

CHAPTER 22

VERIFICATION OF SOCIAL SECURITY (SS) AND SUPPLEMENT SECURITY INCOME (SSI) BENEFITS

REQUIREMENT FOR THIRD PARTY VERIFICATION

24 CFR §960.259(c)(1) and §982.516(a)(2) states “The PHA must obtain and document in the family file third party verification of the following factors, or must document in the file why third party verification was not available:

- (i) Reported family annual income;
- (ii) The value of assets;
- (iii) Expenses related to deductions from annual income; and
- (iv) Other factors that affect the determination of adjusted income or income-based rent.

Third party verification is defined as independent verification of income and/or expenses by contacting the individual income/expense source(s) supplied by the family. The verification documentation must be supplied directly to the independent source by the PHA and returned directly to the PHA from the independent source.

The tenant should not hand carry documents to or from the independent source. The PHA may elect to mail, fax, or e-mail the verification request form to the source.

In the event that the independent source does not respond to the PHA’s faxed, mailed, or e-mailed request for information, the PHA may pursue oral third party verification.

References: PIH Notice 2001-15

Housing Choice Voucher Program Guidebook (Section 12-4)

The Tenant Integrity Program Training Guide issued by the Office of the Inspector General (Page 51)

See appendix for text of references.

WHAT CONSTITUTES THIRD PARTY VERIFICATION OF SS/SSI BENEFITS?

Written Third Party Verification: SS/SSI benefit information obtained through HUD’s Tenant Assessment Sub-system (TASS) or benefit information obtained directly from SSA.

(Note: SSA policy prevents them from providing information directly to the PHA’s.)

Oral Third Party Verification: SS/SSI benefit information obtained from a SSA representative via the telephone. PHA staff must document in the tenant file the reason written third party verification was not available and document the date and time of the telephone call, SSA representative name and the benefit amount.

While it has been the common practice of PHA’s to accept tenant provided SSA award letters, this does **not** constitute third party verification.

SOCIAL SECURITY ADMINISTRATION REQUESTS PHAS USE TASS

SSA has continued to report that PHA’s continue to flood their local field offices with requests for SS/SSI benefit verifications. SSA is requesting that PHA’s use the TASS system “whenever possible” and for information that is not available in TASS, PHA’s should “refer the claimant to the 800 number (800.772.1213). The tenant can request a current award letter be sent to the address on file for the tenant. The SSA 800 number does not allow for third party verification of SS/SSI benefits. SSA provides the following information regarding SSA generated notices:

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What does an official SSA notice look like?

A SSA notice is distinguishable by the following features:

- A heading that always includes the agency name, usually the name of the SSA program, and the type of notices;

Example: *Social Security Administration*

Supplemental Security Income

Notice of Change in Payment

- An SSA telephone number and/or address; and
- A signature and title of an SSA official.

What does a SSA notice tell you?

A SSA notice generally states the following:

- The purpose of the notice;
- Any action SSA plans to take or a decision made and the reason;
- Any changes in a recipient's benefit status/payment amount and the starting date of the change;
- Any action the recipient should take;
- What the recipient should do if he/she disagrees with the decision; and
- How to contact SSA

What is an overpayment?

An overpayment is the amount the recipient was paid more than he/she was due for any month.

What can cause an overpayment?

- The recipient's income is more than he/she estimated.
- The recipient's living situation changed.
- The recipient has more resources than allowable limit.
- The recipient is no longer disabled and continues to receive benefits.
- The recipient does not report a change to SSA (on time or at all) as required.
- SSA incorrectly figures the recipient's benefits because of incorrect or incomplete information.

What will SSA do if there is an overpayment?

SSA will send the recipient a notice explaining the overpayment and ask for a full refund within 30 days. If the recipient is currently receiving checks and does not make a full refund, the notice will propose to withhold the overpayment at the rate of 10% of the recipient's total income. The notice will state the month the proposed withholding will start.

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The notice will also fully explain the recipient's appeal rights. The notice will explain how the recipient can ask SSA to have the overpayment reviewed and waived, so the recipient may not have to pay the overpayment back and also explain how the recipient can appeal the SSA decision.

TENANT DISPUTE OF TASS BENEFIT INFORMATION

In the event that a tenant disputes social security benefit information provided through TASS, the PHA must pursue third party verification to resolve tenant dispute. The PHA should contact SSA at 1.800.772.1213 (with the tenant on the line) to confirm the current benefit amount. If the PHA is unable to obtain oral third party verification, the PHA may accept a tenant-provided original SSA notice. The PHA must document the family file as to why third party verification was not obtained and maintain a photocopy of the original award letter in the family file.

