

Appendix 6-C: Guidance About Types of Information to Request When Verifying Eligibility and Income

Paragraph 1.c of **Appendix 6-A** states that owners may request only that information necessary to determine the person's eligibility or level of assistance. The first paragraph under most of the types of income listed below provides information that would meet this requirement. For some types of income listed below, appropriate requests for information are combined with the types of verification that are permitted. In deciding whether to add information to a particular verification request that is not listed below, the owner must ask: Is this information necessary to determine the individual's eligibility for assistance or level of assistance? If the answer is "yes", then the owner may verify that information. If the answer is "no", then the owner may not verify that information

"NOTE: This information may have to be conveyed in languages other than English for LEP persons in accordance with HUD guidance."

A. Employment Income

1. Relevant information to verify with third party:

a. Nonmilitary employment

(1) Date first employed,

(2) Base pay rate (Gross) (check one)

Per hour \$_____ or per week \$_____

OR per month \$_____

Date present rate became effective _____

Expected average hours to be worked during next 12 calendar months at base pay rate _____

Per week _____ or per month _____,

(3) Overtime pay rate

Per hour \$_____

Expected average number of hours to be worked per week during next 12 calendar months _____,

(4) Other compensation not included above (specify for commissions, bonuses, tips, etc.)

For _____ \$_____ per _____,

(5) Total anticipated base pay earnings for the next 12 calendar months \$_____.

Total anticipated overtime earnings for the next 12 calendar months \$_____.

(6) Medical insurance premium deducted (if any). (This would be relevant only for families eligible for the medical deduction.),

(7) Has employment been terminated? _____

If yes, is individual eligible for unemployment benefits?

b. Military employment

(1) Years ____ and months ____ of services for pay purposes.

Number of dependents claimed _____.

(2) Monthly income from the following sources:

Base pay and longevity pay \$_____

Proficiency pay \$_____

Sea and foreign duty pay \$_____

Hazardous duty pay \$_____

Imminent danger pay \$_____

Subsistence allowance \$_____

Quarters allowance
(Include only amount contributed by government) \$_____

Other (explain) \$_____

TOTAL AMOUNT RECEIVED MONTHLY \$_____.

2. Acceptable forms of verification:

a. Employment verification form completed by the employer verifying frequency of pay, effective date of the last pay increase, and probability and effective date of any increase during the next 12 months;

- b. Check stubs or earning statements showing employee's gross pay per pay period and frequency of pay;
- c. W-2 forms if applicant has had the same job for at least two years and pay increases can be accurately projected; and
- d. Notarized statements, affidavits or income tax returns signed by the applicant describing self-employment and amount of income or income from tips and other gratuities.

B. **Date Employment Terminated**

1) Relevant information to verify with third party:

- a. Date of hire;
- b. Date of termination;
- c. Last day actually worked;
- d. Do you anticipate rehiring this employee? If yes, when?
- e. Will the employee receive additional paychecks for worker's compensation?

If yes, provide the name and address of the company through which this can be verified.

- f. Is employee eligible for unemployment benefits?
- g. Total severance pay anticipated for the next 12 months.

2. Acceptable forms of verification:

- a. Termination of employment verification;
- b. Letter from employer stating date of termination; and
- c. Letter from an agency providing unemployment compensation stating that the individual's employment terminated and that unemployment benefits will begin.

C. **Social Security and Supplementary Security Income (SSI)**

1. Relevant information to verify *Social Security and SSI income.* The following information is generally available from *EIV or the* award or benefit letter *or the Proof of Income Letter*.

- a. Name of original annuitant;

- b. Pension claim number or social security number of person receiving the pension claim;
- c. Current monthly gross amount of pension or annuity;
- d. Deductions from gross amount for medical insurance premiums;
- e. Date benefits began;
- f. Effective date of current amount;
- g. For social security, ask: Has the monthly payment been reduced for overpayment of previous benefits? If so, by how much?

2) Acceptable forms of verification:

- a. Initial occupancy. At initial occupancy, acceptable forms of verification are:
 - Benefit verification form completed by agency providing the benefits;
 - Award or benefit notification letters prepared and signed by the authorizing agency. (Since checks or bank deposit slips show only net amounts remaining after deducting supplemental security income or Medicare, they may be used only when award letters can't be obtained.) If the applicant does not have his or her award letter, the applicant may obtain it by calling 800-772-1213.
- b. Annual recertification. At annual recertification, the owner *must* verify benefit information by obtaining a Benefit History Report from **EIV**. If the owner cannot obtain this report from **EIV**, the owner uses the verification methods for initial occupancy.

NOTE: Failure to obtain a Benefit History Report from **EIV** is not an indication that the tenant does not receive benefits. Due to data sharing limitations between existing data systems, it is possible for a tenant to receive benefits on which the owner cannot obtain a Benefit History Report.

