Session #19

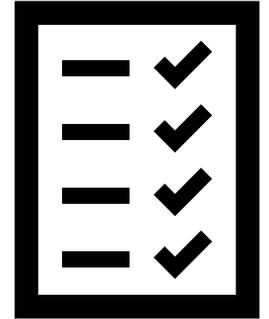# Student Eligibility
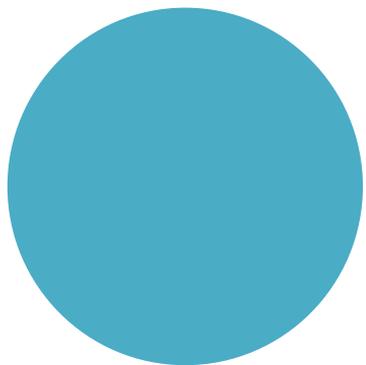
Bruce Hughes and Aaron Washington
U.S. Department of Education
2019 FSA Training Conference *for Financial Aid Professionals*

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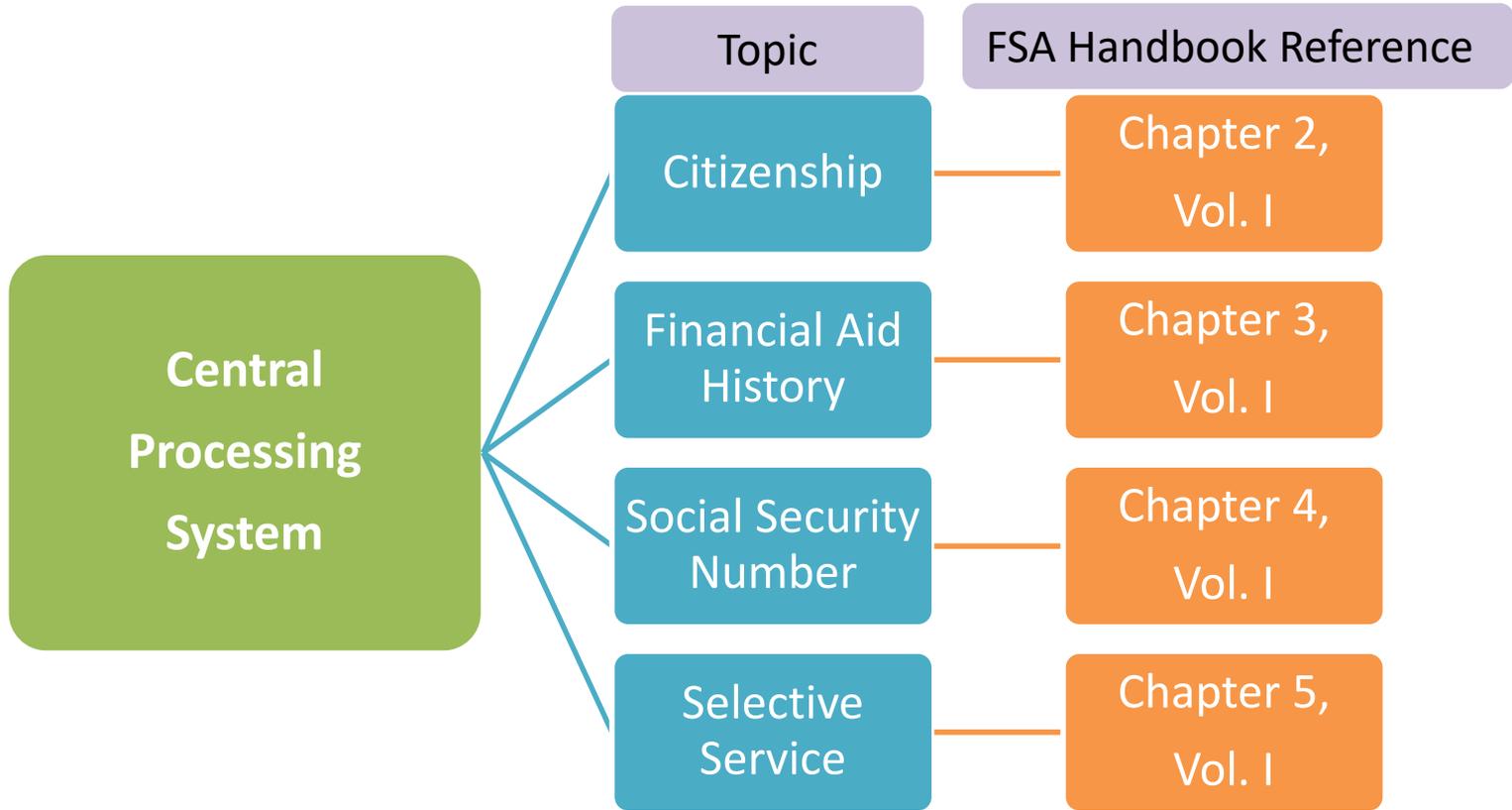PROUD SPONSOR *of the* AMERICAN MIND®

