

RBD FASTCLASS – VERIFYING SOCIAL SECURITY INCOME

For Customers of Ross Business Development, Inc.



Ross Business Development

Ross Business Development, Inc.

RBD FASTClass – Verifying Social Security Income

*Copyright 2022 Ross Business Development, Inc.
All rights reserved. Not for duplication.*

All other brands and product names are trademarks or registered trademarks of their respective owners.



Ross Business Development, Inc.
3134 Shumard Way
Marietta, GA 30064
770-424-1806
www.rbdnow.com
onlinetraining@rbdnow.com

Disclaimer

The material contained in this document is not comprehensive of the continually emerging issues surrounding policies in The Multifamily Housing industry. In addition, the handbook guidance is derived from The HUD Handbook 4350.3 Rev 1 Change 4 released in August 2013 and in December 2013 and subsequent notices and memos from HUD.

These materials were updated 8/2022.

The reader should understand that these materials are not designed for, nor should be relied upon, as a source of legal guidance or as a final authority with respect to any particular circumstance.

Ross Business Development makes no warranty of merchantability or fitness for a particular purpose or any other warranty of any type with regard to these materials. Owners and management should seek competent legal advice in developing and carrying out housing policies and procedures.

We have been diligent in our efforts to provide comprehensive and accurate regulatory instruction; Ross Business Development shall not be responsible for errors or inaccuracies.

RBD FASTClass – Verifying Social Security Income

INTRODUCTION

This FASTClass was created to address questions about verification of Social Security Income.

HUD References used to create this class include

- ✧ HH 4350.3 Chapter 5;
- ✧ HUD's [RHIIP Archives](#) (Q&A);
- ✧ HUD HSG Notice 2016-09 [Streamlining Administrative Regulations for Multifamily Housing Programs](#); and
- ✧ HUD's Final Rule [Streamlining Administrative Regulations for Multifamily Housing Programs and Implementing Family Income Reviews Under the Fixing America's Surface Transportation \(FAST\) Act](#)

We also provide a FASTFacts document which is available on our Resources Page.

<https://www.rbdnow.com/resources/noticeforms>.

VERIFYING SOCIAL SECURITY INCOME

Verification of Social Security income requires special review.

Owner/agents managing HUD properties **must attempt to use EIV** to verify Social Security Income for existing residents (as appropriate). This includes:

- ✧ Regular Social Security Income (SSA)
- ✧ Supplemental Security Income (SSI); and
- ✧ Dual Entitlement

Note: EIV does not provide income information related to Social Security Survivor's Benefits.

If the Social Security, SSI or Dual Entitlement amount includes cents, owner/agents must use the cents when projecting income for the next 12 months. This is true even if the resident does not receive the cents.

See [RHIIP ListServ 229, 231 and 256](#).

When working with elderly or disabled families (*HOH, co-HOH/Spouse is disabled or is 62 years of age or older*) owner/agents may use the EIV Income Report to verify the Medical Expense Deduction for Medicare & Hospital Expenses.

When the owner/agent **uses EIV** to verify Social Security income or medical expenses:

- ✧ No other verification is required for HUD programs; owner/agents may, but are not required to, keep a copy of the award letter in the tenant file.
- ✧ The income/expense amounts reflected on the EIV report is used to calculate assistance even if EIV does not include cents and a benefit letter that includes cents is in the tenant file.

See [RHIIP ListServ 229, 231 and 256](#).

Owner/agents must rely on another verification method for HUD programs if:

- ✧ The owner/agent is creating a MI or IC and EIV Income Reports are not available
- ✧ No Social Security income information is reflected on the resident's EIV Income Report
- ✧ The resident disputes the amounts shown in EIV
- ✧ The information is incomplete (e.g., resident has deductions that are not explained in EIV)

RBD FASTClass – Verifying Social Security Income

Acceptable alternative verification of Social Security income includes:

- ✧ Obtaining an award letter that is no more than 120 days old at the time of receipt (third-party verification);
- ✧ Contacting Social Security Directly (800-772-1213), with the resident, to request a fax copy of the SS Award Letter (third-party verification);
- ✧ Using Streamlined Verification (in years 2 and 3 of a Streamlining Cycle).
- ✧ Obtaining a printout from the applicant/resident's account (<https://www.ssa.gov/myaccount/proof-of-benefits.html>) (third-party verification);

Note: Be sure to set up your browser to print the date on the award letter printout to show that it was collected no more than 120 days before the effective date of the certification.

While acceptable only in very rare cases, owner/agents should not use bank statements showing Social Security deposits as verification of Social Security income. These deposits only show the net amount received by the resident and owner/agents are required to use Gross Income (except as explained below) when calculating Annual Income.

For HUD purposes, if an owner/agent does not use EIV to verify Social Security income, it is good, but not required, to document why.

