



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING  
REAL ESTATE ASSESSMENT CENTER

July 6, 2012

Dear Executive Director:

I would like to thank you for your efforts in the effective administration of HUD's rental housing assistance programs. Working together, the Department's level of improper payments has substantially decreased from \$3.2 billion in fiscal year (FY) 2001 to \$853 million through FY 2010<sup>1</sup>. Your continued assistance and efforts to reduce and eliminate improper payments are critical in making sure only eligible families receive rental assistance for the correct amount.

As part of its internal controls efforts, the Department's Real Estate Assessment Center (REAC) continuously monitors the timeliness and accuracy of tenant information reported to the Public and Indian Housing Information Center (PIC). REAC performs data comparisons of tenant information reported in PIC to data obtained from other Federal databases to validate the accuracy of tenant-reported Social Security Numbers (SSNs), names, and dates of birth. The intended outcome of this monitoring is to identify, reduce, and recover improper payments within HUD's rental housing assistance programs; improve the accuracy and integrity of tenant data; and to verify Public Housing Agencies' (PHAs) compliance with PIC reporting and use of the Enterprise Income Verification (EIV) system.

REAC's review of EIV's *Identity Verification Report* as of June 30, 2012, indicates that there may be an outdated form HUD-50058, error in the surname, date of birth, and/or Social Security Number (SSN) (collectively referred to as personally identifiable information (PII)) reported on line 3b, 3e, and 3n, respectively, of the form HUD-50058, reported in PIC for one or more current HUD-assisted tenants. Errors may be caused by:

1. PHA non-submission of a current form HUD-50058
2. PHA data entry error
3. PHA transcription error
4. SSA data error
5. Tenant information disclosure error

Non-submission of forms HUD-50058 and incorrect or invalid tenant PII may result in incorrect or ineligible payments and/or assistance on behalf of the families identified on your agency's current *Identity Verification Report*. In an effort to mitigate risk associated with improper payments or incorrect family data reported in PIC, if your agency has not already done so, the Department requires your agency to complete the following actions by September 28, 2012, to correct identified deficiencies.

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<sup>1</sup> As reported in the Department's FY 2011 Agency Financial Report published 2/7/2012.

**Required PHA Actions:**

1. Log into EIV at [https://hudapps.hud.gov/HUD\\_Systems](https://hudapps.hud.gov/HUD_Systems) to review and download your agency's *Identity Verification Report* as of June 30, 2012 **by no later than Friday, July 6, 2012, and** view the identified deficiencies on the *Failed EIV Pre-Screening* and *Failed SSA Identity Test Reports*. *Note: The report content will change on July 7, 2012.*

***Failed EIV Pre-Screening Report***

2. For any household member classified as an eligible citizen or eligible non-citizen that has been assigned a PIC-generated alternate identification number, use the PIC Tenant ID Management tool to replace the alternate identification number (ALT ID) with a valid SSN. **No action is required** for any individual who is assigned an ALT ID; and who is a part of a household with other eligible citizens and/or eligible noncitizens; and classified as an ineligible noncitizen; **and** the family's assistance is prorated.
3. Submit an updated form HUD-50058 (action type 2 – annual reexamination) for any household reported with a *Failed Effective Date Check* error description, which is an indication of an overdue annual reexam;
  - a. Ensure that your agency has completed a current annual reexamination of family income.

***Failed SSA Identity Test Report***

4. For error messages that identify a tenant as deceased, you are required to follow the administrative instructions outlined in Notice: PIH-2012-4 (HA) available online at: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/publications/notices](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/publications/notices).
5. For error messages that contain a Social Security Administration (SSA)-provided date of birth or SSN at the end of the error message, you are **required** to successfully submit to PIC, a corrected or updated form HUD-50058 with the SSA-provided PII, as outlined on pages 19-23 of Notice: PIH-2012-10 (HA) available online at: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/publications/notices](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/publications/notices).
6. For error messages that identify a discrepancy in a tenant name or surname, you are required to follow the guidance described below.

- a. For tenant information disclosure errors, it may be necessary to contact the family to confirm the discrepant PII and obtain official documentation of the tenant's name from SSA.
  - b. If the tenant confirms that the name or surname reported in PIC is correct, refer the family to SSA to have SSA records updated with the correct PII or obtain documentation from SSA to confirm the PII reported in SSA's database. **Only SSA can correct PII reported in SSA records, upon the written request of the tenant.**
    - i. Obtain and retain in the tenant file, a copy of the SSA statement of SSN assignment from the tenant.
7. If your agency determines that **all** household members have **not** disclosed a valid SSN in accordance with 24 CFR §5.216 and the family refuses to provide such information, **the family is not eligible for assistance** and your agency is required to initiate action to terminate assistance and/or tenancy for the entire household, and successfully submit an end of participation (EOP) action to PIC no later than 60 days from the effective date of the EOP action.
- a. **Public Housing:** Terminate lease and tenancy of the family in accordance with 24 CFR §5.218. An EOP cannot be submitted until your agency has legally regained possession of the public housing unit.
  - b. **Section 8:** Terminate Housing Assistance Payment (HAP) to landlord on behalf of the family and the HAP contract in accordance with 24 CFR §5.218 and 24 CFR §982.311.

### **Required Documentation**

1. For any case in which your agency has determined that the tenant name or surname reported on the form HUD-50058 is **identical** to the name or surname reported on the SSA statement of SSN assignment, fax **only** the following information to HUD Headquarters at (202) 485-0288, by **September 28, 2012**:
  - a. PHA Code, which consists of two alpha characters and three numeric characters (i.e. DC004);
  - b. Head of household (HOH) first and last name;
  - c. First and last name of household member with name discrepancy; and
  - d. A legible copy of the SSA statement of SSN assignment (see attached sample).

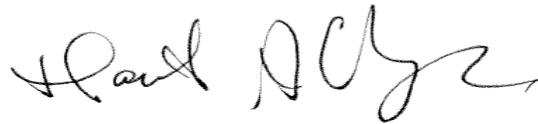
Do **NOT** email or fax to HUD, copies of the form HUD-50058, EIV reports, SSN cards, birth certificates, identification cards, or any other document not listed above.

HUD will use this information to resolve the name discrepancy with the SSA. It is not necessary to re-submit this information if you have previously submitted it for the same individual.

REAC will review your agency's Identity Verification Report after September 28, 2012, to confirm that your agency has corrected the noted deficiencies. Your agency is **not required** to provide a response to this letter. PHAs may be subject to sanctions for failure to: 1) recover or attempt to recover improper subsidy payments; 2) implement corrective action(s) to correct deficiencies; and/or 3) provide HUD with requested documentation related to an identity verification deficiency.

For additional information regarding this notice or reduction of improper payments, please contact Nicole Faison on (202) 475-7963. Thank you for your continued commitment to effective and efficient administration of HUD rental assistance programs.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Vargas". The signature is fluid and cursive, with the first name "David" and last name "Vargas" clearly distinguishable.

David A. Vargas, CPA  
Deputy Assistant Secretary

Attachment

cc: HUD Field Offices