quarter of POI:	02/01/2007 – 04/30/2007
Wages	
<ul style="list-style-type: none"> • Wages received for Q1 of 2007, 01/01/2007 – 03/31/2007 = \$3,633.00 • Wages received for a portion of Q1 of 2007, 02/01/2007 – 03/31/2007 = \$2,381.633294 <ul style="list-style-type: none"> ○ <u>Breakdown:</u> \$3,633.00 Q1 of 2007 amount / 90 days in Q1 = \$40.366666 per day in wages. \$40.366666 x 59 days, the number of days between 02/01/2007 – 03/31/2007 • Wages received for Q2 of 2007, 04/01/2007 – 06/30/2007 = \$4,761.00 • Wages received for a portion of Q2 of 2007, 04/01/2007 – 04/30/2007 = \$1,569.56043 <ul style="list-style-type: none"> ○ <u>Breakdown:</u> \$4,761.00 Q2 of 2007 amount / 91 days in Q2 = \$52.318681 per day in wages. \$52.318681 x 30 days, the number of days between 04/01/2007 – 04/30/2007 	
ANNUALIZED LAST QUARTER: <ul style="list-style-type: none"> ○ <u>Breakdown:</u> \$2,381.633294 + \$1,569.56043 = \$3951.193724 x 4 (number of quarters in a year) = \$15,804.774896 (~15,804.78) 	<div style="border: 2px solid black; border-radius: 50%; width: 60px; height: 40px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"> \$15,804.78 </div>

You will notice the manual calculation and EIV-calculated amount are equal.

This concludes **Step 1**. Please note it is not necessary to manually calculate the tenant income discrepancy, because EIV will do it for you and display it on the Income Discrepancy Report. It may only be necessary to calculate the discrepancy manually when the tenant disputes the amount of the income discrepancy.

Step 2 Discussed

Now let's look at the form HUD-50059 to obtain tenant income information recorded on the form, and transmitted through TRACS, during the POI.

TRACS 50059 Certification List

The screenshot on the next page reflects **Projected Annual Wages and Benefits from Form HUD-50059, Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures** that was transmitted through TRACS.

Annual
Income

*U.S. Department of Housing and Urban Development
TRACS Certification List*

Sorted By: Unit

Effective Date	Cert Type	Action Code	Action Effect Date	TRACS Process Date	AP	TTP	Annual Income	Adjusted Income	Gross Rent	Assist Status Code	Project Number	Contract Number	Subsidy Type	Previous Contract Number	Next Recert Date	Bedroom Count	Over/Under Housed	Move In Date
08/01/2007	AR			09/07/2007	\$722	\$259	\$10464	\$11064	\$974	N			8		08/01/2008	1		05/01/1996

RETURN TO QUERY

form HUD-50059 Information transmitted through TRACS, Effective 08/01/2007

W (wages) = \$10,464.00

form HUD-50059 Information transmitted through TRACS, Effective 05/01/2006

W (wages) = \$15,231.00

** TRACS amounts compared with EIV are SS/SSI, wage, and unemployment compensation. Other amounts such as child support, pensions, etc. are not considered in the income discrepancy determination and amount.*

You will notice above that the **Annual Income** amount transmitted through TRACS, effective 08/01/2007, is **\$10,464.00**. According to form HUD-50059 data, the \$10,464.00 amount transmitted is from wages. This is a significant decrease from the **\$15,231.00** in **Annual Income** wage amounts reported and transmitted through TRACS for the prior annual recertification period, effective 05/01/2006.

Step 4: Pull the EIV Income Report and form HUD-50059s for the POI and perform a comparative review. According to the EIV Income Report, Mr. Bill was receiving \$3,711.00 in wage income during Q3 of 2007 (effective date 08/01/2007). Annualized, the \$3,711.00 Q3 of 2007 wage amount is \$14,844.00. During the POI for the discrepancy, Mr. Bill is reported as receiving **\$15,077.84** in wage amounts.

Step 5: Notify and discuss the discrepancy with Mr. Bill.

Department of Housing and Urban Development (HUD)
Office of Housing (Housing), Office of Housing Assistance and Grant Administration (HAGA)

Step 6: If Mr. Bill disputes the wage data showing on his EIV Income Report, request written third party verification of the income source that Mr. Bill disputes.

Step 7: If amounts showing on Mr. Bill's EIV Income Report are unconfirmed with the third party income source, request Mr. Bill contact the third party income source to correct and update its records with the State Wage Information Collection Agency (SWICA). If the Owner confirms that Mr. Bill failed to report the wage income showing on the EIV Income Report, determine any retroactive rent and proceed with Steps 6 and 7.