December 2019

Agenda

1. *Free Application for Federal Student Aid* (FAFSA®) Eligibility Determinations

2. School-Determined Eligibility Requirements

3. Eligibility for Specific FSA Programs

1. FAFSA® Processing

CPS Database Checks

Topic	FSA Handbook Reference
Citizenship	Chapter 2, Vol. I
Financial Aid History	Chapter 3, Vol. I
Social Security Number	Chapter 4, Vol. I
Selective Service	Chapter 5, Vol. I

Central Processing System

Citizenship

Eligible Citizenship Categories

- U.S. Citizen or National
- U.S. Permanent Resident or other Eligible Noncitizen
- Citizen of the Freely Associated States

Eligible Noncitizen Categories

- Lawful Permanent Residents (LPRs)
- Conditional Resident Aliens
- Refugee
- Asylee
- Parolee – Expires or Indefinite
- Cuban-Haitian Entrants
- Conditional Entrants
- Victims of Human Trafficking
- Battered Immigrants-Qualified Aliens
- American Indian Born in Canada/Jay Treaty

Resolving Citizenship Eligibility Issues

2018 FSA Training Conference: Session 23: Resolving Eligibility Issues for Citizens and Eligible Noncitizens

A student must be a citizen, a citizen of a freely associated state, or an eligible noncitizen to receive federal student aid. This session describes the process for confirming eligibility via database matches, eligible immigration categories, and related documentation.

This session also describes the Systematic Alien Verification for Entitlements Program (SAVE) process used to complete third step verification of immigration status.

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Database Matches

All FAFSAs are matched with the Social Security Administration (SSA) for U.S. Citizenship status.

FAFSAs that have an Alien Registration Number (ARN) are matched against Department of Homeland Security (DHS) records.

If the DHS match fails after automated primary and secondary verification, the school must conduct a third step verification through the Systematic Alien Verification for Entitlements (SAVE) system.

DHS-SAVE 3rd Step Verification Update

SAVE Instructions for U.S. Department of Education (School) Users Version 3.0 document is now available on IFAP at [DHS-SAVE, Eligible Noncitizen](#).

Version 3.0 combines and updates all SAVE system process and procedure changes from the most recent communications with schools and contains three videos:

- SAVE Account Set-up and Management
- SAVE Navigation and Response Screens
- Resend Record to Matches

DHS-SAVE 3rd Step Verification Update (cont.)

Additionally, Version 3.0 contains updates and changes on the following topics:

- How to resolve the "No Cases Found" error message
- Changes to the "Additional Request" buttons (VAWA, Cuban/Haitian Entrant, and Fraud)
- PDPA (Supervisor Third Step Only, STSO) User IDs are now enabled to view records and submit third step verification requests
- DHS Verification Numbers will start with "00" followed by the last 2 digits of a year (e.g. 0020)
- How to advise students who need to correct, renew, or replace their immigration documents

DHS-SAVE Verification: Help and Support

Email questions to: applicationprocessingdivision@ed.gov or call and leave a message on the APD voice mail at 202-377-4600.

Provide the following information:
- Student's DHS Verification Number
- Your name
- Your question
- Your phone number

<u>Note</u>: Do not call the SAVE Call Center because they do not have a full understanding of our unique SAVE system access.

Financial Aid History

To be eligible for federal financial aid, a student can not:

- Have an unresolved loan default
- Have an unresolved overpayment
- Have inadvertently over-borrowed annual or aggregate loan limits
- Have been convicted/pled no contest or guilty involving fraud in obtaining FSA funds
- Be in possession of property subject to judgment/lien for debt owed to U.S.

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Database Matches

To help you identify students with problems such as defaulted loans or overpayments, the CPS matches the student against the *National Student Loan Data System* (NSLDS®) database to obtain his/her financial aid history.

