EIV System Has Clear Benefits

By Mary Ross

Now that the Enterprise Income Verification (EIV) system must be used for HUD programs, many property managers are trying to figure out just how this system can help them in their day-to-day operations. Any change in process causes a reduction in productivity, but once property managers understand EIV, the benefits are apparent.

INCOME VERIFICATION

There is no question that EIV has improved income verification after move-in. EIV can be used to verify income for HUD programs when completing:

- Initial certifications if a resident is moving from one program to another;
- Interim certification when the household is reporting a change in income or employment;
- Annual certification (AR); or
- Unit transfer when there is a change in the household situation.

The verification of Social Security Income (SSI) is much the same as it has been since the introduction of TASS years ago. The main difference here is that the SSI information is updated more frequently. It is never more than 90 days old and is updated on a schedule.

If the resident agrees with the information provided on the EIV Income Report with respect to SSI, no additional verification is required. EIV also significantly improves the verification of employment income. Before EIV, when a resident reported employment income, the owner/agent was required to send a verification request to the employer, wait two weeks and, if there was no response, follow up with a second request.

With EIV, if the employer provided by the resident matches the employer indicated in EIV, the owner/agent need only collect the last four pay stubs and project income using current information on the pay stub. A copy of the EIV print-out and copies of the pay stubs are the only verification documents required.

However, owner/agents are expected to compare current income to previous income and make a “common sense judgment” of whether income reported on the pay stubs accurately reflects what the resident
EIV SYSTEM HAS BENEFITS, continued from page 1

is expected to make.

For example, let’s say you have a resident whose income is seasonal. For the first three quarters of the year, the resident makes about $3,000, but in the fourth quarter, the resident makes about $9,000. When you check EIV, there is a two-year history of such income fluctuations.

Say you complete an AR in May. The last four weekly pay stubs indicate an income of $12,000 per year. However, when comparing the projected income to the income reflected in EIV, you see that, historically, the resident makes about $18,000 per year.

The resident still works for the same employer, so it makes sense to assume that the same fluctuations in income will occur in the coming year. In this case, you should conduct third-party verification to accurately project income for the next 12 months.

If the resident is working for a new company, historical income information may not be pertinent. It is important, in these cases, to refer to HUD’s guide on interviewing techniques (see www.hud.gov/offices/pih/programs/ph/rhiip/interviewguide.pdf) to make sure that the resident understands the importance of providing correct information. If the resident fails to provide complete and accurate information, assistance paid in error must be returned to HUD and other penalties could apply including eviction and pursuit of fraud.

**TRUE DISCREPANCIES**

With the introduction of EIV, there are multiple discrepancy reporting options available to assist owner/agent and HUD in efforts to ensure that the right assistance goes to the right people.

Discordances must be reviewed and addressed on a monthly basis.

Some discrepancies are caused by simple data entry errors. If an owner/agent makes a data entry mistake, it is in everyone’s best interest for that mistake to be addressed quickly.

If a resident provides “bad” information, catching discrepancies quickly helps to minimize assistance paid in error. Let’s look at some specific reports.

I The Failed Pre-Screening report indicates that there is something wrong with the Social Security information provided on the 50059. Either the number is inaccurate or data is missing. These discrepancies must be reviewed and addressed on a monthly basis.

I The Failed Verification report indicates that there is something wrong with the Social Security information provided by the Social Security Administration (SSA). In most cases, this is caused by a data entry error;

However, there have been situations where the information provided by the resident is false. If this is the case, then appropriate action should be taken.

If the problem lies with the information in the SSA database, then the resident should be encouraged to contact the SSA to correct the problem. As long as the owner/agent can appropriately verify that the information provided by the resident is accurate, HUD will continue to provide assistance.

I The Deceased Tenant Report identifies residents who are still showing as “active” in TRACS but who have passed away according to SSA records. If the owner/agent was not aware of the passing because the family failed to contact management, then this report can be used to initiate contact with the family and prepare appropriate certifications. If the resident is suspected of identity fraud, then appropriate action should be taken.

