



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

OFFICE OF PUBLIC AND INDIAN HOUSING
REAL ESTATE ASSESSMENT CENTER

July 2, 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 2010¹. 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) and identify deceased tenants that may be residing in a HUD-assisted rental housing unit and/or may be receiving rental housing assistance. The intended outcome of this monitoring is to identify, reduce, and recover improper payments within HUD's rental housing assistance programs 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 Deceased Tenants Report* for the Section 8 program as of June 30, 2012, indicates that there are one or more tenants within in your agency's jurisdiction that appear on the Deceased Tenants Report. Non-submission or late submissions of updated forms HUD-50058 with correct family composition and/or an end of participation action may result in incorrect or ineligible payments and/or assistance being made on behalf of the families identified on your agency's Deceased Tenants Report. In an effort to mitigate risk associated with improper payments or incorrect family data reported in PIC, we ask that your agency review the below information and take all necessary actions detailed below to correct valid deficiencies identified on your agency's June 30, 2012, Deceased Tenants Report.

Required PHA Actions:

1. Log onto EIV at https://hudapps.hud.gov/HUD_Systems to review and download your agency's *Deceased Tenants Report* as of June 30, 2012 **by no later than Friday, July 6, 2012**. *Note: The report content will change on July 7, 2012.*
2. Confirm that the tenant is deceased.

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

3. If the tenant is deceased, prepare and successfully submit an updated form HUD-50058 to PIC:
 - a. Single member households: an end of participation action (action type 6).
 - b. Multiple member households: an interim reexamination, annual reexamination or end of participation action (action type 2, 3 or 6, respectively) to remove deceased tenant from family composition or end participation.
4. If the identified deceased tenant is **not** deceased, submit documentation outlined in the attached *Deceased Tenant Case Review Documentation Checklist*. No form HUD-50058 submission is required.
5. Submit documentation² outlined in the attached *Deceased Tenant Case Review Documentation Checklist* to PIH.ImproperPayments@hud.gov or secure fax (202) 485-0288, with a copy to your local HUD office by **August 31, 2012**. Please include your PHA code, PHA name, and reference Q3 of 2012 on all submissions to HUD.

Items 6-9 are applicable to only deceased single member households & households in which the only surviving household member is a live-in aide(s) or an ineligible household member:

6. Notify the landlord of deceased tenant (head of household).
7. Discontinue Housing Assistance Payment (HAP) to landlord, effective the last day of the month in which the death occurred.
8. If landlord has received HAP for any month following the month in which the death occurred, recover the overpaid HAP through offsetting of subsequent landlord HAP checks or require the landlord to repay your agency.
9. If your agency is unsuccessful in recovering overpaid HAP to the landlord, by no later than 60 days from the date that EIV received the death information, your agency **must** reimburse it's HCV net restricted assets (NRA) account from either, unrestricted net assets (UNA), central office cost center (COCC), or other non-Federal funds.

If your staff has not already done so, they should review PIH Notices 2012-04 and 2011-65, which are available online at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/publications/notices, which outline reporting and monitoring requirements and provide guidance to assist your agency with minimizing improper payments on behalf of deceased tenants through the use of HUD's EIV system.

² Emailed documentation which contains personally identifiable information (PII) must be redacted or submitted in password protected files.

Technical assistance for effective EIV access and utilization is available through the EIV Coordinators in the local HUD field offices or online at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/rhiip/uivsystem. Assistance with PIC is available through the PIC Coaches in the local HUD field offices or online at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/systems/pic/gethelp.

Please ensure the applicable requested documentation is submitted to PIH.ImproperPayments@hud.gov **or** secure fax to (202) 485-0288 by **August 31, 2012**. 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 a deceased tenant deficiency.

For inquiries related to this notice of deficiency, please contact Nicole Faison at (202) 475-7963, or via email at PIH.RHIIP.TA@hud.gov. Thank you for your continued commitment to effective and efficient administration of HUD rental housing assistance programs.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Vargas". The signature is fluid and cursive, with a long horizontal stroke at the end.

David A. Vargas, CPA
Deputy Assistant Secretary

Attachment