RIM REVIEWS -FIELD OFFICE FINDINGS

Regulations do not mandate the use of TASS by PHA's, however, PHA's are required to obtain third party verification of SSA benefits. SSA does not send benefit notices directly to PHA's. Valid third-party verification of SSA benefits consists of written (if available) or oral third party verification or use of TASS.

For RIM reviews subsequent to the date of this guidance, HUD Field Office staff will take the following action during RIM Reviews:

PHA's that do not have access to TASS, and do not use TASS.

HUD will not report this as a finding. HUD will flag the occurrence as a recommendation during the initial RIM review and strongly encourage the PHA to register for TASS access and use TASS to facilitate third party verification of social security and supplemental security income. HUD staff will refer PHA's to REAC's Technical Assistance Center (888-245-4860). The PHA will be given 60 days to incorporate TASS into their re-examination process. If the PHA does not address the use of TASS as part of its corrective action plan then it will be a finding during the follow-up RIM review.

PHA's that have access to TASS, but do not use TASS.

HUD will not report this as a finding. HUD will flag the occurrence as a recommendation during the initial RIM review and strongly encourage the PHA to register for TASS access and use TASS to facilitate third party verification of social security and supplemental security income. HUD staff will refer PHA's to REAC's Technical Assistance Center (888-245-4860). The PHA will be given 60 days to incorporate TASS into their re-examination process. If the PHA does not address the use of TASS as part of its corrective action plan then it will be a finding during the follow-up RIM review.

PHA's that do not obtain independent verification of SSA benefits.

HUD will not report this as a finding. HUD will flag the occurrence as a recommendation during the initial RIM review and strongly encourage the PHA to register for TASS access and use TASS to facilitate third party verification of social security and supplemental security income. HUD staff will refer PHA's to REAC's Technical Assistance Center (888-245-4860). The PHA will be given 60 days to incorporate TASS into their re-examination process. If the PHA does not address the use of TASS as part of its corrective action plan then it will be a finding during the follow-up RIM review.

APPENDIX

EXCERPTS FROM PIH NOTICE 2001-15

A PHA must obtain and document in the family file *third party verification* of reported family income, value of assets, expenses related to deductions from annual income and other factors that affect the determination of adjusted income or income based rent. If this information is not available, the PHA must document in the file the reason(s). [24 CFR §960.259(c) and §982.516(a)(2)].

A PHA may use several methods to verify the income of a resident family. A PHA may require and check documents and information supplied by the family; however, to be considered third party verification the documentation must come directly to the PHA from the provider. The types of documents required could vary depending on the type(s) of income being reported.

The following provides examples of acceptable verification documents:

A. Income Documentation Materials

- § IRS tax forms including Form 1099, Form 1040, Form 4506 and Form 8821;
- § Written verification of TANF income from the appropriate welfare agency;
- § Social security or disability award statements;
- § Child Support Payment cancelled checks and/ or award letters; and
- § Pay stubs or earnings statements supplied by the employer directly to the PHA.

B. Deduction Documentation Materials

- § Signed receipts or paid invoices for childcare expenses supplied by the provider directly to the PHA; and
- § Receipts for medical expenses or insurance premiums supplied by the provider directly to the PHA.

Other effective and possibly more efficient third party verification methods are the use of "Up-Front" *Income Verification Techniques*, especially those that are automated. These systems can enhance the accuracy of the up-front verification process and reduce the need for additional re-verification work by the PHA at the end of the process.

Up-Front Income Verification Techniques

HUD has implemented the use of "up-front" techniques for tenant income verification. HUD believes "up-front" techniques will greatly reduce the error rate in applicant/ tenant income reporting; verification of information by PHA's; and rent calculations. Additionally, PHA's that use "up-front" verification techniques make it a practice to notify applicants and tenants that this method will be used to clarify or recheck reported applicant/ tenant income. This step is critical to reduction in applicant/ tenant fraud. There are various resources available for PHA's to consider when attempting to do "up-front" verification. These include:

- § Tenant Assessment Sub-System (TASS);
- § State Wage Information Collection Agencies;
- § Credit Bureau Association (CBA) Credit Reports;
- § The Work Number; and
- § Internal Revenue Service (IRS) Letter 1722.

