

Verification and 2017-2018 Conflicting Information, Identification, and Resolution

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Agenda

- Verification Overview
- 2017-2018 Verification
- Verification Hot Topics
 - IRS Get Transcript Online
 - V4 and V5 Reporting
 - Changes to Verification Tracking Groups
- Conflicting Information Identification & Resolution
- Additional Guidance

Verification Overview

- For the 2012-2013 award year –
 - Regulations were effective for the 2012-2013 award year
 - Retained long-standing five items and added SNAP (V2) and child support paid (V3)

Verification Overview

- For the 2013-2014 award year –
 - Introduced verification groups
 - Added high school completion and identity/statement of educational purpose

Verification Overview

- For the 2014-2015 award year –
 - Eliminated SNAP verification group (V2)
 - Added household resources group (V6) and other untaxed income and benefits
- For the 2015-2016 award year –
 - No changes

Verification Overview

- For the 2016-2017 award year
 - No changes to data elements but some clarifications to acceptable documentation
 - Eliminated Child Support Paid (V3) Tracking Group
 - In limited circumstances, a Verification Tracking Group could change

2017-2018 Verification

- No new items
- Removed Other Untaxed Income and Benefits
- Removed SNAP
- Removed Child Support Paid

2017-2018 Verification

- Verification Tracking Groups
 - Eliminated Household Resources Verification Tracking Group (V6)
 - Verification Tracking Groups V2, V3, and V6 are reserved

2017-2018 Verification

- Acceptable Documentation
 - Documentation for the following items that were verified for 2016-2017 may be used to satisfy 2017-2018 verification –

2017-2018 Verification

- 2015 Income Information for Tax Filer
 - Adjusted Gross Income (AGI)
 - U.S. Income Tax Paid
 - Untaxed Portions of IRA Distributions
 - Untaxed Portions of Pensions
 - IRA Deductions and Payments
 - Tax Exempt Interest Income
 - Education Credits

2017-2018 Verification

- 2015 Income Information for Nontax Filer
 - Income Earned from Work

- All applicants
 - Documentation of high school completion obtained prior to the 2017-2018 award year

2017-2018 Verification

- Must obtain new documentation each award year for—
 - Number of household members
 - Number in college
 - Identity/Statement of Educational Purpose

2017-2018 Verification

- Acceptable Documentation
 - Confirmation of Nonfiling
 - Nontax filers
 - Tax filers who received an extension but still have not filed their return
 - Use IRS Form 4506-T and check box 7
 - Dated on or after October 1, 2016

2017-2018 Verification

- Acceptable Documentation
 - High School Completion Status
 - Former member of the military unable to obtain documentation
 - May accept as alternative documentation a DD Form 214
 - DD Form 214 must indicate that the individual is a high school graduate or equivalent

2017-2018 Verification

- Federal Register Notice, published April 1, 2016, FAFSA Information to be Verified for the 2017-2018 Award Year
- Dear Colleague Letter GEN 16-07, published April 5, 2016, 2017-2018 Award Year FAFSA Information to be Verified and Acceptable Documentation

IRS Get Transcript Online

- Relunched on June 7, 2016
- New enhanced two-step multi-factor authentication process that requires the user to “register” with the IRS before submitting a request to receive transcript online

IRS Get Transcript Online

- To use Get Transcript Online tool, must have—
 - A valid email address
 - A text-enabled mobile phone
 - Specific financial account numbers such as credit card, mortgage account, or auto loan account
- A tax filer who is not able to successfully register will still be able to submit an online or phone request for a tax return transcript to be sent by mail

V4 and V5 Reporting

- Reporting Verification Results for Verification Groups V4 and V5 – See Electronic Announcement Posted Nov. 18

Enter Results

TG# for your Destination Point: TG99999
Federal School Code: 001002
School Year: 2017-2018

Enter the SSN, Name ID, and select the appropriate Identity Verification Results.