I The Multiple Subsidy Report identifies residents who live on a property who may be receiving assistance on another property. Owners/agents are expected to contact the resident and discuss the situation. If the resident is indeed receiving assistance on two properties, appropriate action must be taken.

**WARNINGS**

There are two reports used to provide owners/agents with information that may cause the owner/agent to initiate addi-
In this case, the owner/agent would contact the household and notify them of the potential discrepancy. The household must be given the opportunity to dispute the employment information provided by HHS.

The need for effective oversight, in regards to 50059 submissions, becomes even more critical with the implementation of EIV.

IN SUMMARY
The point is, EIV can provide information to let you know if there are any “red flags” that you should investigate. However, as with any automated solution, you have to develop a common sense approach to using the information provided.

HUD Notice 09-20 (available on HUD’s website) provides detailed instructions explaining how to use EIV to investigate potential discrepancies, complete required tasks, and, if necessary, return to HUD any assistance paid in error.

Mary Ross, CPO, FHC, MORS, is President and CEO of Ross Business Development, Inc. (www.rbdnow.com)

AS WITH ANY AUTOMATED SOLUTION, reliability of information provided is completely dependent on the information source.

however, on the EIV Income Report, it appears as if Mary has obtained a second job at XYZ Administrative Services that she failed to report. In addition to her income received from ABC Temporary Staffing, Mary makes another $5,000 per year with XYZ. EIV also indicates that Mary started working at XYZ in February 2009.

In this case, the owner/agent would contact the household and notify them of the potential discrepancy. The household must be given the opportunity to dispute the EIV Income Report, it appears as if Mary has obtained a second job at XYZ Administrative Services that she failed to report. In addition to her income received from ABC Temporary Staffing, Mary makes another $5,000 per year with XYZ. EIV also indicates that Mary started working at XYZ in February 2009.

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Answers from Your Peers
A Good Explanation Can Lower Insurance Premiums

Almost all property owners/managers have property and liability losses that unfortunately become “immortalized” on insurance company loss runs. These loss runs are one of the major factors underwriters look to when establishing the cost of your insurance, and if your losses are frequent or severe (or, perish the thought, both), your insurance premiums will almost always be higher than if you had just a few small losses.

You must share this loss information (typically five year’s worth) if you want insurers to quote your coverage, but few property managers make the extra effort to tell a more compelling story than that revealed by the loss runs alone. If you are proactive and present your loss history in as favorable a light as possible, your loss history can appear “cleaner,” and you will be better positioned to negotiate lower premiums.

Underwriters generally don’t look closely at the detailed characteristics and specific circumstances of individual claims, so it is up to you to take control of the analysis and help them see what lies beneath the surface. It simply takes knowing how to explain which losses may not be germane to your prospective renewal. Here are a few strategies to recognize losses that should be discounted or disregarded by underwriters during the insurance pricing process:

- **Divested locations**—If you no longer own or manage the property, the loss experience associated with that property may no longer be applicable to your operation.
- **Loss controls put in place**—If the causes of losses at a property have been eliminated (e.g., you fixed the broken stair, replaced the wrinkled carpet or diverted the downspout so ice doesn’t accumulate), the past experience associated with those causes should have less impact on your premium.
- **Losses that fall outside of experience period**—Generally, underwriters look for five years of loss experience. You need not reveal losses that occurred prior to the requested time frame (although the insurer that paid the claim will have access to that information).
- **Subrogation potential** (someone else is responsible)—If another party was ultimately responsible for the loss, the insurer should be pursuing recovery options. The loss “wasn’t your fault” and should not be considered in the underwriting process. Subrogation is usually done behind the scenes, and normally you won’t find out about it until it shows up on the loss run as a recovery—unless you do some digging!
- **Employee no longer employed**—If an employee was the cause of multiple claims—for example, a maintenance supervisor failed to maintain the property—you may be able to make a case that the corresponding past losses should not be a factor in future experience.