Step 8: Execute a repayment agreement with Mr. Bill, if he is unable to pay the amount due in full, in accordance with Chapter 8, Paragraph 8-20.A, Reimbursement to HUD for Overpayment of Assistance, of Handbook 4350.3 REV-1, *Occupancy Requirements of Subsidized Multifamily Housing Programs*.

Step 9: Adjust the rent, as necessary, in accordance with Chapter 7, Recertifications, Unit Transfers, and Gross Rent Changes of Handbook 4350.3, REV-1, *Occupancy Requirements of Subsidized Multifamily Housing Programs*, to reduce the occurrence of improper subsidy payments.

Case Study #3—Social Security (SS)/Wage

Project/Tenant Profile	
Project Name	Gardenville Property
Subsidy Type	Section 236 with Section 8
Effective Date	03/01/2008
Next Re-certification Date	03/01/2009
Head of Household	Mrs. Jane Winslow

Steps for Resolution

Step 1: Again, print and review EIV income reports, as described herein.

Step 2: Pull the tenant's form HUD-50059(s), from the tenant's file, to check SS/SSI, employment and/or unemployment compensation amounts reported on the forms for the POI. Since the "Effective Date" of Ms. Winslow's form HUD-50059 is 03/01/2008, the POI for review is **12/01/2006 – 11/30/2007**. This is the period when the income discrepancy occurred.

Step 1 Discussed

EIV Income Report

Summary Report		Income Report		Income Discrepancy Report	
Wage and Benefit Report for Household of [REDACTED]					
Contract Number		Subsidy Type	Section 8		
Project:	[REDACTED]	Project Number	[REDACTED]		
Next Re-certification Date:	03/01/2009	Form 50059 as of:	06/11/2008		
Address:					
Most Recent Type of Action:	AR-Annual Recertification	Effective Date:	03/01/2008		
Head of Household: [REDACTED]					
Social Security Number:	***.**	Date of Birth:	XX/XX/1934		
Family Member: [REDACTED]					
Date of Birth:	XX/XX/1934	Relationship:	Head of Household		
Employment Information					
EIV received no Employment (W4) data.					
Wages					
Pay Period	Amount	FEIN	Employer Name and Address	Date Received by EIV	
Q4 of 2007	\$1,544.00	[REDACTED]	OPPORTUNITIES FOR SENIORS [REDACTED], VINELAND NJ 08380-8100	05/21/2008	
Q3 of 2007	\$1,887.00	[REDACTED]	OPPORTUNITIES FOR SENIORS [REDACTED], VINELAND NJ 08380-8100	02/16/2008	
Q2 of 2007	\$1,630.00	[REDACTED]	OPPORTUNITIES FOR SENIORS [REDACTED], VINELAND NJ 08380-8100	01/18/2008	
Q1 of 2007	\$1,716.00	[REDACTED]	OPPORTUNITIES FOR SENIORS [REDACTED], VINELAND NJ 08380-8100	01/18/2008	
Q4 of 2006	\$1,401.00	[REDACTED]	OPPORTUNITIES FOR SENIORS [REDACTED], VINELAND NJ 08380-8100	01/18/2008	
Q2 of 2006	\$0.00	[REDACTED]	NEW JERSEY INC [REDACTED], NEW JERSEY, [REDACTED], EAST BRUNSWICK NJ 08816-1076	01/18/2008	
Unemployment Benefits					
EIV received no benefit data.					

**Department of Housing and Urban Development (HUD)
Office of Housing (Housing), Office of Housing Assistance and Grant Administration (HAGA)**

Social Security Benefits					
Verification Data			Benefit History		
Payment Status Code:	C - Current payment status (except rollover payment)		Date	Gross Benefit	
Date of Current Entitlement:	1/1997		12/2007	\$558.40	Benefits paid
Net Monthly Benefit if Payable:	\$462.00		1/2007	\$545.50	Benefits paid
Payee Name and Address:			12/2006	\$544.50	Benefits paid
			1/2008	\$528.50	Benefits paid
			12/2005	\$523.50	Benefits paid
			1/2005	\$503.20	Benefits paid
			12/2004	\$500.20	Benefits paid
			1/2004	\$488.80	Benefits paid
Lump Sum					
			Date	Amount	
			11/01/2007	\$0.00	
Dual Entitlement					
EIV received no benefit data.					
Medicare Data					
Verification Data			Premium	Buy-in	Buy-in Start Buy-in Stop
Payee Name and Address:			Hospital Insurance: \$0.00	N	Not Available Not Available
			Supp. Med. Insurance: \$96.40	N	Not Available Not Available
Supplemental Security Benefits					
EIV received no benefit data.					
Disability					
Disability:	No		On-set Date:		
Report Date:	07/08/2008				
* The difference between the gross and net benefit may include the Medicare premium and/or additional deductions, such as garnishments, which are not listed on this report.					
Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.					
Report Generated By - _____ LADONNA Y REED-MORTON					