TASS: TASS matches Social Security (SS) and Supplemental Security Income (SSI) to comparable tenant data from MTCS and TRACS databases. HUD provides Internet-based access to SS and SSI benefit information. Each month, HUD extracts tenant data from MTCS and TRACS for families with initial examinations or reexaminations completed 8 to 9 months prior to the current month (i.e., for families who will be reexamined in 3 to 4 months). The SS and SSI reports are placed on the Internet on or about the 15th to the 20th of each month. This matching effort provides quick and easy verification of SS and SSI benefits, and provides information on individuals who have unreported or underreported SS or SSI benefits. Further information can be found at <http://www.hud.gov/reac/products/tass/tassguidessi.html>

EXCERPTS FROM HOUSING CHOICE VOUCHER PROGRAM GUIDEBOOK

Third Party Verifications

At the annual reexamination, PHA's use the same procedures for obtaining and verifying information that were used at admission (see Chapter 5). Verification obtained at reexamination must be no more than 120 days old on the effective date. The PHA must obtain and document in the tenant file third party verification of the following specific items:

- * Reported family annual income;
- * The cash value of assets and income derived from assets;
- * Expenses related to deductions from annual income; and
- * Any other factors that affect the calculation of adjusted income.

Verification Methods

Three methods of verification are acceptable for the tenant file to be properly documented. In order of acceptability they are:

Third Party: Written (provided directly to the PHA by the source and not hand-carried by the family) or oral (direct contact by PHA with a reliable source).

Review of Documents: Original documents provided by family, viewed by PHA staff, copied and placed in the tenant file.

Family certification or notarized statement: Written statement signed by the family certifying that the information provided is complete and correct.

When the preferred verification form is not successful and staff resort to the second or third alternative, staff must record in the tenant file efforts to obtain preferred forms of verification and the reason an alternative method was used.

If third party verification is not received in a timely fashion, the PHA should choose an acceptable alternate form of verification and document the effort made by the PHA to obtain third party verification.

Some PHA's allow families to submit current award letters for Social Security, Supplemental Security Income (SSI), or Transitional Assistance for Needy Families (TANF), if the PHA has attempted and been unsuccessful in obtaining a response to the income verification request.

EXCERPTS FROM THE TENANT INTEGRITY PROGRAM TRAINING GUIDE ISSUED BY THE OFFICE OF INSPECTOR GENERAL IN OCTOBER 1989

Verification of the Applicant's Total Household Income and Assets

HUD requires the PHA to thoroughly document all income, assets, and allowable medical expense used in determining the Family's Total Tenant Payment (TTP). There are various ways to verify and document income and assets. Third party written verification is most preferred, but for various reasons is not always available. Sometimes, however, the PHA does not make enough efforts to secure third party verification, and settle for weaker forms such as self-declaration. Self-declaration is self-serving and should only be accepted as a last resort. Third party verification can be written or oral.

- Written: the PHA sends Verification forms directly to the source.
- Oral: If verification is oral, the staff should document the conversation in the file. This narrative should include the name, telephone number, and position/title of third party, and the date and time of conversation.
- Documentation: This type of verification is used when the information desired by the PHA does not require verification by a third party, such as birth or marriage certificates. It can be used on a provisional basis, pending third party verification, as in the case of a paycheck stub.
- Self-Declaration: Notarized statement or affidavits are acceptable only when other verifications cannot be used, but should be viewed with caution and accepted as a last resort.

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Note: When examining documents, stay alert for secondary information that conflicts with other documents or statements from the tenant. For example: utility bills that list one person as the responsible party; drivers licenses with a street address not listed by the tenant; employment verifications that show hours of work different than hours claimed for child care; or joint ownership of cars, bank accounts, etc.

EXCERPT FROM 24 CFR - CHAPTER IX, PART 960

§ 960.259 Family information and verification.

a. *Family obligation to supply information.*

1. The family must supply any information that the PHA or HUD determines is necessary in administration of the public housing program, including submission of required evidence of citizenship or eligible immigration status (as provided by part 5, subpart E of this title). "Information" includes any requested certification, release or other documentation.
2. The family must supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination or an interim reexamination of family income and composition in accordance with HUD requirements.
3. For requirements concerning the following, see part 5, subpart B of this title:
 - i. Family verification and disclosure of social security numbers;
 - ii. Family execution and submission of consent forms for obtaining wage and claim information from State Wage Information Collection Agencies (SWICAs).

b. Any information supplied by the family must be true and complete.

1. As a condition of admission to or continued assistance under the program, the PHA shall require the family head, and such other family members as the PHA designates, to execute a consent form (including any release and consent as required under § 5.230 of this title) authorizing any depository or private source of income, or any Federal, State or local agency, to furnish or release to the PHA or HUD such information as the PHA or HUD determines to be necessary.
2. The use or disclosure of information obtained from a family or from another source pursuant to this release and consent shall be limited to purposes directly connected with administration of the program.

c. *PHA responsibility for reexamination and verification.* (1) The PHA must obtain and document in the family file third party verification of the following factors, or must document in the file why third party verification was not available:

- i. Reported family annual income;
- ii. The value of assets;
- iii. Expenses related to deductions from annual income; and
- iv. Other factors that affect the determination of adjusted income or income-based rent.