

2019 Federal Student Aid (FSA) Training Conference
First Posting of Unanswered Open Forum Questions

Introduction: At the 2019 Federal Student Aid (FSA) Training Conference, FSA committed to publicly posting responses to all unanswered questions that were asked during the open forum sessions. FSA, with the help of other Department of Education offices, has compiled a list of 29 unanswered questions and their responses.

1. Can Federal Student Aid (FSA) incorporate the Informed Borrower Tool into the *Free Application for Federal Student Aid (FAFSA)* form?

The Informed Borrower Tool has recently been renamed the Annual Student Loan Acknowledgement. As part of the Master Promissory Note (MPN) confirmation process, the Annual Student Loan Acknowledgement is intended to better assist borrowers in understanding the financial responsibility of funding their education and provide current information on a borrower's cumulative loan balance. In addition, before a new loan can be disbursed, borrowers are required to view and confirm their loan balance for each new award year through the Annual Student Loan Acknowledgement. In contrast, the *Free Application for Federal Student Aid (FAFSA)* form is only available starting on October 1st, for the following academic year. At the time a borrower completes the FAFSA, the amount of disbursements for the remainder of the award year are unknown. Thus, the information provided, as part of the Annual Student Loan Acknowledgement, is better delivered at the time that the borrower is actually making decisions on how much to borrow.

2. Can FSA use data in the Integrated Postsecondary Education Data System (IPEDS) to automatically create a borrower's FSA ID?

Currently, the Integrated Postsecondary Education Data System (IPEDS) is administered by the Institute of Education Sciences (IES) and collects data at the institutional level. In other words, IPEDS does not collect individual-student level data that is necessary to create an FSA ID, such as an email address, telephone phone number, or other information.

3. Can FSA remove the unusual enrollment history (UEH) flag?

Currently, FSA has no plans to remove the unusual enrollment history (UEH) flag. It is intended to address and prevent fraud in the Title IV student aid programs. Specifically, the UEH flag is intended to prevent situations where a student attends an institution long enough to receive a Title IV credit balance, leaves without completing the enrollment period, and then enrolls at another institution, repeating the pattern of remaining just long enough to collect a Title IV credit balance without earning any academic credit. If you have additional questions, please refer to the [Dear Colleague Letter GEN-15-05](#), published on March 16, 2015.

4. Is FSA publishing an Electronic Announcement (EA) to announce an institution's ability to send a URL link, to borrowers, for exit counseling?

FSA has no plans to publish an Electronic Announcement (EA) on this topic. This issue has been addressed at various FSA Training Conferences and as previously stated, institutions may send loan borrowers a hyperlink for exit counseling materials.

5. What is the purpose of the net price calculator and why is it an institutional requirement?

The requirement to complete the net price calculator is outlined in statute, and absent a change in the law, institutions must comply with the requirement, as applicable. The Higher Education Act of 1965 (HEA), as amended, as of October 29, 2011, requires each postsecondary institution that participates in the Title IV federal student aid programs to post a net price calculator on its website that uses institutional data to provide estimated net price information to current and prospective students and their families based on a student's individual circumstances. This calculator should allow students to calculate an estimated net price of attendance at an institution (defined as cost of attendance minus grant and scholarship aid) based on what similar students paid in a previous year. The net price calculator is required for all Title IV institutions that enroll full-time, first-time degree- or certificate-seeking undergraduate students. Institutions may meet this requirement by using the Department's template or by developing their own calculator that includes, at a minimum, the same elements as the Department's template. For assistance with the net price calculator, please call the Net Price Calculator Help Desk at (877) 299-3593.

6. Can FSA provide more reader-friendly, plain language guidance, to assist schools in conducting student verifications?

While institutions may use the Department's suggested verification text to fulfill the regulatory requirements, institutions are not required to use the Department's suggested text and formats, except as noted below. Thus, if institutions find the suggested text is not reader-friendly, they may develop and use their own text, forms, documents, statements, and certifications. The one exception involves students who are placed in Verification Tracking Groups V4 or V5. In that case, institutions must use the exact language provided in the "Statement of Educational Purpose" in APPENDIX A, of the [2020-2021 Verification Suggested Text Package Electronic Announcement](#), published on July 31, 2019.

7. Homeless students are at risk for “verification melt” because they don’t have addresses or the correct documents. What guidance do you have for these borrowers?

FSA understands this concern and the importance of aiding this vulnerable population. As stated in the [2019-2020 Application and Verification Guide](#) on page AVG-9: "...homeless youth should use a mailing address where they can reliably receive mail. That can be the address of a relative or friend who has given them permission to use it, or it can be their school's address as long as they have contacted the school for permission and instructions on how mail they receive at the school will reach them. As soon as incarcerated and homeless students have more permanent housing, they should update their address on the FAFSA."

