

June 1, 2016

TO: State Directors
Rural Development

ATTN: Program Directors
Single Family Housing

FROM: Tony Hernandez /s/ *David Lipsetz* *for*
Administrator
Housing and Community Facilities programs

SUBJECT: Use of the Department of the Treasury's Do Not Pay Portal
When Determining Program Eligibility in the
Single Family Housing Direct Programs

PURPOSE:

The purpose of this memorandum is to provide an implementation date for the Do Not Pay (DNP) portal in the Single Family Housing (SFH) direct programs and to provide related guidance.

The DNP portal must be used when determining program eligibility in the SFH direct programs 90 days from the date of this memorandum or when the Credit Alert System in DNP includes the Department of Housing and Urban Development as a data source, whichever should occur last. This implementation date will give the states adequate time to ensure that the necessary staff members have access to the DNP portal and understand when checks against the portal are needed.

BACKGROUND:

The DNP portal was announced through a Presidential Memorandum dated June 18, 2010. Per the memorandum, "While identifying and recapturing improper payments is important, prevention of payment errors before they occur should be the first priority in protecting taxpayer

EXPIRATION DATE:
May 31, 2017

FILING INSTRUCTIONS:
Housing Programs

resources from waste, fraud, and abuse. In those cases where data available to agencies clearly shows that a potential recipient of a Federal payment is ineligible for it, subsequent payment to that recipient is unacceptable. We must ensure that such payments are not made.”

At a minimum and before payment and award, the Presidential Memorandum and the Improper Payments Elimination and Recovery Improvement Act of 2012 requires a check of the following five databases:

1. Social Security Administration’s Death Master File
2. General Services Administration’s Excluded Parties List System
3. Department of the Treasury’s Debt Check Database of the Department of the Treasury
4. Department of Housing and Urban Development’s Credit Alert System
5. Department of Health and Human Services, Office of the Inspector General’s List of Excluded Individuals/Entities

The DNP portal will allow users to check the above databases required by the law using a single-entry point web-based application.

IMPLEMENTATION RESPONSIBILITIES:

The DNP portal must be used when determining program eligibility in the SFH direct programs 90 days from the date of this memorandum or when the Credit Alert System in DNP includes the Department of Housing and Urban Development (HUD) as a data source, whichever should occur last. Prior to the 90-day mark, National Headquarters will update the State Offices on the status of the HUD data source. If the HUD data source is not available then, updates will be provided by National Headquarters so that states are aware of the anticipated implementation date.

Prior to the implementation date, the minimum checks required are the Department of Housing and Urban Development’s Credit Alert Verification Reporting System and General Services Administration’s System for Award Management. While these checks should continue to be performed using the legacy systems, staff members with DNP tokens should occasionally and simultaneously perform checks in the DNP portal so that their access is maintained. However, negative results from the DNP portal should not be considered prior to the implementation date unless the negative results are validated by the legacy systems and/or through additional staff investigations.

Upon implementation, the DNP portal must be used to check the five databases required by the law; and the use of the legacy systems should be discontinued. The checks should be performed prior to determining borrower eligibility.

National Headquarters will take steps to update Handbook-1-3550 to add guidance on the use of the DNP portal and actions to take when matches occur. To assist National Headquarters in this endeavor, the State Offices' Local Security Administrators are encouraged to contact Antonio Burkett, at antonio.burkett@wdc.usda.gov, with comments and concerns specific to using the DNP portal when determining program eligibility in the SFH direct programs. For onboarding related concerns and/or technical/system issues, please contact the Do Not Pay Agency Support Center at (855) 837-4391.