You must resolve any conflicts between NSLDS and other information you have about the student before disbursing FSA funds.

The results of the NSLDS match are provided on the SAR and ISIR on the NSLDS Financial Aid History page.

Federal student loans and TEACH Grant service obligations may be discharged if the borrower/grant recipient becomes totally and permanently disabled (TPD).

If an individual whose prior loan or TEACH Grant service obligation was discharged due to TPD wishes to receive a new Direct Loan or TEACH Grant, he or she must:

- provide the school with a physician's certification that he or she can engage in substantial gainful activity, and

- sign a statement acknowledging that the new loan or TEACH Grant service obligation can't later be discharged based on any present impairment unless it deteriorates so that the individual is again TPD.

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In addition, if an individual (other than someone who received a veteran's TPD discharge) wants to receive a new loan or TEACH Grant within 3 years after a prior TPD discharge, the previously discharged loan or TEACH Grant service obligation must be reinstated.

NSLDS History – Regaining Eligibility

A student in default on an FSA loan, or who exceeded loan limits through inadvertent over borrowing, can't receive further FSA funds until she resolves the default, which she can do in a few ways:

- Repayment in full
- Satisfactory repayment arrangements
- Loan rehabilitation
- Reaffirmation

For more information on regaining eligibility for NSLDS-related eligibility issues, please review the DCLs listed below:

- DCL GEN-13-02 Regaining Title IV Eligibility After Exceeding Loan Limits and Treatment of Loan Funds When a Student Fails to Begin Attendance

- DCL GEN-15-20 Direct Loan and FFEL Program Reaffirmation Agreement

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Social Security Number

Social Security Number (SSN)

The FAFSA collects the student's and dependent student's parents' Social Security numbers (SSNs) so that the Central Processing System (CPS) can validate the numbers through a match with the Social Security Administration (SSA).

The CPS verifies that the name and birth date associated with the SSN match the name and birth date on the application.

The CPS won't process an application without an SSN. There is one exception to the requirement to provide SSNs for FAFSA applicants from Freely Associated States.

If the student's parents don't have SSNs, they must enter 000-00-0000.

Social Security Number – Exception

Persons from the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau (the Freely Associated States) typically do not have SSNs.

First-time FAFSA filers who indicate on the FAFSA that their state of legal residence is one of the above Pacific Islands should enter "666" for the first three digits of their SSN, and the CPS will assign them an identification number.

For returning FAFSA filers from one of the Freely Associated States, any FAFSAs must be submitted under the same nine-digit pseudo-SSN assigned originally by the CPS when the earlier award year was processed.

Database Matches

- Successful match
- No match on SSN
  - Wrong SSN on FAFSA
  - FAFSA data entry error
  - Error in SSA database
- No match on name or birth date
- Missing information
- Date of death

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Selective Service

Selective Service

Registration requirements

- 18- to 25-year-old males
- Registering with SSS or on the FAFSA

When registration is NOT required

- Active duty serving in the Armed Forces
- Not yet 18 at the time that they complete their applications
- Born before 1960
- Citizens of the Freely Associated States
- Noncitizens who first entered the U.S. after age 26
- Applicants were unable to register due to being hospitalized, incarcerated, or institutionalized

Database Match

All male students go through match with Selective Service System to verify compliance with requirements:
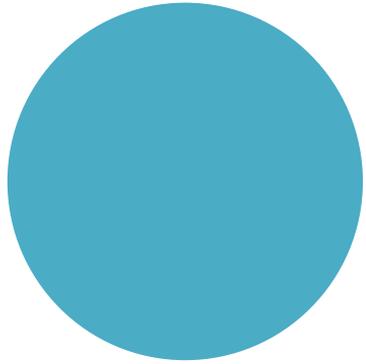
- Successful Match
  - The student is eligible for aid

- Unsuccessful Match
  - Student must either register or provide evidence that he is registered or is exempt from registration or;
  - CPS won't be able to forward the student for registration if certain information is missing

Selective Service - Failure to Register

Students who knew of the registration requirement but chose not to register are considered to have knowingly and willfully failed to register and are therefore ineligible for FSA funds.