8. How is the penalty of an early withdrawal of an investment or savings impacted by the new Schedule 1 questions on the 2020-21 FAFSA form?

The penalty of an early withdrawal of an investment or savings is not impacted by the new Schedule 1 questions. The new Schedule 1 questions on the 2020-21 FAFSA are intended to serve as proxies for the previous 1040A/EZ Form questions, in determining eligibility for the simplified needs test. The penalty for early withdrawal of savings is, and has historically been, reported on a different form, the 1040 Form. Furthermore, the reported penalty for early withdrawal of savings was, and remains, a disqualifier for the auto-zero and simplified needs test.

9. Will FSA allow borrowers who are deployed to use electronic notaries?

For members of the military who are deployed, there are multiple military personnel who may act as a notary or can otherwise attest to an individual's identity, for FAFSA purposes. This includes commanding officers and military legal officers. *See 10 U.S.C. 936 - Article 136(b) Authority to administer oaths and to act as notary.* However, FSA will continue to consider the issue of electronic notaries but does not approve of their use, at this time.

10. For purposes of fraud prevention, can the Department provide institutions with the IP addresses for individuals who file a FAFSA?

FSA certainly appreciates your concern regarding fraud prevention in student aid programs. For this same purpose, FSA has developed an internal IP tracking system, which serves as a safeguard, but we do not disclose this information publicly.

11. It is my institution's understanding that community colleges have higher verification rates. Can FSA provide institutions with data on verification rates, segregated by college-type, so we can review?

Ordinarily the Title IV programs for which a student is eligible determines, in part, whether that applicant may be selected for verification. Further, applicants are selected for verification without regard to the specific school or type of institution, for which the Title IV aid is administered. Accordingly, data grouped by institution-type, will not provide an accurate picture of the information requested.

12. Many student-borrowers accidentally fill out the application for Direct PLUS Loans for parents. To prevent this, can FSA use the applicant's date of birth to determine if the filer is the student, rather than the parent, and thus prevent the student from submitting the incorrect application?

FSA has clarifying language on the Master Promissory Note for Direct PLUS Loans for parents. Additionally, FSA is considering changes to the Direct PLUS Loans application for parents, as part of our Next Gen FSA efforts.

13. There is a limit for what the Internal Revenue Service (IRS) allows people to contribute to a tax-deferred account. Can FSA use the IRS’s limit to restrict the FAFSA field for this information, in order to reduce error? Alternatively, could FSA have a “challenge question” popup to say, are you sure?

As correctly stated, FAFSA questions 44(a) and 92(a) ask the applicant and parent to provide the amount of payments to tax-deferred pension and retirement savings plans that are paid directly or withheld from earnings. The IRS does restrict the amount that can be contributed to these plans. Thus, FSA will add the request, to restrict the field or add a challenge question, to the list of potential enhancements to the FAFSA form, for a future processing cycle.

14. Is there a tool, on the college score card, that would allow schools of like types (i.e., historically black colleges and universities) to see data broken down by school-type?

The College Scorecard is a data initiative that includes three parts: (1) downloadable data files with more than 2,000 data elements, (2) an application program interface (API) enabling developers and others to have real-time access to all of the data files, and (3) a consumer tool that presents a subset of data elements in a more easily digestible format. To the extent data users can access the API tool, different analyses could be conducted on different types of institutions. Similarly, data users can download the files and conduct analysis by school-type on any of the many data elements using statistical and or spreadsheet software. Thus, users can already conduct analyses by school-type.

15. Can the Department add data fields that are specific to two-year institutions (e.g., institutions that graduates of the two-year program ultimately transfer to) to the college score card?

The Department offers data fields that are specific to two-year institutions. In the downloadable data files and API, College Scorecard currently provides outcome categories for Title IV aid recipients that include the following:

- Percent completed within X years at original institution
- Percent who transferred to a 4-year institution and completed
- Percent who transferred to a 2-year institution and completed
- Percent withdrawn from original institution
- Percent who transferred to a 4-year institution and withdrew
- Percent who transferred to a 2-year institution and withdrew
- Percent still enrolled at original institution
- Percent who transferred to a 4-year institution and were still enrolled
- Percent who transferred to a 2-year institution and were still enrolled

Please note that the [technical documentation](#) describes these calculations in more detail and also provides important context and limitations to these data calculations.

