

## FREQUENTLY ASKED SHIP QUESTIONS

### State Housing Initiatives Partnership Program



**Q. Have the SHIP income qualification rules changed recently? Are we now able to accept applicant-provided documents as verification of income? I am especially interested in the best way to get verification of social security income. I received a letter from the Social Security Administration earlier this year stating they were no longer completing our SHIP verification form.**

**A.** There has been a recent change that offers an alternative method of verifying income. In most cases, you should continue the way you currently obtain written third party verification, since this approach has many benefits over the new alternative. However, the new method of verifying income is advantageous in cases where an employer outsources all work related to income verification to an outside company.

Your question about applicant-provided documents references a late 2013 change in the HUD Handbook 4350.3 Chapter 5, which is used practically universally by SHIP staff to define income and for guidance on income qualification methods. Section 5-13 “Acceptable Verification Methods” addresses how “tenant-provided documents” may be considered third party verification. The word “tenant” is used throughout the HUD Handbook, which is written primarily for federally funded multifamily housing programs. When it is referenced for SHIP, however, consider the Handbook’s guidance as pertaining to “SHIP applicant-provided documents”.

In Section 5-13 b. (1) of Chapter 5, the Handbook notes that tenant-provided documents must be dated within the last 120 days and “are considered third-party verification because they originated from a third-party source. Examples of tenant-provided documentation that may be used include, but are not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termi-

nation, SSA benefit letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.” You must consider if the applicant-provided document is an unaltered original. While it is not an absolute requirement, the Handbook notes that “documents with original signatures are the most reliable.”

Employment income is the most commonly verified source of income. Pay stubs are specifically addressed in the updated Handbook text, noting that you “may not accept pay stubs to document employment income unless the applicant or tenant provides the most recent four to six, consecutive pay stubs to illustrate variations in hours worked. Actual paychecks or copies of paychecks should never be used to document income because deductions are not shown on the paycheck”.

For verification of employment income, you should continue to obtain signed, written third party verification, since a properly completed “Verification of Employment” (VOE) form has many benefits over applicant-provided pay stubs. A completed VOE, unlike a paystub, provides details about pay raises, overtime, bonuses and commissions that the employer anticipates the applicant will receive in the next 12 months. For employment that is less than full-time, the details in the VOE are needed to properly calculate the annual number of hours and days the applicant is anticipated to work.

It is possible that applicant-provided documentation may serve as a helpful method of verifying income when an employer is not allowed by company policy to complete a VOE because income verification questions must be directed to an outside company such as “The Work Number”, which offers user-paid verification of an employer’s database. SHIP administrators are hesitant to contact The Work Number, since they must pay for the information provided. Also, instead of a verification of

anticipated future income, the company provides year to date records of employment earnings. By contrast, a SHIP administrator may now receive the most recent paystubs from the applicant. The information on the paystubs is still not fully helpful in estimating anticipated future earnings, but the paystubs are free and provide as much information as is available from an outside company contracted to offer verifications.

You ask specifically about documenting Social Security income. The applicant may request a 'Proof of Income Letter' from the Social Security Administration by calling (800) 772-1213 or requesting it on the SSA's website: [www.socialsecurity.gov/myaccount](http://www.socialsecurity.gov/myaccount). This up-to-date applicant-provided document is acceptable third party verification.

**Q. The Housing Coalition provided helpful training last year to prepare us for the 13/14 and 14/15 requirement to set-aside 20 percent of each allocation for special needs recipients. What new information is available about Special Needs set-aside compliance?**



A participant in the SHIP Administrator Training at the 2014 Conference shares her experiences

**A.** In a recent survey of SHIP staff attending the Coalition's 2014 conference, the Special Needs set-aside was ranked as the top subject of interest. It received the most attention during the SHIP training at the September conference in Orlando. Several participants stepped to the microphone to report their outreach efforts working with Realtors and homeowner associations. One community has spread the word through flyers provided to 30,000 public school students to take home to their parents.

Both survey respondents and participants in the SHIP conference training reported that owner occupied rehabilitation is the most common type of assistance used for special needs compliance. Assistance is sometimes provided to a homeowner with developmental disabilities

(DD), while in other cases a household member other than the homeowner has a qualifying special need. In addition, several respondents are rehabilitating group homes for individuals with developmental disabilities, youth aging out of foster care, or those with other qualifying special needs.

The Centers of Independent Living and the local affiliates of Arc of Florida provide assistance to individuals with DD and other special needs. Representatives from these organizations joined a special needs conference panel to report on their SHIP-related work. Deborah Linton, executive director of the Arc of Florida, discussed her efforts to outreach to the supported living coordinators who directly assist individuals with special needs. She considers

them the best points of contact to identify SHIP applicants. Don Pirozzoli, program director for the Center for Independent Living in Central Florida, talked about his agency's experience as a SHIP sub-recipient providing bathroom modifications for homeowners with special needs.

Several conference participants stressed the importance of including special needs documentation in SHIP files. Often, SHIP assistance is proven to comply with the special needs set-aside by way of a letter from an agency confirming that it provides the applicant with services to assist with qualifying special needs. Florida Housing has provided helpful written guidance that outlines specific ways to document each of several types of applicants with qualifying special needs. Email [chaney@flhousing.org](mailto:chaney@flhousing.org) to receive this guidance along with training materials and a recording of a 2013 special needs compliance webinar. The Coalition has assembled lists of contacts for foster care service agencies and domestic violence shelters. We can offer a range of assistance, including an on-site visit for more detailed planning related to compliance with special needs and other SHIP requirements. **HNN**

**DO YOU HAVE A QUESTION ABOUT THE SHIP PROGRAM?** Free telephone technical assistance is available to help you successfully implement your SHIP funded work. Call the Florida Housing Coalition's SHIP hotline at (800) 677-4548, M-F 8:30-5:00.