D. Pensions and Disability Income Other Than from the Social Security Administration

This paragraph is not suggesting that owners group verifications of these different sources of income into one verification. Owners may have to adapt the questions, depending on the source of income being verified. This paragraph provides suggestions on the types of questions that are appropriate to ask a third party.

1. Relevant information to verify with third party:
 - a. Name of original annuitant;

- b. Pension claim number or social security number of person receiving the pension claim;
 - c. Current monthly gross amount of pension or annuity;
 - d. Deductions from gross amount for medical insurance premiums;
 - e. Date benefits began;
 - f. Effective date of current amount;
 - g. For annuities, ask: Did the individual invest in an annuity? If yes, what is the amount invested? What is the amount received to date from the annuity? Does the individual receive regular payments? When are they received (monthly, annually)?
 - h. For pensions and annuities, ask: Is the individual reimbursed for medical costs?
- 2) Acceptable forms of verification:
- a. Benefit verification form completed by the company/agency providing the benefits;
 - b. Award or benefit notification letters prepared and signed by the authorizing company/agency. (Checks or bank deposit slips show only net amounts remaining after deductions.)

E. Unemployment Compensation

1. Relevant information to verify with third party:
 - a. Gross weekly payment;
 - b. Date of initial payment;
 - c. Duration of benefits: _____ weeks;
 - d. Is the claimant eligible for further benefits?
 - e. If yes, how many weeks?
 - f. If no, what is the date the benefits are terminated?
2. Acceptable forms of verification:
 - a. Verification form completed by the unemployment compensation agency; and
 - b. Records from unemployment office stating payment dates and amounts.

F. Public Benefits

1. Relevant information to verify with third party:
 - a. Number of members in the family;
 - b. Names of the children for whom benefits are received and their social security numbers;
 - c. Date of initial assistance;
 - d. Is recipient covered by Medicaid? If yes, what is the Medicare spend down amount?
 - e. Does the recipient meet his/her spend down amount each period?
 - f. What is the rate per month under the following grant:
 - (1) Temporary Assistance to Needy Families (TANF),
 - (2) Supplemental Social Security,
 - (3) Other assistance: Type _____, and
 - g. The following question applies only to "as-paid" States only: Amount specifically designated for shelter and utilities (This is the maximum allowance for rent and utilities);
 - h. The grant is increased by the following amounts (Specify purpose):
 - (1) Employment income \$ _____
 - (2) Child care allowance \$ _____
 - (3) Transportation \$ _____
 - (4) Other _____ \$ _____;
 - i. The grant is reduced by the following amounts:
 - (1) Alimony \$ _____
 - (2) Child support \$ _____
 - (3) Other (specify) \$ _____;
 - j. Is there anything else that will influence the amount of the grant? If yes, specify purpose and amount. \$ _____
 - k. Has the monthly payment been reduced for overpayment of previous benefits? If so, by how much? \$ _____

I. TOTAL MONTHLY GRANT \$ _____.

2. Acceptable forms of verification:

- a. All welfare programs. Welfare agency's written statements as to type and amount of assistance family is now receiving and any changes in assistance expected during the next 12 months;
- b. Additional information for "as-paid" programs. Welfare agency's written schedule or statement that describes how the "as-paid" system works, the maximum amount a family may receive for shelter and utilities and, if applicable, any factors used to ratably reduce the client's grant.

G. **Alimony or Child Support Payments**

1. Relevant information to verify with third party:

- a. Amount of alimony or child support being provided to the family;
- b. Will such amounts be terminated within the next 12 months. If so, when?

2. Acceptable forms of verification:

- a. Copy of a separation or settlement agreement or divorce decree stating amount and type of support and payment schedules;
- b. A letter from the person paying the support;
- c. Copy of latest check. Owner must record the date, amount, and number of check; and
- d. Applicant's notarized statement or affidavit of amount received or that support payments are not being received and the likelihood of support payments being received in the future.

H. **Net Income from a Business**

The following documents show income for the prior years. Owners must consult with tenants and use this data to estimate income for the next 12 months.

1. IRS Tax Return, Form 1040, including any:

- a. Schedule C (Small Business);
- b. Schedule E (Rental Property Income); and
- c. Schedule F (Farm Income).

2. An accountant's calculation of depreciation expense, computed using straight-line depreciation rules. (Required when accelerated depreciation was used on the tax return or financial statement.)

3. Audited or unaudited financial statement(s) of the business.
4. Loan Application listing income derived from the business during the previous 12 months.
5. Applicant's notarized statement or affidavit as to net income realized from the business during the previous years.

