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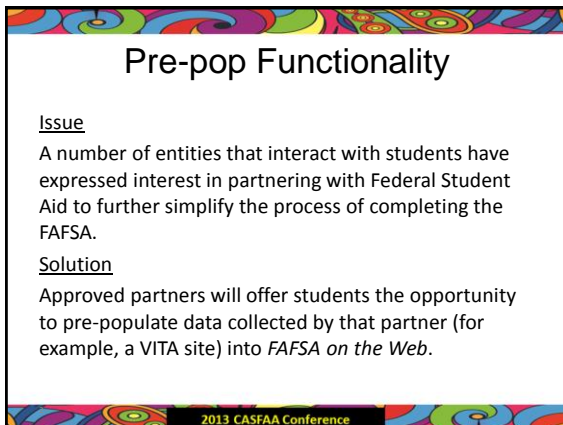
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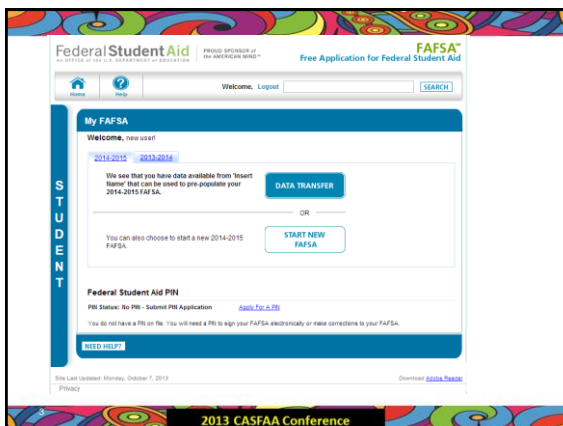
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## New Parent Marital Status

### Issue

Information about both legal parents is currently included on a dependent student's FAFSA only if the parents are married to each other, creating an inequity.

### Solution

A new parent marital status option of "Unmarried, but both parents living together" will allow for the collection of data from both legal parents when the parents are not married to each other. Mother and Father labels will change to Parent 1 and Parent 2. Help text will be significantly enhanced to provide guidance for parents who file separate tax returns.

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## Change to Definition of "Married"

### Issue

The Supreme Court's recent decision in *United States v. Windsor* changed the federal definition of marriage.

### Solution

Text that defines marriage will be updated. Mother and Father labels will change to Parent 1 and Parent 2.

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## Parent Updates (paper)

24. Highest school completed by Parent 1

25. Highest school completed by Parent 2

**Step Four (Parent):** Complete this step if you (the student) answered "No" to all questions in Step Three.

Answer all the questions in Step Four even if you do not live with your legal parents (your biological and/or adoptive parents). Grandparents, foster parents, legal guardians, aunts and uncles are not considered parents on this form unless they have legally adopted you. If your legal parents are married to each other or are not married to each other and live together, answer the questions about both of them. If your parent was never married or is remarried, divorced, separated or widowed, see [Notes page 9](#) for additional instructions.

59. As of today, what is the marital status of your legal parents?

Never married..... ☐ 2 Married or remarried..... ☐ 1  
 Unmarried and both parents living together..... ☐ 5 Divorced or separated..... ☐ 3  
 Widowed..... ☐ 4

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## Conflicting Asset Information

### Issue

If a student or parent answers "yes" to the asset threshold question but then reports assets that total less than the APA, it appears on the ISIR as conflicting information for the FAA to resolve.

### Solution

We'll add an edit to *FAFSA on the Web* that prevents this scenario from occurring.

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### Error Found

#### The following error(s) have occurred:

- 2007: You reported that the Student's Parents' assets exceeded \$50,000 but the sum of Parents' Cash, Savings, and Checking, Real Estate/Investment Net Worth, and Business/Farm Net Worth is less than or equal to \$50,000. Change the response to "Parents' Total Assets Exceed \$50,000?" or change Parents' Cash, Savings, and Checking, Real Estate/Investment Net Worth, and Business/Farm Net Worth to the correct amount.

FAFSA Question	Enter Correct Value
As of today, does the total amount of your parents' current <u>assets</u> exceed \$50,000.00?	<input checked="" type="radio"/> Yes <input type="radio"/> No
As of today, what is your parents' total current balance of cash, savings, and checking accounts?	Enter whole dollar amounts in this box, and do not use commas. \$1,000.00
As of today, what is the net worth of your parents' investments, including real estate (not your parents' home)?	Enter whole dollar amounts in this box, and do not use commas. \$500.00
As of today, what is the net worth of your parents' current businesses and/or investment farms?	Enter whole dollar amounts in this box, and do not use commas. \$0.00

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## Tax Filing Status

### Issue

We are unable to identify instances where the student's or parents' marital status conflicts with the tax filing status, resulting in the possibility that either too much income or not enough income is being reported on the FAFSA.

### Solution

Students and parents will begin reporting their tax filing status on the FAFSA. The system will compare the tax filing status with the marital status to determine where potential discrepancies exist, and message accordingly.

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## IRS Display Flags

### Issue

Some students and parents are not provided with the option to use the IRS DRT, and FAAs don't know why. This makes it difficult to determine what documentation to ask for when the student is selected for verification.

### Solution

We'll include new IRS Display Flags on the ISIR, as well as in FAA Access. These alpha-character flags will identify the specific reason why a student or parent was not eligible to use the IRS DRT.

