

Appendix 3: Acceptable Forms of Verification

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Factor to be Verified	ACCEPTABLE SOURCES					Verification Tips
	Third Party ^a			*Provided by Applicant	Self-Declaration	
	Written ^{b and d}	*Provided by Applicant ^e	Oral ^c			
<ul style="list-style-type: none"> Alimony or child support. *(See Chapter 5, Paragraphs 5-6.F and 5-10.F)* 	<ul style="list-style-type: none"> Copy of separation or divorce agreement provided by ex-spouse or court indicating type of support, amount, and payment schedule. Written statement provided by ex-spouse or income source indicating all of above. If applicable, written statement from court/attorney that payments are not being received and anticipated date of resumption of payments. 	<ul style="list-style-type: none"> Recent original letters from the court. 	<ul style="list-style-type: none"> Telephone or in-person contact with ex-spouse or income source documented in file by the owner. 	<ul style="list-style-type: none"> Copy of most recent check, recording date, amount, and check number. 	<ul style="list-style-type: none"> Notarized statement or affidavit signed by applicant indicating amount received. If applicable, notarized statement or affidavit from applicant indicating that payments are not being received and describing efforts to collect amounts due. 	<ul style="list-style-type: none"> Amounts awarded but not received can be excluded from annual income only when applicants have made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments.
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<ul style="list-style-type: none"> Dividend income and savings account interest income. *(See Chapter 5, Paragraph 5-7)* 	<ul style="list-style-type: none"> Verification form completed by bank. 	<ul style="list-style-type: none"> Copies of current statements, bank passbooks, certificates of deposit, if they show required information (i.e., current rate of interest). Copies of Form 1099 from the financial institution, and verification of projected income for the next 12 months. Broker's quarterly statements showing value of stocks/bonds and earnings credited to the applicant. 	<ul style="list-style-type: none"> Telephone or in-person contact with appropriate party, documented in file by the owner. 		<ul style="list-style-type: none"> Notarized statement or signed affidavit stating dividend income and savings account interest income. 	<ul style="list-style-type: none"> The owner must obtain enough information to accurately project income over next 12 months. Verify interest rate as well as asset value.
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<ul style="list-style-type: none"> • Employment Income including tips, gratuities, overtime. *(See Chapter 5, Paragraph 5-5.A and C and Paragraph 5- 6.)* 	<ul style="list-style-type: none"> • *EIV Income Report (mandatory)* • Verification form completed by employer. See Paragraph 9-10 for situations when this method of verification must be used prior to verifying through an original or authentic document generated by a third-party source. 	<ul style="list-style-type: none"> • W-2 Forms, if applicant has had same employer for at least two years and increases can be accurately projected. • Paycheck stubs or earning statements. 	<ul style="list-style-type: none"> • Telephone or in- person contact with employer, specifying amount to be paid per pay period and length of pay period. Document in file by the owner. 		<ul style="list-style-type: none"> • Notarized statements or affidavits signed by applicant that describe amount and source of income. 	<ul style="list-style-type: none"> • *It is mandatory that the EIV Income Report be used as third-party verification of employment and income (24 CFR 5.233).* • Always verify: frequency of gross pay (i.e., hourly, biweekly, monthly, bimonthly); anticipated increases in pay and effective dates; overtime. • Require most recent *4-6* consecutive pay stubs; do not use check without stub. • For a fee, additional information can be obtained from The Work Number 800- 996-7556; First American Registry 800-999-0350; and Verifax 800-969-5100. Fees are valid project expenses. Information does not replace third- party verification.
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<ul style="list-style-type: none"> • Full-time student status (of family member 18 or older, excluding head, spouse, or foster children). *(See Chapter 5, Paragraph 5-6.A.3)* 	<ul style="list-style-type: none"> • Verification from the Admissions or Registrar's Office or dean, counselor, advisor, etc., or from VA Office. 		<ul style="list-style-type: none"> • Telephone or in- person contact with these sources documented in file by the owner. 	<ul style="list-style-type: none"> • School records, such as paid fee statements that show a sufficient number of credits to be considered a full-time student by the educational institution attended. 	<ul style="list-style-type: none"> • Not appropriate. 	

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<ul style="list-style-type: none"> Income maintenance payments, benefits, income other than wages (i.e., welfare, Social Security [SS], Supplemental Security Income [SSI], Disability Income, Pensions). *(See Chapter 5, Paragraph 5-6)* 	<ul style="list-style-type: none"> * EIV Income Report for Social Security benefits (mandatory) * Award or benefit notification letters prepared and signed by authorizing agency. 	<ul style="list-style-type: none"> Current or recent check stubs with date, amount, and check number recorded by the owner. Award *or benefit* letters or computer printout from court or public agency. Most recent quarterly pension account statement. 	<ul style="list-style-type: none"> Telephone or in- person contact with income source, documented in file by the owner. NOTE: For all oral verification, file documentation must include facts, time and date of contact, and name and title of third party. 	<ul style="list-style-type: none"> Copies of validated bank deposit slips or bank statements, with identification by bank. 	<ul style="list-style-type: none"> Notarized statement of income received other than wages. 	<ul style="list-style-type: none"> *It is mandatory that the EIV Income Report be used as third-party verification of the Social Security benefit income received (24 CFR 5.233).* Checks or automatic bank deposit slips may not provide gross amounts of benefits if applicant has deductions made for Medicare Insurance. Pay stubs for the most recent four to six weeks should be obtained. Copying of U.S. Treasury checks is not permitted. Award letters/printouts from court or public agency may be out of date; telephone verification of letter/printout is recommended.
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<ul style="list-style-type: none"> Interest from sale of real property (e.g., contract for deed, installment sales contract, etc.) *(See chapter 5, Paragraph 5- 7.G.7)* 	<ul style="list-style-type: none"> Verification form completed by an accountant, attorney, real estate broker, the buyer, or a financial institution which has copies of the amortization schedule from which interest income for the next 12 months can be obtained. 	<ul style="list-style-type: none"> Copy of the contract. 	<ul style="list-style-type: none"> Telephone or in- person contact with appropriate party, documented in file by the owner. 	<ul style="list-style-type: none"> Copy of the amortization schedule, with sufficient information for the owner to determine the amount of interest to be earned during the next 12 months. NOTE: Copy of a check paid by the buyer to the applicant is not acceptable. 	<ul style="list-style-type: none"> Notarized statement of interest from sale of real property. 	<ul style="list-style-type: none"> Only the interest income is counted; the balance of the payment applied to the principal is merely a liquidation of the asset. The owner must get enough information to compute the actual interest income for the next 12 months.
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<ul style="list-style-type: none"> Net Income for a business 	<ul style="list-style-type: none"> Not applicable. 	<ul style="list-style-type: none"> Form 1040 with Schedule C, E, or F. 	<ul style="list-style-type: none"> Not applicable. 	<ul style="list-style-type: none"> Any loan application listing income derived from business during the preceding 12 months. 	<ul style="list-style-type: none"> Notarized statement showing net income for a business. 	