I. **Recurring Gifts**

Acceptable forms of verification:

1. Notarized statement or affidavit signed by the person providing the assistance. It must give the purpose, dates and value of gifts.
2. Applicant's notarized statement or affidavit that provides the purpose, dates and value of gifts.

J. **Family Assets Now Held**

1) Relevant information to verify with third party:

For non-liquid assets, collect enough information to determine the current cash value—the net amount the family would receive if the asset were converted to cash. (See paragraph 5.7.)

- a. Type of account;
- b. Current balance or, for checking accounts, the average balance for the last six months;
- c. Date account opened;
- d. Date account closed;
- e. Is this an interest bearing account? If so, what is the interest rate?
- f. For trusts:
 - (1) What is the value of the trust fund?
 - (2) What is the anticipated amount of income to be earned by the trust over the next 12 months?
 - (3) What is the amount anticipated to be distributed over the next 12 months?
- g. For property, what is the equity value?

2) Acceptable forms of verification:

- a. Verification forms, letters, or documents from a financial institution, broker, etc.;

NOTE: When financial institutions charge a fee to the applicant or tenant for providing verifications, the forms of verification in paragraph b) below would be the preferred method.

- b. Account statements, passbooks, broker's quarterly statements showing value of stocks or bonds, etc., and the earnings credited to the applicant's account statements, or financial statements completed by a financial institution or broker;

NOTE: The owner must adjust the information provided by the financial institution to project earnings expected for the next 12 months.

- c. Quotes from a stockbroker or realty agent as to net amount family would receive if they liquidated securities or real estate;
- d. Copy of IRS Form 1099 prepared by the financial institution showing the amount of income provided by the asset;
- e. Real estate tax statements if tax authority uses approximately market value;
- f. Copies of closing documents showing the selling price, the distribution of the sales proceeds and the net amount to the individual;
- g. Appraisals of personal property held as an investment; and
- h. Applicant's notarized statements or signed affidavits describing assets or verifying cash held at the applicant's home or in safe deposit boxes.

K. Assets Disposed of for Less than Fair Market Value During Two Years Preceding Effective Date of Certification or Recertification

(See paragraph 5.7 G.6.) Suggested information to obtain and acceptable forms of verification are included below.

1. For all certifications and recertifications except those prepared for BMIR tenants, certification as to whether any member *of the family* has disposed of assets for less than fair market value during the two years preceding effective date of the certification or recertification.
2. If the family certifies that they did dispose of assets for less than fair market value a certification that shows:
 - a. All assets disposed of for less than fair market value;
 - b. The date they disposed of the assets;

- c. The amount the family received; and
- d. The market value *of the asset(s)* at the time of disposition.

L. Income from Sale of Real Property Pursuant to a Purchase Money Mortgage, Installment Sales Contract, or Similar Arrangement

The following provide suggested information to verify with a third party and acceptable forms of verification:

1. A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next 12 months. (A copy of the check paid by the buyer to the applicant is not sufficient since appropriate breakdowns of interest and principal are not included.)
2. Amortization schedule showing interest for the 12 months following the effective date of the certification or recertification.

M. Rental Income from Property Owned by Applicant/Tenant

The following provide suggested information to verify with a third party and acceptable forms of verification:

1. IRS Form 1040 with Schedule E (Rental Income).
2. Copies of latest rent checks, leases, or utility bills.
3. Documentation of applicant's/tenant's income and expenses in renting the property (tax statements, insurance premiums, receipts for reasonable maintenance and utilities, bank statements or amortization schedules showing monthly interest expense).
4. Lessee's written statement identifying monthly payments due the applicant and applicant's affidavit as to net income realized.

N. Full-Time Student Status

The following provide suggested information to verify with a third party and acceptable forms of verification:

1. Written verification from the registrar's office or appropriate school official.
2. School records indicating enrollment for sufficient number of credits to be considered a full-time student by the school.

O. Child Care Expenses

The following provide suggested information to verify with a third party and acceptable forms of verification:

1. Written verification from the person who receives the payments.
2. Verifications must specify the hours and days during which the care is provided, the names and ages of the children cared for, and the frequency and amount of compensation received. (Owners should recognize that child care costs may be higher during summer and holiday recesses.)

NOTE: Owners may want to ask the verifying party to indicate children age 12 or younger.

3. Applicant's certification as to whether any of those payments have been or will be reimbursed by outside sources.

NOTE: Owners may wish to use separate verification consents for child care and disability (handicap) care.