When deciding whether the student had knowingly and willfully failed to register, you should consider the following factors:

- Where the student lived when he was aged 18–25
- Whether the student claims that he thought he was registered
- Why the student claims he was not aware of the widely publicized requirement to register when he was aged 18–25

2. School-Determined Requirements

School-Determined Requirements

- Regular student in an eligible program
- Elementary or secondary enrollment
- Academic qualifications
- Satisfactory academic progress (SAP)
- Enrollment status
- Drug convictions
- Incarcerated students
- Conflicting information
- Change in eligibility status

Regular Student/Eligible Program

Regular student is someone enrolled/accepted for enrollment in eligible institution to obtain degree or certificate

- Conditional acceptance – only considered regular student if school officially admits into eligible program

- Remedial coursework – if admitted into eligible program and remedial part of program, may include up to one year's worth in enrollment status for *Title IV* purposes

  - One year is equivalent to 45 quarter credits, 30 semester/trimester credits, or 900 clock-hours

Regular Student/Eligible Program – Exception

A student who is enrolled at least half-time in a postbaccalaureate teacher certification or licensure program is eligible to receive a Pell Grant for the period necessary to complete the program if:

- The program does not lead to a graduate degree
- The school offering the program does not also offer a bachelor's degree in education
- The student is pursuing an initial teacher certification or licensing credential within a state
- The program consists of the courses required by a state to receive a professional certification or licensing credential necessary for employment as a teacher in an elementary or secondary school in that state

Students with an intellectual disability can receive funds from the Pell Grant, FSEOG, and FWS programs.

They must be enrolled or accepted for enrollment in a comprehensive transition and postsecondary program for students with intellectual disabilities and must maintain satisfactory academic progress as determined by the school for this program.

These students:

- do not have to be enrolled for the purpose of obtaining a degree or certificate, and
- are not required to have a high school diploma or its recognized equivalent.

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Elementary or Secondary Enrollment

Students cannot receive *Title IV* while enrolled in elementary or secondary enrollment, even if enrolled in college coursework at same time.

Considered enrolled if pursuing high school diploma or if completed requirements for diploma, has not yet received it, and is either:

- Taking college coursework for which high school gives credit, OR
- High school still considers student enrolled there

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Academic Qualifications

To receive FSA funds, a student must be qualified to study at the postsecondary level.

A student qualifies if he or she:

- has a high school diploma (this can be from a foreign school if it is equivalent to a U.S. high school diploma)
- has the recognized equivalent of a high school diploma, such as a general educational development (GED) certificate or other state-sanctioned test or diploma-equivalency certificate
- has completed homeschooling at the secondary level as defined by state law
- has completed secondary school education in a homeschool setting which qualifies for an exemption from compulsory attendance requirements under state law, if state law does not require a homeschooled student to receive a credential for their education
- has completed one of the ability-to-benefit (ATB) alternatives and is either currently enrolled in an eligible career pathway program or first enrolled in an eligible postsecondary program prior to July 1, 2012

High School Diploma

Final regulations published on Oct. 29, 2010, require institutions to develop and follow procedures to evaluate the validity of a student's high school completion if the institution or the Secretary has reason to believe that the high school diploma is not valid or was not obtained from an entity that provides secondary school education.

An institution establishes and follows a process to evaluate the validity of a student's high school completion which includes:

- (1) receiving documentation from the secondary school that confirms the validity of the student's diploma, and
- (2) confirming with or receiving documentation from the relevant department or agency in the state in which the secondary school is located that the secondary school is recognized as a provider of secondary school education, then the institution is in compliance with 34 CFR 668.16(p).

Checking the Validity of a Student's High School Completion posted July 23, 2019

Recognized Equivalents of a High School Diploma

The Department recognizes several equivalents to a high school diploma:

- a General Educational Development (GED) certificate
- a State certificate or other official documentation demonstrating that the student has passed a state-authorized examination that the state recognizes as the equivalent of a high school diploma
- an associate's degree
- successful completion of at least 60 semester or trimester credit hours or 72 quarter credit hours that does not result in the awarding of an associate's degree, but that is acceptable for full credit toward a bachelor's degree at any institution
- the student excelled academically in high school and has met the formalized, written policies of that postsecondary institution for admitting such students.

Ability to Benefit

Students without a high school diploma may become eligible for *Title IV* aid through the ATB alternatives in one of two ways:

1. If a student first enrolled in an eligible postsecondary program prior to July 1, 2012, the student may enroll in any eligible program and can become eligible through one of the ATB alternatives.