<p>*(See Chapter 5, Paragraph 5-6.H).*</p>		<ul style="list-style-type: none"> Financial Statement(s) of the business (audited or unaudited) including an accountant's calculation of straight- line depreciation expense if accelerated depreciation was used on the tax return or financial statement. For rental property, copies of recent rent checks, lease and receipts for expenses, or IRS Schedule E. 				
<ul style="list-style-type: none"> Recurring contributions and gifts. <p>*(See Chapter 5, Paragraph 5-6.G)*</p>	<ul style="list-style-type: none"> Notarized statement or affidavit signed by the person providing the assistance giving the purpose, dates, and value of gifts. 	<ul style="list-style-type: none"> Not applicable. 	<ul style="list-style-type: none"> Telephone or in- person contact with source documented in file by the owner. 	<ul style="list-style-type: none"> Not applicable. 	<ul style="list-style-type: none"> Notarized statement or affidavit signed by applicant stating purpose, dates, and value of gifts. 	<ul style="list-style-type: none"> Sporadic contributions and gifts are not counted as income.
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<ul style="list-style-type: none"> Self-employment, tips, gratuities, etc. <p>*(See Paragraph 5-5.C and Paragraph 5- 6.H)*</p>	<p>Written^{b and d}</p> <ul style="list-style-type: none"> None available. 	<p>*Provided by Applicant^e</p> <ul style="list-style-type: none"> Form 1040/1040A showing amount earned and employment period. 	<p>Oral^c</p> <ul style="list-style-type: none"> None available. 		<ul style="list-style-type: none"> Notarized statement or affidavit signed by applicant showing amount earned and pay period. 	

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<ul style="list-style-type: none"> Unemployment compensation. *(See Chapter 5, Paragraphs 5-5.A, 5-6.J and Q)*	<ul style="list-style-type: none"> *EIV Income Report (mandatory) * Verification form completed by source. 	<ul style="list-style-type: none"> Copies of checks or records from agency provided by applicant stating payment amounts and dates. Benefit notification letter signed by authorizing agency. 	<ul style="list-style-type: none"> Telephone or in- person contact with agency documented in a file by an owner. 		<ul style="list-style-type: none"> Notarized statement of unemployment compensation received. 	<ul style="list-style-type: none"> *It is mandatory that the EIV Income Report be used as third-party verification of employment and income (24 CFR 5.233).* Frequency of payments and expected length of benefit term must be verified. Income not expected to last full 12 months must be calculated based on 12 months and interim recertification completed when benefits stop.
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<ul style="list-style-type: none"> Welfare payments (as-paid states only). *(See Chapter 5, Paragraph 5-6.K)*	<ul style="list-style-type: none"> Verification form completed by welfare department indicating maximum amount family may receive. Maximum shelter schedule by household size with ratable reduction schedule. 		<ul style="list-style-type: none"> Telephone or in- person contact with income source, documented in file by the owner. 	<ul style="list-style-type: none"> Maximum shelter allowance schedule with ratable reduction schedule provided by applicant. 	<ul style="list-style-type: none"> Notarized statement of welfare payments received. 	<ul style="list-style-type: none"> Actual welfare benefit amount not sufficient as proof of income in "as-paid" states or localities since income is defined as maximum shelter amount.
<ul style="list-style-type: none"> Zero Income. *(See Chapter 9, Paragraph 9-11.D)*	<ul style="list-style-type: none"> Not applicable. 	<ul style="list-style-type: none"> Not applicable. 	<ul style="list-style-type: none"> Not applicable. 	<ul style="list-style-type: none"> Not applicable. 	<ul style="list-style-type: none"> Applicant/Tenant self-certifies to zero income. 	<ul style="list-style-type: none"> Owners may require applicant/tenant to sign verification release of information forms for state, local, and federal benefits programs, as well as the HUD 9887 and HUD 9887-A. Owners may require the tenant to reverify zero income status at least every 90 days.

NOTE: Requests for verification from *a third party source* must be accompanied by a Consent to Release form *HUD-9887-A*.

NOTE: If the original document is witnessed but is a document that should not be copied, the owner should record the type of document, any control or serial numbers, and the issuer. The owner should also initial and date this notation in the file.

NOTE: For all oral verification, file documentation must include facts, time and date of contact, and name and title of the third party.

NOTE: For use of EIV Income Reports as third party verification of employment and income a current Consent for Release form HUD-9887 must be on file.*

NOTE: See examples and requirements found in Paragraph 5-13.B.1