SSN	Name ID	Identity Verification Results
<input type="text" value="111223333"/>	<input type="text" value="ba"/>	<div style="border: 1px solid gray; padding: 2px;"><p>Select</p><ul style="list-style-type: none">1 - Verification completed in person, no issues found2 - Verification completed remotely, no issues found3 - Verification attempted, issues found with identity4 - Verification attempted, issues found with HS completion5 - No response from applicant or unable to locate6 - Verification attempted, issues found with both identity and HS completion<p>Select</p></div>
<input type="text"/>	<input type="text"/>	<input type="text" value="Select"/>
<input type="text"/>	<input type="text"/>	<input type="text" value="Select"/>
<input type="text"/>	<input type="text"/>	<input type="text" value="Select"/>
<input type="text"/>	<input type="text"/>	<input type="text" value="Select"/>

[ENTER MORE RESULTS](#)

[PREVIOUS](#)

[RESULTS ENTRY COMPLETE](#)

[NEED HELP?](#)

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Changes to Verification Tracking Groups

- Electronic Announcement issued October 31, 2016
- Guidance applies to 2016-2017 and subsequent award years
- In general, whether selected initially or on a subsequent transaction, student must complete verification of the information required for the current Verification Tracking Group

Changes to Verification Tracking Groups

- Information previously verified does not need to be re-verified
- Because V5 is about the student's identity, failure to complete verification will, in most cases, require the student to repay any Title IV aid that was disbursed
- If, after verification is completed, it is determined that the student was overpaid, the student is liable for the overpayment

Changes to Verification Tracking Groups

- Not initially selected; then selected for V1 or V6
 - Until verification is complete, no further disbursements of **any** Title IV aid can be made, except on a case-by-case basis for Direct Unsubsidized Loans and Direct PLUS Loans
 - If verification never completed, student must return all Title IV grant and Perkins Loan funds. Direct Unsubsidized, Direct Subsidized, and Direct PLUS loans and FWS wages earned do not have to be returned

Changes to Verification Tracking Groups

- Initially not selected; then selected for V4 or V5 OR previously selected for V1 or V4; then selected for V5
- Until verification is complete, no further disbursements of **any** Title IV aid can be made including Direct Unsubsidized and Direct PLUS Loans

Changes to Verification Tracking Groups

- If verification is never completed or student fails to verify identity or high school completion status, the student must return **all** Title IV aid including Direct Unsubsidized, Subsidized, and PLUS loans
- FWS wages earned do not have to be returned
- The requirement for the student to return funds applies regardless of whether the student is still enrolled

Changes to Verification Tracking Groups

- Once verification is complete if —
 - No change to EFC-
 - Student may receive all Title IV aid for which eligible and may be employed under FWS
 - EFC decrease —
 - All aid for the award year must be based on new EFC
 - Disbursements must be consistent with late disbursement rules, if applicable

Changes to Verification Tracking Groups

- Once verification is complete if —
 - EFC increase-
 - All awards, disbursements, and FWS must be based on the verified higher EFC
 - May result in overpayments of Title IV grants and Perkins Loans
 - Follow normal rules for resolving any overpayments including adjustments to upcoming disbursements

Conflicting Information

See DCL GEN-16-14

August 3, 2016

Conflicting Information Agenda

- Reducing Likelihood
- Comment Code 399 Resolution
- Disbursements and Overpayments
- Applicability of ISIRs
- Additional Guidance

Conflicting Information Issue

- 2016-2017 and 2017-2018 FAFSAs use the same 2015 income and tax information
- Possibility of conflicting information between the two FAFSAs
- The regulations at 34 CFR 668.16(f) require resolution of any possible conflicting information
- Student aid must be provided based on correct information

Processes to Reduce Likelihood

- Minimize instances where institutional resolution of possible conflicting information would be required
 - Use of IRS DRT for both years
 - Pre FOTW submission warnings
 - ED identification of possible conflicting information that must be resolved

Pre FOTW Submission Warnings

- Real-time warnings displayed if one or more of the income or tax amounts being input into a 2017-2018 FAFSA differs from the amount(s) that was reported on the 2016-2017 FAFSA

Pre FOTW Submission Warnings

- No warnings if the 2016-2017 FAFSA transaction was based on –
 - Estimated income/taxes
 - If there has been a change in the student's dependency status between the two years
 - If there has been a change in either the student's or parents' marital status between the two years