P. Medical Expenses

The following provide suggested information to verify with a third party and acceptable forms of verification:

1. Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, etc., of:
 - a. The estimated medical costs to be incurred by the applicant and of regular payments due on medical bills;
 - b. The extent to which those expenses will be reimbursed by insurance or a government agency; and
 - c. Whether the provider accepts Medicare assignment.
2. The insurance company's or employer's written confirmation of health insurance premiums to be paid by the applicant.
3. Social Security Administration's written confirmation of Medicare premiums to be paid by the applicant over the next 12 months.
4. For attendant care:
 - a. Doctor's certification that the assistance of an attendant is medically necessary;
 - b. Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family (or copies of cancelled checks the family used to make those payments); and
 - c. Applicant's certification as to whether any of those payments have been or will be reimbursed by outside sources.

5. Receipts, cancelled checks, or pay stubs that indicate health insurance premium costs, etc., that verify medical and insurance expenses likely to be incurred in the next 12 months.
6. Copies of payment agreements with medical facilities or cancelled checks that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.
7. Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. Owners may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, nonrecurring expenses from the previous year.

Q. Need for Larger Unit Because of Physical or Mental Disability (Handicap)

The owner may request additional information to verify the request for a larger unit as a reasonable accommodation. The owner may request reliable disability-related information to verify that the requestor meets the definition of disability, that the accommodation is needed, and that the need is related to the disability. Such information may be, but need not be, provided by a health care professional. It could be provided by a non-medical service coordinator or service provider, a peer support group, or other reliable third party who is in the position to know about the requestor's disability.

R. Disabled (Handicap) Assistance Expense

1. Attendant care:
 - a. Attendant's written certification as to amount received from the applicant/tenant, frequency of receipt, hours of care provided, and/or copies of cancelled checks applicant/tenant used to make those payments; and
 - b. Family's written certification as to whether they receive reimbursement for any of the attendant care expenses and the amount of any reimbursement received.
- 2) Auxiliary apparatus: Receipts for purchases of, or evidence of monthly payments for auxiliary apparatus.
- 3) In all cases:
 - a. As routine practice, owners should accept the individual's written statement that an auxiliary apparatus or attendant care is necessary for employment. If the owner determines that verification is necessary in a particular case, the owner should obtain written certification from a *reliable source* that the family member who is a person with a disability (handicap) requires the services of an attendant or the use of auxiliary apparatus to permit this family member to be employed or to enable

another family member to be employed. *See* Chapter 2 regarding individuals' requests for reasonable accommodations.

- b. Family's written certification as to whether they receive reimbursement for any of the auxiliary apparatus expenses and the amount of any reimbursement received.

S. **Family Type and Membership in Family**

1. For elderly household where the head, co-head, or spouse is 62 years of age or older verification of age may be provided by:
 - a. Copy of a birth certificate, baptismal certificate, census record, official record of birth or other authoritative document; or
 - b. Receipt of supplemental security income old age benefits or social security retirement benefits.
2. For disability (because the individual's eligibility for admission is dependent on his/her being a person with a disability [handicap] or because the individual claims eligibility for income deductions that are given to persons with disabilities [handicaps]) verification of disability (handicap) may be provided by:
 - a. Receipt of supplemental social security disability or social security disability benefits, which would provide verification that an individual met the definition of "person with disabilities" as shown in Definition E of Figure 3-6 in Chapter 3 of this handbook; or
 - b. *Verification* by a *reliable source* that the individual meets the relevant definition of a "person with a disability (handicap)" for the particular project. *See Chapter 2 regarding individuals' requests for reasonable accommodations.*

IMPORTANT: See **Appendix 6-B** for the limitations on information that may be verified. **Appendix 6-B** also requires the owner to provide an explanation to the applicant/tenant describing these limitations. In particular, the consent should request the third party to identify any of the relevant definitions that apply to the individual. Any other request for information about the individual is not relevant and may not be asked (e.g., diagnosis, treatment plan).

3. For family members younger than age 18, verification of age may be provided by birth certificate, adoption papers, and/or custody agreements.

T. **Statutory and HUD Regulatory Preferences – Displacement by Government Action or Presidentially Declared Disaster**

(Applicable only to 221(d)(3) BMIR and Section 236 units):

1. Relevant information to verify with third party:

Date of displacement, or, if displacement has not yet occurred, the anticipated date of displacement; The applicant will be displaced if the applicant has vacated or will have to vacate his/her housing unit as a result of one or both of the following actions:

- a. A presidentially declared disaster, such as a hurricane, flood or fire, that has made the unit uninhabitable; or
- b. Code enforcement, public improvement, or development program activities by a U.S. agency or a State or local government body or agency.

2) Acceptable forms of verification:

- a. Displacement by disaster. Verification from a unit or agency of government that an applicant has been or will be displaced as a result of a presidentially declared disaster that results in the uninhabitability of an applicant's unit.
- b. Displacement by government action. Verification from a unit or agency of government that an applicant has been or will be displaced by activity carried on by an agency of the United States or by an State or local government body or agency in connection with code enforcement or a public improvement or development program.