

is available at 1-800-877-8339 (Federal Information Relay Service). *For further information from recipient agency:* Elking Tarver, Project Manager, Tenant Assessment Sub-System, Real Estate Assessment Center, Department of Housing and Urban Development, 1280 Maryland Avenue, SW., Suite 800, Washington, DC 20024-2635, telephone number (202) 708-4932, extension 3235.

SUPPLEMENTARY INFORMATION: This notice supersedes a similar notice published in the **Federal Register** on November 20, 2000 (65 FR 71112). Since that time, the matching program has been implemented on a large scale. In previous years, the computer matching was carried out for random samples of households receiving rental assistance or for selected POAs. During calendar year 1999, HUD used the matching program for a large-scale computer matching project involving over 2 million households. HUD announced plans for the large-scale implementation of the program in 64 FR 49817 (September 14, 1999).

The Computer Matching and Privacy Protection Act (CMPPA) of 1988, as amended (5 U.S.C. 552a), OMB's guidance on this statute entitled "Final Guidance Interpreting the Provisions of Public Law 100-503, the CMPPA of 1988" (OMB Guidance), and OMB Circular No. A-130 requires publication of notices of computer matching programs. Appendix I to OMB's Revision of Circular No. A-130, "Transmittal 2, Management of Federal Information Resources," prescribes Federal agency responsibilities for maintaining records about individuals. In accordance with the CMPPA and Appendix I to OMB Circular No. A-130, copies of this notice are being provided to the Committee on Government Reform of the House of Representatives, the Committee on Governmental Affairs of the Senate, and OMB's Office of Information and Regulatory Affairs.

I. Authority

This matching program is being conducted pursuant to sections 3003 and 13403 of the Omnibus Budget Reconciliation Act of 1993 (Pub. L. 103-66, approved August 10, 1993); section 542(b) of the 1998 Appropriations Act (Pub. L. 105-65); section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 3544); section 165 of the Housing and Community Development Act of 1987 (42 U.S.C. 3543); the National Housing Act (12 U.S.C. 1701-1750g); the United States Housing Act of 1937 (42 U.S.C. 1437-1437o); section 101 of the Housing and Community

Development Act of 1965 (12 U.S.C. 1701s); the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 *et seq.*); and the Quality Housing and Work Responsibility Act of 1998 (42 U.S.C. 1437a(f)).

The Omnibus Budget Reconciliation Act of 1993 (Budget Reconciliation Act) authorizes HUD to request from the SSA and the IRS Federal tax information as prescribed in section 6103(l)(7) of title 26 of the United States Code (Internal Revenue Code). Section 542(b) of HUD's 1998 Appropriation Act (Pub. L. 105-65; October 27, 1997) eliminated a September 30, 1998, sunset provision to 26 U.S.C. 6103(l)(7)(D)(ix) of the Internal Revenue Code, effectively making permanent the authority for SSA and IRS disclosures of Federal tax information to HUD.

The Federal tax information that HUD receives includes income data that individuals receive from employers and financial institutions (e.g., income data that would be shown on IRS Form W-2 and Form 1099) for use in preparing tax returns. The Budget Reconciliation Act prohibits HUD redisclosure of tax data to POAs. However, it allows HUD to disclose the fact that discrepancies exist between income information provided by tenants and Federal tax information, and to request that POAs reverify tenant incomes when income comparisons indicate uncertain eligibility benefits or an inappropriate level of benefits.

Section 3003 of the Budget Reconciliation Act authorizes HUD to require applicants and participants in assisted housing programs sign a consent form authorizing the Secretary of HUD to request that the Commissioner of Social Security and the Secretary of the Treasury release the Federal tax information. The final rule regarding participants' consent to the release of information was published by HUD in the **Federal Register** on March 20, 1995 (61 FR 11112).

The Stewart B. McKinney Homeless Assistance Amendments Act of 1988 authorizes HUD and HAs (but not private owners/management agents for subsidized multifamily projects) to request wage and claim information from SWICAs responsible for administering State unemployment laws in order to undertake computer matching. This Act authorizes HUD to require applicants and participants to sign a consent form authorizing HUD or the HA to request wage and claim information from the SWICAs.

The Housing and Community Development Act of 1987 authorizes HUD to require applicants and

participants (as well as members of their household six years of age and older) in HUD-administered programs involving rental assistance to disclose to HUD their social security numbers (SSNs) as a condition of initial or continuing eligibility for participation in the programs.

The Quality Housing and Work Responsibility Act of 1998 (QHWRA), section 508(d), 42 U.S.C. 1437a(f) (1998) authorizes the Secretary of HUD to require disclosure by the tenant to the public housing agency of income information received by the tenant from HUD as part of income verification procedures of HUD. The QHWRA was amended by Public Law 106-74, which extended the disclosure requirements to participants in section 8, section 202, and section 811 assistance programs. The participants are required to disclose the HUD-provided income information to owners responsible for determining the participants' eligibility or level of benefits.

II. Objectives To Be Met by the Matching Program

HUD's primary objective in implementing the computer matching program is to increase the availability of rental assistance to individuals who meet the requirements of the rental assistance programs. Other objectives include determining the appropriate level of rental assistance, and deterring and correcting abuse in assisted housing programs. In meeting these objectives HUD also is carrying out a responsibility under 42 U.S.C. 1437f(K) to ensure that income data provided to POAs by household members is complete and accurate. Using Federal tax information, HUD conducts a computer matching and income verification program annually for a random sample of households that received rental assistance. Based on the computer matching and subsequent HUD analysis of tenant-provided information, HUD develops nationwide estimates of the extent of excess rental assistance, and uses the estimates for financial statement reporting purposes. HUD implemented a large-scale computer matching project in Fiscal Year 2000 that used 1998 information from other Federal agencies. HUD sends letters to tenants and notices to POAs so that these parties may resolve the income discrepancies.

HUD's various assisted housing programs, available through POAs, require that applicants meet certain income and other criteria to be eligible for rental assistance. In addition, tenants generally are required to report the amounts and sources of their income at