

Exhibit 3-5 Verification Hierarchy

HUD Regulation 24 CFR 5.233(a)(2)

Processing entities must use HUD's EIV system in its entirety:

- (i) As a third party source to verify tenant employment and income information during mandatory reexaminations or recertifications of family composition and income, in accordance with § 5.236, and administrative guidance issued by HUD; and
- (ii) To reduce administrative and subsidy payment errors in accordance with HUD administrative guidance.

HUD Regulation 24 CFR 982.516(a)

PHA responsibility for reexamination and verification.

- (1) The PHA must conduct a reexamination of family income and composition at least annually.
- (2) Except as provided in paragraph (a)(3) of this section, the PHA must obtain and document in the tenant file third-party verification of the following factors, or must document in the tenant file why third-party verification was not available:
 - (i) Reported family annual income;
 - (ii) The value of assets;
 - (iii) Expenses related to deductions from annual income; and
 - (iv) Other factors that affect the determination of adjusted income.

Staff will start at Level Six, the most preferred verification method, and proceed through each step until a satisfactory verification is obtained. See Enterprise Income Verification (EIV) System exhibit for guidelines on how to resolve discrepancies.

1. Level Six - Enterprise Income Verification (EIV, HUD)
2. Level Five - Upfront Income Verification (UIV)
3. Level Four - Original Documents
4. Level Three - Written Third-Party Verification
5. Level Two - Oral Third-Party Verification
6. Level One - Self Certification or Declaration

Numbered Memo

20-16 Updates to Verification Requirements