

**Supporting Statement for Paperwork Reduction Act Submission  
Enterprise Income Verification (EIV) System – Debts Owed to PHAs & Terminations  
2577-XXXX**

**A. Justification**

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

In accordance with new regulatory requirements at 24 CFR 5.233, published in the Federal Register on January 27, 2009, at 74 FR 4832, processing entities that administer the Public Housing, Section 8 Housing Choice Voucher, Moderate Rehabilitation programs are required to use HUD's Enterprise Income Verification (EIV) system to verify employment and income information of program participants and to reduce administrative and subsidy payment errors. The EIV system is a system of records owned by HUD, as published in the Federal Register on July 20, 2005, at 70 FR 41780, and updated on August 8, 2006 at 71 FR 45066.

The Department seeks to identify families who no longer participate in a HUD rental assistance program due to adverse termination of tenancy and/or assistance, and owe a debt to a Public Housing Agency (PHA). In accordance with 24 CFR 982.552 and 960.203, the PHA may deny admission to a program if the family is not suitable for tenancy for such reasons (but not limited to): unacceptable past performance in meeting financial obligations, history of criminal activity, eviction from Federally assisted housing in the last five years, family has committed fraud, bribery, or any other corrupt or criminal act in connection with and Federal housing program, or if a family currently owes rent or other amounts to the PHA or to another PHA in connection with a Federally assisted housing program under the U.S. Housing Act of 1937.

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

Within the scope of this new collection of information, HUD seeks to collect from all PHAs, the following information:

1. Amount of debt owed by a former tenant to a PHA;
2. If applicable, indication of executed repayment agreement;
3. If applicable, indication of bankruptcy filing;
4. If applicable, the reason for any adverse termination of the family from a Federally assisted housing program.

This information will be collected electronically from PHAs via HUD's EIV system. PHAs provide HUD with the end of participation (EOP) date of each family via the Public and Indian Housing Information Center (PIC). This information will be transferred to the EIV system on a

daily basis. EIV will maintain a master list of families that have ended participation in a PIH program, of which the PHA may take the following action within EIV:

1. Take no action; or
2. Delete the family from the list; or
3. Enter debt owed and termination information for the family; or
4. Update previously entered debt owed and termination information for the family

This information will be used by HUD to create a national repository of families that owe a debt to a PHA and/or have been terminated from a federally assisted housing program. This national repository will be available within the EIV system for all PHAs to access during the time of application for rental assistance. PHAs will be able to access this information to determine a family's suitability for rental assistance, and avoid providing limited Federal housing assistance to families who either: 1) owe a debt to a PHA; or 2) have previously been unable to comply with HUD program requirements.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

This information will be collected electronically from PHAs via HUD's EIV system. The PHA will log into the EIV system and access the Debts Owed to PHAs & Termination module and simply select the family from a pre-populated list and enter any amount owed, check a checkbox if the PHA has entered into a repayment agreement for the outstanding debt, check a checkbox if the PHA has been notified of a bankruptcy filing, and if applicable, select a reason, from a pre-populated list, for adverse termination from a Federally assisted housing. Once the PHA has entered or selected the applicable information, the PHA simply clicks on the submit button and then confirms submission by clicking on the OK button.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

There is no similar information collected or available under previous collections of information. As such, there is no duplication.

**5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.**

By collecting this information electronically, the burden of this collection is minimized for all entities, including small entities that administer HUD rental assistance programs.

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

If this information is not collected, the Department is at risk of paying limited Federal dollars on behalf of families who should not be eligible to receive such assistance. Furthermore, if this information is not collected, the public will perceive that there are no consequences for a family's failure to comply with HUD program requirements.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**

**\* Requiring respondents to report information to the agency more often than quarterly;**

None – at a minimum, the respondent would have to report information within 15 months of the date the family moved out of Federally assisted housing.

**\* Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**

None

**\* Requiring respondents to submit more than an original and two copies of any document;**

None

**\* Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**

None

**\* In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**

None

**\* Requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

None

**\*That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**

A pledge of confidentiality is supported by the statutory authority established at 42 USC 1437d(q)(5) .

**\* Requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

None

**8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments.**

The Notice of Proposed Information Collection was published in the Federal Register on October 2, 2009 at 74 FR 50982. Below is a summary of the comments received from four Public Housing Agencies (PHAs).