According to the EIV Income Report, as displayed above, EIV shows Mrs. Winslow has consistently received wages for the six quarters and SS benefits for the last eight years, respectively, displayed in EIV. EIV will show wage and unemployment compensation amounts for the last eight quarters and SS/SSI benefit amounts for the last eight years. Our concern, however, in resolving tenant income discrepancies is with the POI, which is **12/01/2006 – 11/30/2007** for this tenant. To calculate the POI, we must calculate a portion of Mrs. Winslow's 2006 wages and SS benefits and a portion of her 2007 wages and SS benefits. Let's look at Mrs. Winslow's EIV Income Discrepancy Report.

EIV Income Discrepancy Report

Summary Report	Income Report	Income Discrepancy Report
Head of Household Information		
Name:		
Social Security Number:		
Contract Number		
Project Number		
Project:		
Effective Date of Action:	03/01/2008	
Next Re-certification Date:	03/01/2009	
Projected Annual Wages and Benefits from Form HUD-50059:	\$6,701.00	
Period Of Income for Discrepancy Analysis	12/01/2006 - 11/30/2007	
Discrepancy Analysis	Actuals	Annualized Last Quarter
Reported Annual Wages and Benefits from EIV Data:	\$13,254.42	\$13,095.73
Amount of Annual Income Discrepancy:	(\$8,553.42)	(\$6,394.73)
Amount of Monthly Income Discrepancy:	(\$546.12)	(\$532.89)
Percentage of Income Discrepancy:	(49.44%)	(48.83%)
Note: Negative numbers represent potential under reporting of income. Please discuss this income discrepancy with the tenant. Positive numbers represent potential decrease in tenant income.		
Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.		
Report Generated By - <u> </u> LADONNA Y REED-MORTON		

For this exercise, you will need Mrs. Winslow’s Income Report, a calculator, and a calendar in order to identify and calculate amounts received from HHS’s NDNH and SSA during the POI.

Before we get started, let’s recap:

Wages

- EIV calculates the income discrepancy based on the exact number of days for the POI.
- EIV first calculates wage amounts for the full Quarter and then calculates the wage amount for a portion of that full quarter to determine the **Reported Annual Wages and Benefits from EIV Data** for the POI.
- Amounts are carried out to the sixth decimal point (00.000000).
- Quarterly reporting information is as follows:

Quarter	Quarterly Months	Number of Days in Month	Number of Days in Quarter
Quarter 1 (Q1) (Jan 1 – Mar. 31)	January	31	90
	February	28	
	March	31	
Quarter 2 (Q2) (Apr. 1 – June 30)	April	30	91
	May	31	
	June	30	
Quarter 3 (Q3) (Jul. 1 – Sep. 30)	July	31	92
	August	31	
	September	30	
Quarter 4 (Q4) (Oct. 1 – Dec. 31)	October	31	92
	November	30	
	December	31	

SS and SSI Benefits

- EIV calculates the income discrepancy based on the exact number of days for the POI.
- EIV first calculates SS and SSI benefit amounts for the full benefit year and then calculates the SS and SSI benefit amount for a portion of that full benefit year to determine the **Reported Annual Wages and Benefits from EIV Data** for the POI.
- Amounts are carried out to the sixth decimal (00.000000).
- When an EIV Income Report shows SSI benefits payment dates, for example, 02/22/2006, the benefit is effective on that date because the day is provided.
- When an EIV Income Report shows SS benefits payment dates, for example, 12/2005;12/2006;12/2007, etc., this means benefits became effective 01/01/2006; 01/01/2007; and 01/01/2008.

Now let’s get started...