Don’t assume that your broker will analyze your loss history with the goal of expunging certain losses from your record. Identify the appropriate losses that should no longer be applicable and have your advisor or broker prepare a narrative to alert the insurer—when a loss should not really be considered a loss!

Al Shapiro is a Senior Consultant with Albert Risk Management Consultants of Needham, MA.

Welcome New NAHPs!

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<th>NAHP</th>
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<tr>
<td>Brian Leverone</td>
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<th>NAHP Executive</th>
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<td>Joseph Biafora, Jr.</td>
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<td>BJ Randelman</td>
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What’s Working for Bed Bug Control?

The National Center for Healthy Housing (NCHH) has just issued a new report called What’s Working for Bed Bug Control in Multi-Family Housing: Reconciling best practices with research and the realities of implementation.

NCHH designed the report for health professionals, housing professionals and pest management professionals seeking to plan for or respond to a bed bug infestation in multi-family housing. It describes methods to control bed bugs, evaluates the method’s pros and cons, and makes recommendations on the method. It includes several case studies. In writing the report, Allie Taisey, the report’s primary author, reviewed the published research and trade journals and interviewed 35 experts.

Bed bug control is an emerging challenge, NCHH notes, so the report is a snapshot of current practices rather than a best management practices document. NCHH believes that “we are not yet at a stage in bed bug control in multi-family housing where there are clearly effective best practices.”

The report was made possible thanks to U.S. Environmental Protection Agency (EPA). It provided funding for the report as a collaborative effort between the Office of Pesticide Programs and the Office of Children’s Health Protection and Environmental Education under the direction of Katherine J. Seikel, Project Manager.

The report can be downloaded at www.healthyhomestraining.org/ipm/NCHH_Bed_Bug_Control_2-12-10.pdf. On a related note, check out the bed bug video by Dr. Dini Miller of Virginia Tech at www.youtube.com/watch?v=b8lAFi5wF44.

Bed Bug Management Methods

<table>
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<tr>
<th>MANAGEMENT METHOD</th>
<th>PRIMARY RESPONSIBILITY</th>
<th>RETAIL COST PER SYSTEM</th>
<th>COMMENTARY</th>
<th>COMPATIBILITY WITH OTHER METHODS</th>
</tr>
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<tbody>
<tr>
<td>Laundering</td>
<td>Resident</td>
<td>Dissolvable Bag $22 for 10</td>
<td>Laundered fabrics will be free of bed bugs as long as they are kept isolated from infested areas.</td>
<td>Include in every control effort.</td>
</tr>
<tr>
<td>Unit Preparation</td>
<td>Resident</td>
<td>Varies</td>
<td>Poor housekeeping, sanitation, etc., are not necessarily conducive to bed bug infestations, but bed bugs are more likely to remain undetected and pest control efforts are more likely to fail in a cluttered home.</td>
<td>Include in every area so that the Pest Management. Professional (PMP) can properly inspect the property.</td>
</tr>
<tr>
<td>Encasements</td>
<td>Resident</td>
<td>$80 for mattress and $50 for box spring</td>
<td>Bed bugs that are trapped in an encasement designed for use in bed bug control will not be able to feed or escape and will eventually die. Encasements keep bed bugs from infesting mattresses and box springs.</td>
<td>Use encasements either after treatment or before an infestation is found.</td>
</tr>
<tr>
<td>Monitors</td>
<td>PMP, resident, or staff</td>
<td>4 interceptors for $8, Carbon dioxide attractant devices $15 - $950 initial cost</td>
<td>Monitors will catch bed bugs, but are not meant to control infestations.</td>
<td>Monitors can be used alone or in combination with other detection and control methods to confirm active bed bug infestations.</td>
</tr>
<tr>
<td>Vacuuming</td>
<td>PMP, trained staff, or trained resident</td>
<td>HEPA Vacuum for $250-$500</td>
<td>Vacuuming is not reliable as an exclusive control method.</td>
<td>PMPs, staff, and residents should use a vacuum to remove bed bugs during inspections and unit preparation.</td>
</tr>
<tr>
<td>Steam</td>
<td>PMP or trained staff</td>
<td>$500-1500</td>
<td>Steam wand must be moved at a rate that heats the area to a lethal temperature.</td>
<td>Use with other methods such as insecticidal dust for voids that steam cannot penetrate. Mattresses and box springs must be dry prior to encasement.</td>
</tr>
<tr>
<td>Thermal Remediation Using Ambient Heat</td>
<td>PMP or trained staff</td>
<td>$330 for luggage-sized container $90,000 for whole unit heater. $800 - $2,000 to treat an apartment.</td>
<td>Lethal temperatures must penetrate all items for the treatment to kill all stages of bed bugs.</td>
<td>Heat treatment is a good option for cluttered homes where preparation is a struggle.</td>
</tr>
<tr>
<td>Bed Bug Detecting Canine</td>
<td>PMP</td>
<td>$10,000 to purchase, $1,300 per team per day.</td>
<td>Dogs are effective and efficient for large-scale (multi-unit) inspections.</td>
<td>Use with visual inspection. Treat in areas where the dog alerts.</td>
</tr>
<tr>
<td>Pesticides</td>
<td>PMP</td>
<td>Varies by product</td>
<td>See analysis in the following report. Consider the residual and ovicidal properties of each product before selecting it.</td>
<td>Pesticides are used as needed in combination with other treatment methods.</td>
</tr>
<tr>
<td>Freezing Using Dry Ice</td>
<td>PMP</td>
<td>$6,900 for a machine</td>
<td>Not widely used in the US, but widely used in Europe. Insufficient information to assess at this time.</td>
<td>More research is needed comparing the penetration of both heat and cold.</td>
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Integrating the Theoretical with the Practical