UNEXPLAINED DEDUCTIONS – SOCIAL SECURITY

When the Gross Social Security income amount and net Social Security income amount are different and when the difference cannot be verified as a Medicare/Hospital expense in EIV, owner/agents should obtain information from the resident about the deduction.

If the deduction is related to unpaid alimony, unpaid child support, unpaid FHA loans, etc., owner/agents use the gross Social Security award when calculating Annual Income. In these cases, owner/agents may want the resident to sign a notarized or witnessed self-certification explaining the deduction.

However, when the difference is due to a repayment of a prior overpayment, owner/agents use the gross Social Security award less the repayment amount, when calculating Annual Income. See HH 4350.3 Paragraph 5-6.

The owner/agent must work with the resident to obtain verification of the repayment requirement including:

- ✧ The repayment amount;
- ✧ The repayment start date; and
- ✧ The repayment end date.

When the unexplained deduction is for Medicare Part D, the owner/agent must work with the resident to obtain information to verify the Medical Expense.

Do not use the net income amount reflected in EIV because this amount may include other deductions.

RBD FASTClass – Verifying Social Security Income

Class Exercise – Reducing Social Security to Reflect Return of a Prior Overpayment

- ✧ Lance Lee is a resident living in Silver Springs Estates – a Section 202 PRAC community.
- ✧ His Annual Recertification is due September 1 of each year.
- ✧ His Social Security monthly payment is \$1250.00
- ✧ This amount is being reduced to return a prior overpayment.
- ✧ The total repayment amount is \$5000.00.
- ✧ His monthly repayment amount is \$200 each month.
- ✧ This last payment will be June of 2023.

What is the Annual Social Security Income entered on 50059? \$ _____

Notes or Thoughts: _____

DIRECT EXPRESS DEBIT CARDS

Social Security benefits and other federal benefits are generally provided through direct deposit into a bank account or by crediting the resident's Direct Express Debit card.

The balance on the Direct Express Debit Card is considered an asset and will be verified in a manner consistent with existing savings account verification requirements. (See [RHIIP ListServ 296](#) issued February 27, 2013).

Note: This is a change from previous instruction specifying that Direct Express Debit Card balances should be treated like a checking account using the average of the verified monthly balance over a six month period.

Specifically, residents who receive their benefit on a Direct Express Debit Card will need to provide an account balance (ATM printout) no more than 120 days old at the time of receipt. This balance can also be obtained through the online account service, or from a paper statement. The verification document must identify the account and the account holder.

For additional training explaining the requirements for calculating and verifying Annual and Adjusted Income.

Annual Income, Adjusted Income,

Assets; and Verification,

Streamlined Verification, and EIV

Look for classes on our

[OnDemand Training page.](#)

RBD FASTClass – Verifying Social Security Income

To purchase

Forms Used In this Class

[Self Certification Dispute EIV Social Security Income Accuracy](#)

[Self Certification Unexplained SS Deductions](#)

Visit our RBD FASTForms Page <https://www.rbdnow.com/fast-forms>.

Policies and Forms can be purchased as part of a FASTForms Package, a FASTForms Bundle or individually.

SUMMARY

This RBD FASTClass explains how to verify Social Security Income. For HUD programs, owner/agents must first attempt to use EIV.

EIV may not be used if:

- ✧ There is no information available in EIV;
- ✧ The resident disputes the information; or
- ✧ The information is incomplete.

EIV may not be used to verify Social Security Income for non-HUD programs (515, LIHTC, etc.).

If EIV cannot be used, owner/agents may use Streamlined Verification or may collect appropriate documents directly from the Social Security Administration (electronic or paper).

We also discussed how to verify the asset value if federal benefits are credited to the resident's Direct Express Card.

Owner/agents will be reviewed for compliance with these requirements during the Management & Occupancy Review.

Thanks for attending this class!

RBD FASTClass – Verifying Social Security Income

APPENDIX A: CLASS EXERCISE

Class Exercise – Reducing Social Security to Reflect Return of a Prior Overpayment

- ✧ Lance Lee is a resident living in Silver Springs Estates – a Section 202 PRAC community.
- ✧ His Annual Recertification is due September 1 of each year.
- ✧ His Social Security monthly payment is \$1250.00
- ✧ This amount is being reduced to return a prior overpayment.
- ✧ The total repayment amount is \$5000.00.
- ✧ His monthly repayment amount is \$200 each month.
- ✧ This last payment will be June of 2023.

<i>Gross Social Security Income</i>		\$ 1250
<i>Projected Annual Social Security Income</i>	(\$1250 x 12)	\$15000
<i>Monthly Repayment Amount</i>		\$ 200
<i>Number of Repayment Months(September through June)</i>		10
<i>Projected Annual Repayment</i>	(\$200 x 10)	\$ 2000
What is the Annual Social Security Income entered on 50059?		
<i>15000 – 2000 =</i>		<u>\$13000.00</u>

Notes or Thoughts: _____