2. If a student first enrolled in an eligible postsecondary program on or after July 1, 2012, the student may only become eligible through one of the ATB alternatives if the student is enrolled in an "eligible career pathway program."

Ability to Benefit (cont.)

Students who are enrolled in an eligible career pathway program and who are not high school graduates, may be eligible to receive *Title IV* aid if the student meets one of the following ATB alternatives:

- Passes an independently administered Department of Education approved ATB test
- Completes at least 6 credit-hours or 225 clock-hours that are applicable toward a degree or certificate offered by the postsecondary institution
- Completes a State process approved by the Secretary of Education.

DCL GEN 16-09 [Changes to Title IV Eligibility for Students Without a Valid High School Diploma Who Are Enrolled in Eligible Career Pathway Programs](#)

EA 6/24/15 [Approved Ability-to-Benefit (ATB) Tests](#)

Eligible Career Pathway Programs

Under section 484(d)(2) of the HEA, an eligible career pathway program means a program that combines rigorous and high-quality education, training, and other services that—

- Aligns with the skill needs of industries in the economy of the State or regional economy involved;
- Prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the Act of Aug. 16, 1937 (commonly known as the 'National Apprenticeship Act'; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.);
- Includes counseling to support an individual in achieving the individual's education and career goals;
- Includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;
- Organizes education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable;
- Enables an individual to attain a high school diploma or its recognized equivalent, and at least one recognized postsecondary credential; and
- Helps an individual enter or advance within a specific occupation or occupational cluster.

Satisfactory Academic Progress (SAP)

To be eligible for FSA funds, a student must make satisfactory academic progress, and your school must have a reasonable policy for monitoring that progress.

The Department considers a satisfactory academic progress policy to be reasonable if it meets both the qualitative and quantitative criteria explained in the *FSA Handbook* (Chapter 1, Volume 1).

Your SAP policy must be at least as strict as your SAP policy for students enrolled in the same program of study who are not receiving FSA funds at your school, and it must apply to all students within categories, e.g., full-time, part-time, undergraduate, and graduate students.

Satisfactory Academic Progress (SAP)

Your school's policy must specify that both standards are reviewed at each evaluation point.

- Quantitative (time-based, pace)
- Qualitative (grade-based, GPA)

You may review SAP more frequently, (for example, monthly), but the more frequent reviews would not replace the review that is required to be conducted at the end of the payment period.

Your policy must explain how GPA and pace of completion are affected by course incompletes, withdrawals, and repetitions, and by transfer credits from other schools.

Satisfactory Academic Progress

For more information on SAP, please review 2019 FSA Training Conference Session 6: Understanding Your Satisfactory Academic Progress (SAP) Policy

2018 FSA Training Conference:

[Session 12. Understanding Your Satisfactory Academic Progress (SAP) Policy](#)

Enrollment Status

Student must be enrolled at least ½ time for Direct Loan programs

In general, Federal Pell Grant, TEACH Grant, and Campus-Based programs don't require ½ time status

– Three exceptions that **do** require ½ time enrollment:
  - Teacher education post-baccalaureate programs
  - Teaching credential programs – but only for FWS
  - Additional Year-Round Pell

Minimum definition of full-time (FT) for undergraduate students is equal to 12 credits; institutions determine definition of FT for graduate programs

Drug Convictions

Federal or state conviction of possession or sale of drugs may disqualify student from *Title IV* eligibility

Must be for offense that occurred during period of enrollment for which student was receiving *Title IV* aid

	Possession of illegal drugs	Sale of illegal drugs
1st offense	1 year from date of conviction	2 years from date of conviction
2nd offense	2 years from date of conviction	Indefinite period
3+ offenses	Indefinite period	

Incarcerated Students

Incarcerated students not eligible for FSA loans but are eligible for FSEOG and FWS

- Also Pell Grant eligible if not incarcerated in federal or state penal institution

Incarcerated is defined as serving criminal sentence in federal, state or local penitentiary, prison, jail, reformatory, work farm, or similar correctional institution

- Halfway house, home detention, or serving only weekends is NOT considered incarceration

School may accept student's written self-certification that s/he is no longer incarcerated

Conflicting Information

If your school has conflicting information for a student or you have any reason to believe his/her application is incorrect, you must resolve such discrepancies before disbursing FSA funds.