16. Students from the Freely Associated States (Palau, Federated States of Micronesia, and Republic of the Marshall Islands) have parents who do not file taxes. Many of those

parents, nevertheless, have income over IRS filing requirements. When these students answer question 80 on the 2019-20 FAFSA that their parents will not file but report income over the IRS filing requirements, the Central Processing System (CPS) generates reject code 20 on their Institutional Student Information Records (ISIRs). We know that their parents pay taxes, but simply do not file a return, like is done in the United States, so it is understandable that they answer the question this way. Alternatively, if students answer that their parents filed a tax return on their FAFSAs and choose the fourth option in question 81 for the Freely Associated States, but put in all zeros for their parents' Social Security numbers (SSNs), the ISIR returns with reject codes J and/or K. These Micronesian students are caught in the middle with rejected FAFSAs in either case that need to be manually confirmed by a financial aid administrator, in order to successfully calculate an expected family contribution (EFC). They don't technically file a return, and they don't typically have SSNs. I suggest that because option three (foreign return) does not check for SSNs, that the language on the FAFSA be changed to list the Freely Associated States under that third option, instead of the fourth, and that some additional help text be added to the have-your-parents-completed-a-return question that will direct students from the Freely Associated States to indicate yes, so that they can take advantage of the benefit provided in the EFC formula for taxes paid.

FSA is aware that this issue exists and creates a reject on the FAFSA. However, FSA believes the treatment of income earned from work, in the needs analysis formula, requires this income to be treated as income earned from work. Additionally, FSA does not believe it would be appropriate to ask FAFSA filers from these trust territories of the United States to respond that they are foreign tax filers. This set of circumstances results in a scenario for a small number of FAFSA applicants and is best resolved by the school.

- 17. There appears to be a loophole in the automatic citizenship check for Title IV eligibility on the FAFSA. For example, a Micronesian student is permitted to enter a 666 number as their SSN, while also mistakenly indicating that they are a United States National. This results in a successfully processed ISIR, without the typical 142 or 146 C Code. Because the system knows that a 666 number is not a valid SSN, a Social Security Administration (SSA) data match does not occur. Because the student answered as a United States National, a Department of Homeland Security (DHS) match is also not conducted. Thus, institutions have had to manually filter out these students and individually follow-up with them to make FAFSA corrections. Absent that, the system will automatically package these Micronesian students with Direct Loans, for which they are not eligible. I suggest that the FAFSA return an error message to have the student confirm or correct what appears to be incorrect information, so institutions do not have to do this work manually.**

FSA places the highest importance on providing quality customer service. Thus, FSA will add this to the list of potential enhancements to the FAFSA form for a future processing cycle.

18. Has StudentAid.gov hidden information for any of the legally available repayment plans for borrowers?

No. All repayment options for borrowers, including the special variants of repayment plans available for loan consolidation, are available on [StudentAid.gov](https://studentaid.gov). For example, the description for consolidation loans can be found on our [Standard Repayment Plan](#) page.

19. If a borrower’s parents are divorced and one or both of the divorced parents have remarried someone else and all of the parents/stepparents live in the same household, whose information should be used on the FAFSA?

This scenario is addressed in the [2019-2020 Federal Student Aid Handbook](#) on page AVG-29: “If biological or adoptive parents who are divorced still live together, their status is unmarried and living together and both would report their information on the FAFSA; see page 26. If one or both of them have married someone else and all live in the same household (and presumably the student lived with both parents an equal amount of time), the parent and stepparent, if applicable, who provided more support in the previous year would include their information on the FAFSA. Schools may use [professional judgment] to account for the other parent’s financial contribution that is not already properly counted as child support on line 45c or money received on line 45j of the 2019–2020 FAFSA.”

20. How do FAFSA filers answer the marital status question for divorced or separated parents?

FAFSA form questions 34 and 58 ask for the applicant’s and the applicant’s parents’ marital status, as of the day the form is completed. For parents, the options are: never married, married or remarried, unmarried and both legal parents living together, divorced or separated, or widowed. Parents who are divorced or separated, as of the day the form is completed, should respond with the answer choice “divorced or separated.”

21. If a student calls 1-800-4-FED-AID with a minor request, that can be resolved by the institution, can the call center please refer the student directly to the institution rather than the FSA Feedback System? Responding to these minor requests via the FSA Feedback System requires a lot of additional work for the institution to resolve.

Students can reach the Federal Student Aid Information Center (FSAIC) by calling 1-800-4-FED-AID. FSAIC call center representatives are trained to refer students with complaints to the FSA Feedback system, if the FSA Feedback system is appropriate.

The FSAIC call center training specifies that the FSA Feedback system can help with:

- Complaints about applying for and receiving federal loans, grants, and work study; federal loan servicing; and the collection of defaulted federal loans.
- Complaints about schools’ administration of federal student aid programs, including misrepresentation of facts about the school or the school’s recruitment and marketing practices.

The FSAIC call center training specifies that the FSA Feedback system cannot help with:

- Cases involving privately issued loans. Please contact the Consumer Financial Protection Bureau (CFPB) to file a complaint about private loans.
- General inquiries. Please visit StudentAid.gov for frequently asked questions and other general information about federal student aid.
- Complaints unrelated to federal student aid, such as complaints about academic policies, grades, or faculty.