Overall, the commenters were in favor of the Department creating the national repository of the debts owed to PHAs and termination information of former participants of HUD rental assistance programs. However, the commenters raised the following concerns:

**Entering and maintain the debt and termination information would create additional administrative burden and is time consuming** Commenters recommended various system changes to reduce administrative burdens. In response to these comments, the Department has made numerous modifications to the EIV system, which will become available on April 19, 2010, to reduce the administrative burden of PHAs providing this information.

**Clarify which household member will have their name in the national repository and recommend all adult household members be in the database.** In response to these comments, the Department informed commenters that presently only debt and termination information may be accessed by entering the head of household's social security number. In response to these comments, the Department has modified EIV, which will become available on April 19, 2010, to allow system users to access debt and termination information for any individual that was listed in the family's composition as of the end of participation date.

**Recommendation that HUD establish a minimum amount of debt that would be eligible for posting in the repository to cut down on the number of disputes where the amounts are so nominal that would not merit a PHA's time.** Existing HUD regulations require PHAs to provide families with notice of any adverse action, regardless of the debt amount. It should also be noted that if a family owes any amount to a PHA, the family may be denied assistance or terminated from a HUD rental assistance program, in accordance with PHA-established policies. Accordingly, the Debts Owed to PHAs & Terminations data collection effort affords PHAs with the opportunity to make an informed decision about a family's application for assistance, in accordance with their established admission policies. Further, it should be noted that families will be afforded an opportunity to dispute information for a period not to exceed three years from the EOP date. Since PHAs are required to maintain the form HUD-50058 and supporting documentation for a period of three years from the EOP date, PHAs will be able to address any disputes that arise during this time period. If the former tenant does not dispute the

debt/termination information within the specified time frame, the information is deemed to be valid and no further dispute process is afforded to the family, which will eliminate the number of disputes beyond the allotted time frame for dispute. No action was taken by the Department in response to this comment.

**Recommendation that HUD create a field to indicate if an end of participation form HUD-50058 was for an adverse reason or not and only import the adverse flagged form HUD-50058s, to eliminate the scenario of a family being declared ineligible for future rental assistance.** No action was taken by the Department in response to this comment. Presently, EIV imports all EOP 50058s for the PHA to either delete the families who do not have any debt or adverse information to be entered, **or** enter debt and/or adverse information of families who no longer participate in the program. Only those families, for which PHAs actually enter debt and/or adverse information into the Debts Owed to PHAs and Terminations module, will be subject to being declared ineligible for future rental assistance. If no debt or termination information is entered, then there will be no debt/termination record which could result in denial of future assistance. As such, the Department maintains that the manner by which debt and termination information is collected is effective and efficient.

**Specifically address comments received on cost and hour burden.**

The Department estimates that it will take 0.0833 hours to collect the information associated with this information collection effort. The cost to collect such information is covered by operating subsidy (for Public Housing programs) and administrative fees (for Section 8 programs) paid by the Department to PHAs. Given the fact that PHAs are required to use the EIV system to reduce administrative and subsidy payment errors, and has been proven to reduce the time it takes to conduct income verification of participants, this reduced burden hours offsets the hour burden of this information collection effort.

**Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years - even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

For several years, Public Housing Agencies (PHAs) and various housing industry groups have requested that HUD create a national repository of former tenant debts owed to PHAs and terminations. The Department has participated in various roundtable discussions with PHA staff and members of the National Association of Housing and Redevelopment Officials (NAHRO) and Public Housing Authorities Directors Association (PHADA). HUD has discussed the type and frequency of information that would need to be collected to implement the national repository of debts owed to PHAs and terminations. The stakeholders have provided feedback to HUD as how to effectively implement this information collection effort and minimize administrative burden to PHAs. HUD has implemented the majority of the measures that the

stakeholders have requested. Based on the review of the HUD-crafted electronic collection and display of the information to be collected under this PRA request, HUD has received a positive response from the stakeholders.

**9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.**

No payment or gift will be provided to respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

The integrity and availability of data in EIV is important. Much of the data needs to be protected from unanticipated or unintentional modification, as well as improper and authorized use or disclosure. HUD restricts the use of this information to HUD approved officials, program administrators such as PHAs under contract with HUD; thus, the data is protected accordingly.