NAME: Debbie Piltch, Honorary NAHP, SHCM, CPO, CBP, NCP
MANAGEMENT COMPANY: Maloney Properties, Inc.
POSITION: Director of Compliance
NAHP CERTIFICATION: 1994

The rules governing property management are often written by people who never had a background in property management,” said Debbie Piltch, director of compliance for Maloney Properties, Inc. and president of her own consulting firm. “The rules sound reasonable and logical, but when you go to put them in place, they don’t always work.”

Debbie came to this conclusion after having worked as a fair housing attorney, served on a HUD task force researching occupancy issues, and been a trainer for government agencies, NEAHMA and others.

After pairing with other trainers who could give more “of the practical side of things,” Debbie went to work for Maloney Properties, Inc. (MPI), and soon learned that what the rules dictate sometimes isn’t the best use of federal dollars, nor are they the most effective way to manage.

She calls working for MPI “a match made in heaven.” She credits the company’s president, Janet Frazier, with being “an incredible leader and mentor.” Working for MPI “has allowed me to grow as a trainer and as a person,” she said.

Debbie’s interest in personal and professional development has its roots in her family. One of nine children, her parents were determined “that all of us be well educated.” Debbie worked her way through college and then took a job at the University of Massachusetts-Amherst, which offered free classes to employees. There she got a degree in labor relations before going to law school at the University of Pennsylvania. There she had a fellowship at the Wharton School of Business, which led to a fellowship through The Skadden Fellowship Foundation.

Debbie’s fellowship was at the Disability Law Center in Boston where she worked on housing issues for more than five years. By then she was married and had two of her three children, and starting her own consulting business made the most sense to her.

Her business was thriving, but the travel was starting to get to her. Just as she was thinking about a career shift, she had to wage a battle with cancer.

A long-time trainer for NEAHMA, one of the things Debbie loves about that organization is its community service program, which adopts charities, one of which has been the Massachusetts Affiliate of Susan G. Komen for the Cure. NEAHMA has participated in the Race for the Cure for the last three years, which Debbie said “has been very touching.”

Working fulltime for MPI, having a consulting business, being healthy, and having a thriving family leads to Debbie’s bottom line: “It’s all good.”