In response to this open forum question, FSA directed its FSAIC vendor to provide a reminder of the training guidance above. Schools who experience instances of FSAIC call center representatives not following this guidance, can contact the FSA Ombudsman, Joyce DeMoss, at Joyce.Demoss@ed.gov.

22. Are veterans required to report disability payments on the FAFSA as other untaxed income?

Yes. Section 480(b) of the HEA only excludes veteran's education benefits from reportable untaxed income and benefits. All other veteran's benefits are, by statute, considered reportable untaxed income and benefits on the FAFSA.

23. In 2017, Florida passed a statute requiring certain institutions to send out disclosures to students about federal student loans. The Informed Borrower Tool would seem to provide the same information on an annual basis. Do you think that Florida schools would need to lobby on the state-level to remove the state-level requirement or will the Department explain that this is now a requirement for students that are receiving federal loans?

The Department has begun discussions on this issue. The Informed Borrower Tool was recently renamed the Annual Student Loan Acknowledgement. As you know, each state may have different rules or regulations that could be affected by the Annual Student Loan Acknowledgement. FSA will research the various state requirements to see how the Annual Student Loan Acknowledgement might be used by institutions to fulfill those state requirements. We would also like to collect information from conference attendees to help with this research. Please contact FSA's Michael Ruggless at Michael.Ruggless@ed.gov, if you have additional examples.

24. Can FSA edit the Institutional Student Information Record (ISIR) code flag limits so that they are closer to the aggregate limits?

The Department is reviewing the aggregate flag's calculations to determine if adjustments are warranted.

25. When completing the FAFSA, many filers that check the legal guardianship box are instead in a situation where legal custody is at issue and therefore answer this question incorrectly. Thus, financial aid administrators are then required to request additional

docs for dependency override. Can FSA change the process so that financial aid administrators can accept both legal guardianship and legal custody paperwork?

The Department is reviewing the question and will provide updated guidance through the FSA Handbook once available.

26. Does the information in the Department’s Common Origination and Disbursement (COD) website get overridden when a borrower applies for a Direct Parent PLUS Loan for parents, on StudentAid.gov? If so, why and can FSA change this?

The borrower’s personally identifiable information is controlled via their FSA ID/PAS. It is pre-populated and un-editable and may get overwritten upon submission if it is different from what is stored on COD. However, that information is controlled via their FSA ID, so any changes must be made in the PAS system before logging into StudentAid.gov and submitting the PLUS application. The student’s information on the PLUS application is not validated against PAS or CPS. Although FSA has previously considered making changes to this process, concerns about legality of the changes, implementation costs, and burden on applicants have dissuaded us from moving forward.

27. Would the Department please clarify the guidance regarding foreign gift reporting from foundations and the guidance regarding students who receive scholarships from foreign entities? Is it true that the Department is implementing the new foreign gift data in January 2020? If so, could schools please have some leeway in this first year, as some schools are concerned about reporting accurate data at that time?

In an Electronic Announcement dated December 23, 2019, the Department indicated that schools should submit their foreign gift reporting using the E-App for the January 31, 2020 deadline. The Department made changes to the information collection in response to public comment and will request public comment on the revised requirements. Guidance on foundations and scholarships will be provided once the information collection process is completed.

28. The National Center for Education Statistics’ (NCES’s) College Navigator used to have a “students receiving aid” list of tables. Students and parents found that information helpful and it is difficult to refer them to the Integrated Postsecondary Education Data System (IPEDS) data, as an alternative. Is it possible for NCES to restore the “students receiving aid” lists?

NCES removed the percentage for the all undergraduate students table because the all undergraduates category includes students that are not eligible for Pell Grants, such as concurrently enrolled high school students. It was brought to our attention that this inclusion of non-Pell Grant eligible students distorted the percentage for some institutions with large numbers of non-degree/non-certificate-seeking students. Therefore, NCES decided to drop the computation of percentage for the all undergraduate students table in the interest of providing accurate and transparent statistics. NCES is taking steps to identify a better way to collect and report these data and will be providing guidance on how the numbers can be

accurately estimated by institutions or individuals. However, until such time that all institutions are better represented in a consistent and transparent manner, the percentage will not be included on College Navigator.

29. Is it true that the Department is considering different compliance “tiers” for different types of institutions? If so, can the Department consider segregating the proprietary schools out even further to have different “tiers” for small, family-owned proprietary schools verses proprietary schools that are owned by large firms? Many of the differences between these types of proprietary institutions are based on the institution’s mission. Thus, the Department should consider differentiating between the way that they conduct enforcement.

The Department will take that and other suggestions from the community into consideration as it develops the cybersecurity requirements that schools will be required to follow.