



The 411 on 399: The Early FAFSA and Conflicting Information

Zack Goodwin
US Department of Education

OASFAA Conference, Columbus, OH
May 8-10, 2017

Federal Student Aid
An Office of the U.S. Department of Education

PROUD SPONSOR of
the AMERICAN MIND®



Agenda

Resolving conflicting information

Related Early FAFSA issues

2

Federal Student Aid
An Office of the U.S. Department of Education

PROUD SPONSOR of
the AMERICAN MIND®



399!

3

Federal Student Aid
An Office of the U.S. Department of Education

PROUD SPONSOR of
the AMERICAN MIND®



Conflicting Information

- Increased possibility of conflicting information due to the inclusion of 2015 income and tax information on the 2016-2017 and 2017-2018 FAFSAs
 - Other data, such as household and asset information, will be *current/projected*
- ED will identify 2017-2018 applications where conflicting information may exist that, if resolved, would result in a significant change in EFC

Dear Colleague Letter GEN-16-14



Comment Codes 395-399

- Comment codes 395-398 indicate possible conflicting information, but resolution is not required
- Resolution is required for comment code 399
 - If comment code 399 does not appear on the 2017-2018 ISIR, schools are not required to resolve differences in *income or tax information* between the two ISIRs
 - Any other conflicting information must still be resolved



Comment Code 399

- If CPS identifies an ISIR as having conflicting information, you will see...
 - C Flag
 - ISIR comment code 399

"Your Financial Aid Administrator may contact you to resolve any issues related to differences in the 2015 income information you reported on your 2016-2017 FAFSA and 2017-2018 FAFSA."





Comment Code 399

- CPS will not flag an ISIR for conflicting information if...
 - Student is not expected to be Pell-eligible
 - Change in dependency status between the two years
 - Change in student's or parents' marital status between the two years
 - Professional judgment was exercised in either year

Electronic Announcement: October 13, 2016

ISIR reprocessing October 17, 2016

7

Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

Known Issues

- CPS will not flag an ISIR for conflicting information if...
 - Student is not expected to be Pell-eligible
(Automatic Zero EFC)
 - Change in dependency status between the two years
 - Change in student's or parents' marital status between the two years
 - Professional judgment was exercised in either year

Additional ISIR reprocessing February 6, 2017

8

Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

Comment Code 399

- Comment code 399 does *not* have to be resolved if...
 - School never *received* a 2016-2017 ISIR
 - School received a 2016-2017 ISIR but *did not and will not disburse* Title IV aid in *either year*
 - Aid was disbursed in 2016-2017, but the *student is no longer enrolled and is not expected to return* in 2017-2018

9

Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION



Comment Code 399

If the student is no longer enrolled and is not expected to re-enroll for 2016-2017, or enroll for 2017-2018, the institution is not required to resolve the possible conflicting information

Early FAFSA Q&A: G-Q12

10

Federal Student Aid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

PROUD SPONSOR OF
THE AMERICAN MIND™

Comment Code 399

- If a reprocessed ISIR no longer includes Comment Code 399 the institution is not required to take any action
 - Any Code 399s on subsequent ISIRs must still be resolved
- Code 399 need not be resolved for graduate students if:
 - The student is a graduate student in both 2016-2017 and 2017-2018
 - The student did, and will, not receive Federal Work-Study in either year

Electronic Announcement: October 21, 2016

11

Federal Student Aid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

PROUD SPONSOR OF
THE AMERICAN MIND™

Resolving Conflicting Information

- School must compare 2015 income and tax-related items from both years' ISIRs to determine conflict
 - Compare ISIRs that were or will be used to award Title IV aid
- If in either year the school had verified the income and tax information, or the IRS Data Retrieval Tool was used and no data was changed, school can assume these values are correct and submit changes to the *other* year...*unless the school is aware an amended tax return was filed.*

12

Federal Student Aid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

PROUD SPONSOR OF
THE AMERICAN MIND™



Conflict Resolved

- **2017-2018 ISIR**
 - If required correction is for the 2017-2018 year, school must use EFC from corrected ISIR to award and disburse
- **2016-2017 ISIR**
 - If required correction is for the 2016-2017 year, school must ensure that all awards and disbursements for 2016-2017 reflect the corrected ISIR, whether the EFC is lower or higher
 - *Corrections not required after September 9, 2017*

Unable to Resolve

- Until conflicting information is resolved, no additional Title IV aid may be disbursed in either year
- If the conflicting information is unable to be resolved, the school must consider the student in an overaward status for any need-based 2016-2017 aid disbursed
 - Earned Federal Work-Study funds need not be returned, but students may not *continue* to earn FWS wages

Overawards and Overpayments

- Title IV grants and Perkins Loans
 - Adjust subsequent disbursements
 - If not resolved by adjusting subsequent disbursements, student must repay portion disbursed for which no longer eligible
 - *School is not liable*
- Direct Subsidized Loans
 - Will be repaid under terms of the promissory note, but school must record its determination



Overawards and Overpayments

- 2017-2018 ISIR
 - If required correction is for the 2017-2018 year, school must use EFC from corrected ISIR to award and disburse
- 2016-2017 ISIR
 - If required correction is for the 2016-2017 year, school must ensure that all awards and disbursements for 2016-2017 reflect the corrected ISIR, whether the EFC is lower or higher
 - Corrections not required after September 9, 2017

Overawards and Overpayments

Will you resolve overpayments on students' behalf?

If so, will you do so across the board or on a case-by-case basis?



More issues!



Professional Judgment

The Department understands that professional judgment may be exercised more frequently now that the FAFSA reflects prior-prior year income

ISIRs should be appropriately flagged in PJ cases

Dear Colleague Letter GEN-16-03

19



Professional Judgment

What if a student or family has had a significant change in income from 2015 to 2016? From 2016-2017?

What if income has just recently changed, and impacts 2017 only?

20



Professional Judgment

What if a student or family has had consistent income since 2015, but has a recent significant and unexpected medical expense?

21



Professional Judgment

- Changes related to marital status
- Changes related to number in household and number in college

22



Professional Judgment

How will you address situations where professional judgment is exercised based on projected information that turns out to be incorrect?

23



Verification

Will you cross-verify ISIRs between 2016-2017 and 2017-2018 when feasible?

If verifying early, will you double-check any information at a later time?

24



Verification

*Will you generally rely on paper tax returns for verification or only in special circumstances?
(Dear Colleague Letter GEN-17-04)*

What if additional conflicting information is discovered?

25



Thank you!

*Zack Goodwin
zachary.goodwin@ed.gov
617.289.0051*



26



ED Contacts

Research and Customer Care Center
800.433.7327
fsa.customer.support@ed.gov



Reach FSA
855.FSA.4FAA -- 1 number to reach 10 contact centers!

- | | |
|---------------------------------|---|
| <i>Campus Based Call Center</i> | <i>eZ-Audit</i> |
| <i>COD</i> | <i>School Eligibility Service Group</i> |
| <i>CPS/SAIG</i> | <i>Foreign Schools Participation Division</i> |
| <i>NSLDS</i> | <i>Research and Customer Care Center</i> |
| <i>G5</i> | <i>Nelnet Total & Permanent Disability Team</i> |

27



We Appreciate Your Feedback

To ensure quality training we ask all participants to please fill out an online session evaluation:

<https://www.surveymonkey.com/r/ZacharyGoodwin>

This evaluation tool provides a means to inform us of areas for improvement, and to support an effective process for listening to our customers.

Additional feedback about training can be directed to joann.borel@ed.gov.