If you discover a discrepancy after disbursing FSA funds, you must reconcile the conflicting information and require the student to repay any aid for which he/she wasn't eligible, unless he/she is no longer enrolled for the award year and will not re-enroll.

For more information on conflicting information, please refer to the Application and Verification Guide and Volume 2, Chapter 3.
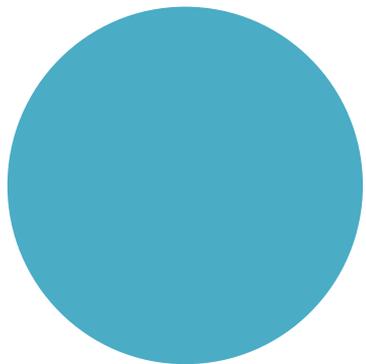
Change in Eligibility Status

In general, a student who gains eligibility may receive Pell Grant, TEACH Grant, and Campus-Based funds for the entire payment period and Direct Loan funds for the period of enrollment in which he or she becomes eligible.

A student is eligible for Pell Grant, TEACH Grant, and Campus-Based aid for the entire award year, not just the payment period, in which he or she becomes eligible by:

- meeting the requirements for citizenship,
- having a valid Social Security number, or
- being registered for Selective Service.

A student cannot receive any federal student aid after losing eligibility, unless he or she qualifies for a late disbursement.

3. FSA Program Eligibility

Federal Pell Grants

- Generally, undergraduate students only
- Pell Grant Lifetime Eligibility Used (LEU)
  - All students subject to 600% limit on Pell Grants
- Incarcerated students
  - Incarcerated in local institutions are Pell Grant eligible
  - COA must only include tuition & fees, books & supplies necessary for student's program of study
- Sex offenders
  - Not Pell Grant eligible if subject to involuntary civil commitment following incarceration for sexual offense

Iraq and Afghanistan Service Grants

For eligible students whose parent/guardian died as a result of military service in Iraq or Afghanistan after 09/11/01

- Student was less than 24 years old when parent/guardian died; or
- Student was 24 or older and was enrolled at postsecondary institution at time of parent/guardian death

If Pell Grant eligible, eligibility for all *Title IV* aid is calculated on EFC of zero

If not Pell Grant eligible, award Iraq and Afghanistan Service Grant in amount equal to Pell for award year (reduced by Federal sequestration requirement)

Children of Fallen Heroes Scholarship

Pell-eligible student whose parent or guardian died in the line of duty while performing as a public safety officer is eligible to receive a maximum Pell Grant for the award year for which the determination of eligibility is made

For purposes of the Children of Fallen Heroes Scholarship, a public safety officer is:

- As defined in section 1204 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b); or,
- A fire police officer, defined as an individual who is serving in accordance with State or local law as an officially recognized or designated member of a legally organized public safety agency and provides scene security or directs traffic in response to any fire drill, fire call, or other fire, rescue, or police emergency, or at a planned special event.

Children of Fallen Heroes Scholarship

To qualify for this scholarship, a student must be Pell-eligible and have a Pell-eligible EFC (up to 5576 for the 2019-20 award year) and be less than 24 years of age or enrolled at an institution of higher education at the time of his or her parent's or guardian's death.

In subsequent award years, the student continues to be eligible for the scholarship, as long as the student has a Pell-eligible EFC and continues to be an eligible student.

Must be based on an EFC of zero without regard to the student's calculated EFC.

Direct Loans

Preparatory coursework

- Student (or parent in case of dependent student) may apply for DL for coursework school determines necessary for enrollment in eligible program (prerequisite for admission into program)
- Coursework must be part of an eligible program at school
- Student eligible for loans for one consecutive 12-month period

Campus-Based Aid General Requirements

A student enrolled as an undergraduate, graduate, or professional student is eligible to receive assistance from the Federal Work-Study (FWS) program.

Only undergraduate students who do not have a baccalaureate or first professional degree are eligible to receive Federal Supplemental Educational Opportunity Grants (FSEOGs).

Federal TEACH Grants

Students must:

- be pursuing coursework necessary for a career in teaching

- sign an agreement to serve (ATS)
  - teach in a high-need field
    - at an elementary or secondary school or educational service agency serving low income students
    - for 4 complete years within 8 years of ceasing enrollment in TEACH Grant eligible program of study

If conditions in ATS aren't met, TEACH Grant converts to unsubsidized loan

Coming soon: New TEACH Grant Regulations!

Questions and Answers

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Thank You!

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