Vulnerabilities and corresponding security measures include: (1) only persons with Web Access Subsystem (WASS) User IDs and passwords may access EIV; (2) access to EIV is controlled using EIV's security module, which controls a user's access to particular modules based on the user's role and security access level; (3) User IDs are used to identify access to sensitive data by users; (4) data corruption/destruction: PHA users do not have write access to databases that contain income information obtained by HUD from third parties. HUD users' write access is limited to user administration by authorized personnel. This will eliminate the risk of data destruction or corruption. (5) PHA users, as designated by the PHA's Executive Director or designee, will have the ability to enter debt owed and termination information of former program participants into EIV. Designated users have the ability to update and delete debt owed and termination information as necessary. These designated users will be assigned a specific role in EIV to enable the entering of this data. Those users without the assigned role to enter data into EIV will be able to only view information pertaining to families who owe a debt to a PHA or have been terminated from a PIH program.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

Not applicable. This information collection request does not require seek responses to questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, or any other matters that are commonly considered private.

**12. Provide estimates of the hour burden of the collection of information. The statement should:**

**\* Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**

<b>Estimate of the Hour Burden of the Collection of Information</b>	
Number of respondents	4,094*
Frequency of Response	Monthly
Annual Hour Burden	29,689.17
Estimated Annual Cost to Respondents	\$584,876.65

\*The number of respondents is derived from the listing of active PHAs within HUD's Public and Indian Housing Information Center (PIC).

Families end participation in HUD rental assistance programs each month. As a part of a PHA monthly occupancy processes, HUD seeks to collect debts owed to PHAs and termination information on a monthly basis.

The annual burden is calculated by determining:

1. The number of families that ended participation in all PIH programs during the period of July 1, 2008 through June 30, 2009, which equals 356,260. This figure was derived from HUD's Public and Indian Housing Information Center (PIC) End of Participation Report as of June 30, 2009.
2. The amount of time it takes for the PHA to retrieve information from tenant file, access the Enterprise Income Verification (EIV) system, and enter the information into EIV, which equals 0.0833 hours (or 5 minutes per family).
3. The product of items 1 and 2, above, which equals 29,689.17.

The estimated annual cost to respondents is determined by multiplying the annual hour burden by \$19.70 per hour, which is the 2008 median rate of pay for community and social service occupations, according to the Department of Labor's Bureau of Labor Statistics. By multiplying the annual hour burden rate of \$19.70 and annual hour burden of 29,689.17, the estimated annual cost to respondents is determined to be **\$584,876.65**.

The number of families a PHA will have to report on will depend on the PHA's size (number of families assisted). The national average of families that end participation in a PIH program is 12%. Smaller PHAs will have fewer families to report on than a larger PHA. As such the variation of estimated burden hours and annual cost to respondents for PHAs based on their size and applying the 12% national end of participation (EOP) rate is below:

<b>PHA Size</b>	<b>Number of</b>	<b>Number of</b>	<b>Average</b>	<b>Average</b>	<b>Estimated</b>
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	Families	PHAs Reporting	Number of EOP Families (Annually)	Annual Hour Burden Per PHA	Annual Cost to Respondents
No Units	0	43	0	0.00	\$0.00
Very Small	1 - 49	753	3	0.25	\$4.93
Small	50 – 249	1,571	12	1.00	\$19.70
Medium-Low	250 – 499	631	15	1.25	\$24.63
Medium-High	500 – 1,249	602	45	3.75	\$73.88
Large	1,250 – 9,999	452	525	43.75	\$861.88
Extra Large	10,000+	42	1,200+	100.00+	\$1,970.00

**13. Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).**

Notwithstanding HUD's request to collect this information, PHAs already collect and maintain this information. As such, there is no annual cost burden to respondents or recordkeepers resulting from this collection of information.

**14. Provide estimates of annualized costs to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.**

There is no additional cost to HUD for the collection of this information.

**15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.**

This is a new collection. This information will be used by HUD to create a national repository of families that owe a debt to a PHA and/or have been terminated from a federally assisted housing program. This national repository will be available within the EIV system for all PHAs to access during the time of application for rental assistance. PHAs will be able to access this information to determine a family's suitability for rental assistance, and avoid providing limited Federal housing assistance to families who either: 1) owe a debt to a PHA; or 2) have previously been unable to comply with HUD program requirements.

**16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

The information collected by PHAs will not be published or made available to the public.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

Not applicable. HUD will display the OMB control number and expiration date with EIV's Debts Owed to PHAs and Terminations module; as well as on electronic and paper documents that pertain to this information collection effort.

**18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.**

There are no exceptions to the certification statement.

**B. Collections of Information Employing Statistical Methods**

This collection of information does not employ statistical methods.