

Chapter 4 Part 3.a. References in this Chapter

1 The Privacy Act of 1974

The [Privacy Act of 1974, as amended, 5 U.S.C. § 552a](#), establishes a code of fair information practices that governs the collection, maintenance, use, and dissemination of information about individuals that is maintained in systems of records by federal agencies. A system of records is a group of records under the control of an agency from which information is retrieved by the name of the individual or by some identifier assigned to the individual.

The Privacy Act requires that agencies give the public notice of their systems of records by publication in the Federal Register. [Click here to see a list of DOJ systems of records and their Federal Register citations.](#) The Privacy Act prohibits the disclosure of a record about an individual from a system of records absent the written consent of the individual, unless the disclosure is pursuant to one of twelve statutory exceptions. The Act also provides individuals with a means by which to seek access to and amendment of their records, and sets forth various agency record-keeping requirements.

1 Notice H 2010-02

Special Attention of:

NOTICE: H 2010-02

Multifamily Hub Directors
Multifamily Program Center Directors
Supervisory Housing Project Managers
Rural Housing Services (RHS) Directors
Project Managers
Contract Administrators
Owners and Management Agents Administering
Multifamily Housing Rental Assistance Programs

Issued: January 11, 2010

Expires: January 31, 2011

Cross References: None

SUBJECT: Enterprise Income Verification (EIV) & You Brochure -
Requirements for Distribution and Use

I. PURPOSE

The purpose of this Notice is to provide guidance to owners and management agents (O/As) on the distribution and use of the *EIV & You* brochure. Any O/A participating in one of Multifamily Housing's rental assistance programs listed in Section II. below who is using the EIV system, is subject to this Notice. The *EIV & You* brochure is to inform tenants and potential tenants about the EIV system, the data that is available about them in EIV, how the information will be used, and their responsibilities as a tenant.

II. APPLICABILITY

This notice applies to administrators of the following programs:

- A. Project-based Section 8
 1. New Construction
 2. State Agency Financed
 3. Substantial Rehabilitation
 4. Section 202/8
 5. Rural Housing Services Section 515/8

- 6. Loan Management Set-Aside (LMSA)
- 7. Property Disposition Set-Aside (PDSA)
- B. Section 101 Rent Supplement
- C. Section 236 Rental Assistance Payment (RAP)
- D. Section 202/162 Project Assistance Contract (PAC)
- E. Section 202 Project Rental Assistance Contract (PRAC)
- F. Section 811 PRAC
- G. Section 236
- H. Section 221(d)(3) Below Market Interest Rate (BMIR)

III. BACKGROUND

In 2004, HUD developed and began implementation of the Upfront Income Verification (UIV) system, now known as the EIV system. The EIV system serves as a central repository and source for income and benefit data, securely accessible over the internet, for use by Public Housing Authorities (PHAs) and O/As to improve the accuracy of rent and income determinations.

HUD has computer matching agreements with the Department of Health and Human Services (HHS) and the Social Security Administration (SSA) enabling EIV to contain wage, unemployment compensation and new hire data from HHS' National Directory of New Hires (NDNH) and Social Security (SS), Supplemental Security Income (SSI) and Dual Entitlement SS benefit data from SSA. Using this data assists in reducing errors in determining a tenant's income, thereby reducing the number of improper payments in Multifamily Housing's rental assistance programs.

IV. IMPLEMENTATION

O/As using the EIV system must provide each tenant household with the *EIV & You* brochure at the time of annual recertification along with a copy of the HUD Fact Sheet "How Your Rent is Determined". O/As must also provide applicant households who have been selected from the waiting list for screening and final application processing with a copy of the *EIV & You* brochure. The brochure will be translated into thirteen languages for distribution to non-English speaking households. O/As may order the *EIV & You* brochure for English speaking households from the online HUD Direct Distribution Center at

<http://www.hud.gov/offices/adm/dd/index.cfm>, or by telephone at (800) 767-7468.

Quantities ordered should be sufficient to cover distribution to existing tenant households and anticipated new tenant households over the next twelve months. The brochure is also available for download at the Multifamily RHIIP website at <http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>.

Translated versions of the brochure for non-English speaking households will be posted to the Multifamily RHIIP website once the translations are completed. These versions will not be available for order through the HUD Direct Distribution Center.

V. BENEFITS OF IMPLEMENTATION

Tenants and applicants selected for final screening and application processing have a right to know that an O/A has access to a system containing personal and financial information about them. In addition, there are numerous benefits to the O/A and HUD for distributing the brochure to tenants and applicants. Among the benefits are: If tenants accurately report their income then the right amount of rental assistance will be paid on their behalf, thus allowing more families to receive the rental

assistance they need. Furthermore, the administrative workload on O/As will be significantly reduced because they will not have to set up repayment agreements with tenants to recover rental assistance that was inappropriately paid on their behalf and discovered through use of the EIV system. And finally, there will be fewer tenants moving out of their units while still owing back rent because the right amount of rental assistance will have been paid from the beginning. The potential for fraud, waste and abuse in HUD's rental assistance programs will be diminished. If you have any questions regarding this Notice or need more information on the EIV system, please contact your local Contract Administrator or local HUD field office.

David H. Stevens, Assistant Secretary for
Housing—Federal Housing Commissioner

1(I) 24 CFR 5.232

§ 5.232 Penalties for failing to sign consent forms.

(a) Denial or termination of benefits. In accordance with the provisions governing the program involved, if the assistance applicant or participant, or any member of the assistance applicant's or participant's family, does not sign and submit the consent form as required in § 5.230, then:

- (1) The processing entity shall deny assistance to and admission of an assistance applicant;
- (2) Assistance to, and the tenancy of, a participant may be terminated.

(b) Cross references. Individuals should consult the regulations and administrative instructions for the programs covered under this subpart B for further information on the use of income information in determinations regarding eligibility.