Reported Annual Wages and Benefits from EIV Data: ACTUALS

Period of Income Discrepancy Analysis: 12/01/2006 – 11/30/2007

Wages

- Wages received for Q4 of 2006, 10/01/2006 – 12/31/2006 = \$1,401.00
- Wages received for a portion of Q4 of 2006, 12/01/2006 – 12/31/2006 = **\$472.076060**
 - Breakdown: \$1,401.00 Q4 of 2006 amount / 92 days in Quarter 4 = \$15.228260 per day in wages. \$15.228260 x 31 days, the number of days between 12/01/2006 – 12/31/2006.
- Wages received for Q1 of 2007, 01/01/2007 – 03/31/2007 = **\$1,716.00**
- Wages received for Q2 of 2007, 04/01/2007 – 06/30/2007 = **\$1,630.00**
- Wages received for Q3 of 2007, 07/01/2007 – 09/30/2007 = **\$1,887.00**
- Wages received for Q4 of 2007, 10/01/2007 – 12/31/2007 = **\$1,544.00**
- Wages received for a portion of Q4 of 2007, 10/01/2007 – 11/30/2007 = **\$1,023.739088**
 - Breakdown: \$1,544.00 Q4 of 2007 amount / 92 days in Q4 = \$16.782608 day in wages. \$16.782608 x 61 days, the number of days between 10/01/2007 – 11/30/2007

****** Wages received for POI = **\$6,728.815148**

- Breakdown: \$472.076060 + \$1,716.00 + \$1,630.00 + \$1,887.00 + \$1,023.739088

Social Security Benefits

- Benefits received for the full benefit year, 01/01/2006 – 12/31/2006 = \$6,315.00
 - Breakdown: \$523.50 x 1 (01/01/2006 – 01/31/2006) = \$523.50 + \$526.50 x 11 months (02/01/2006 – 12/31/2006) = 5,791.50
- Benefits received for a portion of that full benefit year, 12/01/2006 – 12/31/2006 = **\$536.342439**
 - Breakdown: \$6,315.00 annual SS amount / 365 days per year = \$17.301369 per day in benefit amount. \$17.301369 x 31 days, the number of days between 12/01/2006 – 12/31/2006
- Benefits received for the full benefit year, 01/01/2007 – 12/31/2007 = \$6,545.00
 - Breakdown: \$544.50 x 1 month (01/01/2007 – 01/31/2007) = \$544.50 + \$545.50 x 11 months (02/01/2007 – 12/31/2007) = \$6,000.50
- Benefits received for a portion of that full benefit year, 01/01/2007 – 11/30/2007 = **5989.123004**

Reported Annual Wages and Benefits from EIV Data: ACTUALS

- Breakdown: \$6,545.00 annual SS amounts / 365 days per year = \$17.931506 per day in benefit amount. \$17.931506 x 334 days, the number of days between 01/01/2007 – 11/30/2007

****** Supplemental Security Benefits received for POI = **\$6525.465443**

- Breakdown: \$536.342439 + \$5989.123004

ACTUALS:

- Breakdown: \$6,728.815148 + \$6525.465443 = 13,254.
(~13,254.280591)

\$13,254.28

You will notice the manual calculation and EIV-calculated amount are nearly equal. Differences in amounts may be due to rounding.

Moving forward to calculating the annualized last quarter amount, please note the rules change slightly from what was provided for calculating the 'Actuals'. EIV calculates SS and SSI benefit amounts received for an annual or prorated period, depending on whether the tenant received one or multiple payments in a year. With this, our basis, we calculate benefit amounts for the last quarter of the POI and then annualize that amount to get the final figure.

Now let's begin...

Reported Annual Wages and Benefits from EIV Data: ANNUALIZED LAST QUARTER

Last Quarter of POI:

09/01/2007 – 11/30/2007

Wages

- Wages received for Q3 of 2007, 07/01/2007 – 09/30/2007 = \$1,887.00
- Wages received for a portion of Q3 of 2007, 09/01/2007 – 09/30/2007 = **\$615.32607**
 - Breakdown: \$1,877.00 Q3 of 2007 amount / 92 days in Q3 = \$ 20.510869 per day in wages. \$20.510869 x 30 days, the number of days between 09/01/2007 – 09/30/2007
- Wages received for Q4 of 2007, 10/01/2007 – 12/31/2007 = \$1,544.00
- Wage received for a portion of Q4 of 2007, 10/01/2007 – 11/30/2007 = **\$1,023.739088**
 - Breakdown: \$1,544.00 Q4 of 2007 amount / 92 days in Q4 = \$16.782608 per day in wages. \$16.782608 x 61, the number of days between 10/01/2007 – 11/30/2007

