

Notice to Borrowers or Management Agents

Rural Development is implementing a wage and benefit matching system. The goal of the system is to find and prevent fraud, waste, and abuse of Federal benefits. We plan to achieve this goal through the early detection of inaccurate information supplied on Tenant Certification Forms.

Rural Development is proud of its multi-family housing programs. Properties financed are generally well maintained and managed. Unfortunately, there are those who attempt to "beat the system" by providing inaccurate information to qualify for program benefits.

Beginning on [insert the appropriate date], Rural Development will have the capability to review wage and benefit information from Missouri Employment Security for comparison with information provided on the most current Tenant Certification (Form RD 1944-8) to identify apparent inaccuracies. The Agency will be using this information to resolve discrepancies.

Should a review of Missouri Employment Security data reveal a substantial discrepancy, you will have to contact the tenant household to solicit added information to explain any discrepancies, abuses, or to correct any errors. The goal is not to harass tenants, but merely to resolve misunderstandings and errors as early as possible. The Agency's program will not usually look at past tenant certifications or recover any improper subsidy which may have been delivered in years past.

Upon receipt of this notice, you should take steps to inform tenants of the wage and benefit matching initiative. The attached guide notice is provided for your potential use [Attachment D].

All tenants contacted to explain differences with Missouri Employment Security data should be advised of their right to file a grievance under RD Instruction 1944-L, should the matter not be satisfactorily resolved. No corrective action will be initiated unless the tenant concurs with it in writing, or the timeframe for filing a grievance has passed, or the information presented in the grievance has been considered and acted upon.

The borrower or management agent will not be held responsible for repaying subsidies improperly received solely as a result of inaccurate information supplied by tenants. The borrower or management agent is expected to take corrective measures when inaccurate information is detected. The corrective measures should include prompt correction of inaccurate tenant certification forms, along with plans for tenant reimbursement for improperly delivered subsidy during the tenant certification period.

The reimbursement may be collected by lump sum or in a monthly amount added to the tenant's rent to recoup the improper subsidy. A reporting guide is attached for your use in reporting the collection efforts to the Area Office [Attachment E].

If corrective measures cannot be achieved, tenant eviction proceedings should be promptly initiated. Tenants who falsify information and do not agree to corrective measures, or fail to uphold their subsidy repayment agreements, should be referred to the Agency along with supporting material. The Agency will review the information for possible investigation in accordance with RD Instruction 2012-B.

In addition, should the Agency initiate any adverse action against the borrower (e.g., suspending, denying, or recovering Rental Assistance or other Federal benefits in accordance with RD Instruction 1951-N, initiating an acceleration action in accordance with RD Instruction 1955-A, or starting a suspension or debarment action in accordance with RD Instruction 1940-M), the reason for the action will be stated, along with a notice explaining any right to file an appeal in accordance with USDA appeal procedures set out at 7 CFR part 11, and RD Instructions 1951-N or 1940-M.

In summary, the Agency's wage and benefit matching program will assist in detecting inaccuracies and dishonest actions. At the same time, the program should ensure that borrowers and management agents suffer no penalties as a result of a dishonest action on the part of others.

Attachments