ED Identification

- CPS will compare the last 2016-2017 ISIR transaction with the 2017-2018 ISIR to –
 - Determine if there is income/tax conflicting information between the two FAFSAs, and,
 - If any identified conflicting information would, once resolved, produce a significant change in the student's expected family contribution (EFC)
- CPS will flag the 2017-2018 ISIR to require institutional resolution - Comment Code 399

ED Identification

- CPS review will not be performed if—
 - Student is not expected to be Pell Grant eligible based on the 2017-2018 FAFSA
 - There was a change in the student's dependency status
 - There was a change in the student's or parents' marital status
 - Professional judgment was performed in either year

ED Identification

- If there is the possibility of a significant change in a student's EFC, the 2017-2018 ISIR will have a 'C' code and Comment Code 399, informing the institution that it must resolve the possible conflicting information

Comment Code 399 Resolution

- Must compare the 2015 income and tax related items from both years to determine which items are in conflict
- If, for either year the institution had verified the item or the IRS DRT had been used with no changes, assume that the verified or IRS DRT transferred value is correct and submit corrections to the other year's ISIR

Disbursements and Overpayments

- Correction to 2017-2018
 - Institution must use the EFC from the corrected ISIR for awarding and disbursing all Title IV aid for 2017-2018

Disbursements and Overpayments

- Correction to 2016-2017 –
 - Lower EFC: Must disburse any additional 2016-2017 aid the student is eligible to receive, consistent with the late disbursement rules at 34 CFR 668.164(j)
 - Higher EFC: Must determine 2016-2017 eligibility based on the corrected EFC
 - Could result in overaward

Disbursements and Overpayments

- Resolving Overawards
 - Adjust any future 2016-2017 disbursements, if possible; if not -
 - Could be a Title IV overpayment in one or more of the programs

Disbursements and Overpayments

- Resolving Overawards – Grants and Perkins
 - Student must repay aid disbursed for which the student is no longer eligible
 - Institution is not liable
 - Follow procedures for handling Title IV overpayments (see Volume 4: Chapter 3 “Overawards and Overpayments” of the *Federal Student Aid Handbook*)

Disbursements and Overpayments

- Resolving Overawards - Subsidized Loans
 - An overaward of Direct Subsidized Loan funds does not need to be immediately repaid
 - Will be repaid under the terms of the promissory note
 - No institution action is required except to record its determination

Additional Guidance

Additional Guidance

- Questions & Answers on IFAP
 - Q&A12: 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. [September 6, 2016]

Additional Guidance

- Questions & Answers on IFAP
- Q&A13:A student's 2017–2018 ISIR will not include Comment Code 399 if:
 - Any differences would not result in a significant change in the student's EFC
 - The student is not expected to be Pell Grant eligible based on the 2017–2018 ISIR
 - There was a change in dependency or marital status
 - Professional judgment was performed [September 6, 2016]

Additional Guidance

- Questions & Answers on IFAP
 - Q&A14: Even if the ISIR was not selected for verification, institutions must resolve the possible conflicting information if the student's 2017–2018 ISIR included Comment Code 399. [September 6, 2016]

Additional Guidance

- Questions & Answers on IFAP
 - Q&A16: Institution must resolve any possible conflicting information and submit any required ISIR changes to the CPS before it makes a professional judgment determination. [September 6, 2016]

Additional Guidance

- Questions & Answers on IFAP
- Q&A17: The required comparison must be between the 2017–2018 ISIR with Comment Code 399 and the 2016–2017 ISIR that was, or will be, used as the basis for awarding and disbursing Title IV aid. [September 6, 2016]

Additional Guidance

- Questions & Answers on IFAP
- Q&A19:
 - If comment code 399 appears on the 2017-2018 ISIR, and the resolution of the conflicting information is that it is the 2016-2017 ISIR that is incorrect, the institution does not need to submit corrections to the 2016-2017 ISIR if the institution did not and will not disburse Title IV aid for the 2016-2017 award year. [October 3, 2016]

Additional Guidance

- Questions & Answers on IFAP
 - Q&A20: If the resolution of Comment Code 399 results in an overaward, the institution must first adjust any subsequent disbursements in the same award year to eliminate the overaward
 - If the student's overaward cannot be eliminated by adjusting subsequent disbursements, any remaining portion of the overaward attributed to a Title IV grant or Perkins Loan must be returned [November 18, 2016]

Contact Information

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