

Topic 3
EIV – When You Find Out Your Tenant
Didn't Report Employment

Roles: Manager - Kim
 Tenant - Wendy

Issue: As the Manager of ABC Towers you are working on completing your annual recerts. You log on to EIV and find out that Wendy Scattiglio has a job but did not report that income.

Manager: Hi Mrs. Scattiglio. I was working on your annual recert. When I verified your information through the Enterprise Income Verification System I found out that you have a job.

Tenant: Oh yes I apologize. I do have a job.

Manager: How long have you been working?

Tenant: A couple of years now.

Manager: According to EIV you've held a job since 1998.

Tenant: Has it been that long?

Manager: You are required by HUD to report any and all sources of income. I will have to process a recert to correctly report your earnings and you will owe HUD retroactive money.

Tenant: But I don't understand how this could have happened?

Mattie

The Big Question: Several questions came up as the manager was preparing her paperwork.

1. How far back is the manager obligated to go on the misreporting?
5 Years? Yes/No
10 Years? Yes/No
11 Years? Yes/No
2. When the recertification is complete can the manager work out a repayment agreement for what is owed?
Yes/No
3. How do you handle the tenant who says that EIV is incorrect?
 - A. Do you use the EIV and forget what the tenant is saying? Yes/No
 - B. Do you make the tenant prove that EIV is wrong?
Yes/No
4. If it is a unit that is occupied by more than 1 tenant and the misreporting is related to a tenant who decides to suddenly vacate the unit leaving remaining family members, are the remaining members responsible for this retroactive adjustment? Yes/No

Solution: The manager needs to obtain verified information from other sources and/or agencies so that she can research the questionable information. She cannot take the EIV information at face value, nor can she ignore it just because the tenant disputes it. The HUD 9887-A allows her to request information going back only 5 years in this situation. Once she has thoroughly researched the situation and if she feels that the unreported income was an intentional act by the tenant to defraud the site, and she can prove this, then HUD's prescribed action at this point is to move for eviction for material noncompliance and recover the overpaid subsidy through the courts. If the manager feels the unreported income was due to a misunderstanding of HUD rules, she can work out a repayment plan for the overpaid assistance and process the program violation interim. In the situation where the tenant who provided the questionable information skips the unit, do we hold the remaining family members responsible for the debt? Every adult in each household must sign the HUD-50059 and by signing it, they are swearing to its accuracy. When they sign the '59, they accept responsibility for its content and can be held accountable for any false information.

HUD Handbook Reference

Chapter 8 Paragraph 8-17, 8-18 & 8-20 Page 8-22 to 8-29 Exhibit 5-6