<p>** <u>Wages received for the annualized last quarter</u> = \$6,556.260632</p> <ul style="list-style-type: none"> ○ <u>Breakdown:</u> \$615.32607 + \$ 1,023.739088 = \$1,639.065158 x 4, the number of quarters in a year 	
<p>Supplemental Security Benefits</p>	
<ul style="list-style-type: none"> • Benefits during the last 3 months of the POI, 09/01/2007 – 11/30/2007 = \$1634.866688 <ul style="list-style-type: none"> ○ <u>Breakdown:</u> \$545.50 monthly SS benefit payments x 11 months (02/01/2007 – 12/31/2007) = \$6,000.50 / 334, the number of days between 02/01/2007 – 12/31/2007 = \$ 17.965568 per day in benefit amounts. \$17.965568 x 91 days, the number of days between 09/01/2007 – 11/30/2007 	
<p>** <u>Supplemental Security Benefits received for the annualized last quarter</u> = \$6,539.466752</p> <ul style="list-style-type: none"> ○ <u>Breakdown:</u> \$1,634.866688 x 4, the number of quarters in a year 	
<p>ANNUALIZED LAST QUARTER:</p> <ul style="list-style-type: none"> ○ <u>Breakdown:</u> \$6,556.260632 + \$6,539.466753 = (~13,095.727384) 	<p>\$13,095.73</p>

You will notice the manual calculation and EIV-calculated amount are equal.

This concludes **Step 1**. Please note it is not necessary to manually calculate the tenant income discrepancy, because EIV will do it for you and display it on the Income Discrepancy Report. It may only be necessary to calculate the discrepancy manually when the tenant disputes the amount of the income discrepancy.

Step 2 Discussed

Now let's look at the form HUD-50059 to obtain tenant income information recorded on the form, and transmitted through TRACS, during the POI.

TRACS 50059 Certification List

The screenshot on the next page reflects **Projected Annual Wages and Benefits from Form HUD-50059, Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures** that was transmitted through TRACS.

Annual Income

U.S. Department of Housing and Urban Development
TRACS Certification List

Sorted By: Unit

Unit Number	Effective Date	Cert Type	Action Code	Action Effect Date	TRACS Process Date	AP	TTP	Annual Income	Adjusted Income	Gross Rent	Assist Status Code	Project Number	Contract Number	Subsidy Type	Previous Contract Number	Next Recert Date	Bedroom Count
	03/01/2008	AR	GR	07/01/2008	06/11/2008	\$555	\$146	\$7190	\$5849	\$701	E			1		03/01/2009	1

RETURN TO QUERY

form HUD-50059 Information transmitted through TRACS, Effective 03/01/2008

SS (Social Security) = \$6,701.00

Income from Assets = \$489.00

form HUD-50059 Information transmitted through TRACS, Effective 03/01/2007

SS (Social Security) = \$6,534.00

Income from Assets = \$471.00

form HUD-50059 Information transmitted through TRACS, Effective 03/01/2006

SS (Social Security) = \$6,282.00

Income from Assets = \$727.00

** TRACS amounts compared with EIV are SS/SSI, wage, and unemployment compensation. Other amounts such as child support, pensions, asset income, etc. are not considered in the income discrepancy determination and amount.*

You will notice above that the **Annual Income** amount, transmitted through TRACS, is **\$7,190.00**. According to form HUD-50059 data, effective 03/01/2008, \$6,701.00 of the \$7,190.00 amount transmitted is from SS benefits. No wage amounts were transmitted through TRACS, as of the Effective Date, 03/01/2008. In fact, no wage amounts were transmitted

**Department of Housing and Urban Development (HUD)
Office of Housing (Housing), Office of Housing Assistance and Grant Administration (HAGA)**

through TRACS the two transmissions prior, 03/01/2007 and 03/01/2008. According to the EIV Income Report, Mrs. Winslow has been receiving wage income as far back as Q2 of 2006.

Step 3: Notify and discuss the discrepancy with Mrs. Winslow.

Step 4: If Mrs. Winslow disputes the wage data showing on her EIV Income Report, request written third party verification of the income source that Mrs. Winslow disputes.

Step 5: If amounts showing on Mrs. Winslow's EIV Income Report are unconfirmed with the third party income source, request Mrs. Winslow contact the third party income source to correct and update its records with the State Wage Information Collection Agency (SWICA). If the Owner confirms that Mrs. Winslow failed to report the wage income showing on the EIV Income Report, determine any retroactive rent and proceed with Steps **6** and **7**.

Step 6: Execute a repayment agreement with Mrs. Winslow, if she is unable to pay the amount due in full, in accordance with Chapter 8, Paragraph 8-20.A, Reimbursement to HUD for Overpayment of Assistance, of Handbook 4350.3 REV-1, *Occupancy Requirements of Subsidized Multifamily Housing Programs*.

Step 7: Adjust the rent, as necessary, in accordance with Chapter 7, Recertifications, Unit Transfers, and Gross Rent Changes of Handbook 4350.3, REV-1, *Occupancy Requirements of Subsidized Multifamily Housing Programs*, to reduce the occurrence of improper subsidy payments.