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## IRS Display Flags - Student

- Blank = IRS DRT not available
- A = Dependent student skipped the income and asset questions – IRS DRT was not displayed
- B = IRS DRT was displayed to student
- C = Tax return status not equal to "Already completed" – IRS DRT was not displayed
- D = Marital status date greater than or equal to January 2014 – IRS DRT was not displayed
- E = First three digits of SSN are 666 – IRS DRT was not displayed
- H = Student amended his/her tax return – IRS DRT was not displayed
- J = Student filed a Puerto Rican or Foreign tax return – IRS DRT was not displayed
- K = Student is married and tax return filing status is Married Filed Separate Return – IRS DRT was not displayed
- L = Student is married and tax return filing status is Head of Household – IRS DRT was not displayed
- M = Conflict between the student's marital status and tax return filing status – IRS DRT was not displayed

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## IRS Display Flags - Parent

- Blank = IRS DRT not available
- A (if student is dependent) = Dependent student has special circumstances – IRS DRT was not displayed
- A (if student is independent) = Independent student skipped the parent questions – IRS DRT was not displayed
- B = IRS DRT was displayed to parent
- C = Tax return status not equal to "Already completed" – IRS DRT was not displayed
- D = Marital status date greater than or equal to January 2014 – IRS DRT was not displayed
- E = First three digits of SSN are 666 – IRS DRT was not displayed
- F = Non-married parent or both married parents entered all zeroes in SSN – IRS DRT was not displayed
- G = Neither married parent entered a valid SSN – IRS DRT was not displayed
- H = Parent amended his/her tax return – IRS DRT was not displayed
- J = Parent filed a Puerto Rican or Foreign tax return – IRS DRT was not displayed
- K = Parents are married and tax return filing status is Married Filed Separate Return – IRS DRT was not displayed
- L = Parents are married and tax return filing status is Head of Household – IRS DRT was not displayed
- M = Conflict between the parents' marital status and tax return filing status – IRS DRT was not displayed
- N = Parents' marital status is "Unmarried and both parents living together" – IRS DRT was not displayed

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## Messaging for Corrections

### Issue

Some students and parents return to *FAFSA on the Web* to use the IRS DRT, add a school code, or make other corrections, but don't submit those corrections.

### Solution

We'll modify the messaging that displays when a user returns to *FAFSA on the Web* after transferring data from the IRS. Additionally, we'll send an e-mail to students with a saved correction after seven days of inactivity, encouraging them to return to *FAFSA on the Web* and submit the corrections.

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■ Application was successfully saved.

- You're almost done. You transferred your IRS tax information, and questions that were populated are marked with "Transferred from the IRS." To finish, you must sign and submit this application and receive a confirmation page.

For 2013, have you completed your IRS income tax return or another tax return? Already completed ▾

For 2013, what is your tax filing status according to your tax return? Transferred from the IRS  
Single ▾

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## Increased Field Lengths

### Issue

The number of characters allowed in the student and parent financial fields needs to be changed in order to accurately report income and EFC for high cost institutions with high income students.

### Solution

Increase lengths of all income and asset fields and calculated EFC values to allow for more characters.

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## Increased Field Lengths

### Student Financial Fields increasing to 7 digits

Student's Financial Fields	
Student's AGI	Student's Co-op Earnings
Student's Taxes Paid	Student's Pension Payments
Student's Income	Student's IRA Payments
Spouse's Income	Student's Child Support Received
Student's Cash, Savings, and Checking	Student's Interest Income
Student's Real Estate/Investment Net Worth	Student's IRA Distributions
Student's Business/Farm Net Worth	Student's Untaxed Pensions
Student's Education Credits	Student's Military/Clergy Allowances
Student's Child Support Paid	Student's Veteran's Non-Education Benefits
Student's Need-Based Employment	Student's Other Untaxed Income
Student's Grant/Scholarship Aid	Student's Other Non-Reported Money Received
Student's Combat Pay	

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## Increased Field Lengths

### Parent Financial Fields increasing to 7 digits

Parent's Financial Fields	
Parents' AGI	Parents' Combat Pay
Parents' Taxes Paid	Parents' Co-op Earnings
Father's Income	Parents' Pension Payments
Mother's Income	Parents' IRA Payments
Parents' Cash, Savings, and Checking	Parents' Child Support Received
Parents' Real Estate/Investment Net Worth	Parents' Interest Income
Parents' Business/Farm Net Worth	Parents' IRA Distributions
Parents' Education Credits	Parents' Untaxed Pensions
Parents' Child Support Paid	Parents' Military/Clergy Allowances
Parents' Need-Based Employment	Parents' Veteran's Non-Education Benefits
Parents' Grant/Scholarship Aid	Parents' Other Untaxed Income

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## Increased Field Lengths

### Student and Parent Assumed Financial Fields increasing to 7 digits

ASSUMED	
Assumed Student's AGI	Assumed Parents' AGI
Assumed Taxes Paid	Assumed Parents' Taxes Paid
Assumed Income	Assumed Father's Income
Assumed Spouse's Income	Assumed Mother's Income

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## Increased Field Lengths

The length of the following EFC values is increasing to 6 digits

EFC Calculation	
Primary	Alternate
Secondary	Signature Reject

The length of the following EFC Intermediate values is increasing to 8 digits

Primary and Secondary EFC Intermediate Values	
TI	AAI
STI	FISAP TI
AI	

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## 150% Subsidy Loan Limit

### Issue

On July 6, 2012 President Obama signed into Public Law 112-141, the elimination of the subsidy on Direct Subsidized Stafford Loans when a "new borrower's" enrollment exceeds 150% of the published program length (DCL: GEN-13-13).

### Challenges

Upon receipt of a Direct Loan actual disbursement with a first disbursement date on or after July 1, 2013, COD must determine if the borrower meets the definition of a "new borrower" to confirm that the 150% subsidy limit applies to the borrower.

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## 150% Subsidy Loan Limit

### Solution

- Identify "new borrowers" starting July 1, 2013 (Phase 1)
- Identify when a borrower reaches the 150% threshold and take appropriate actions (Phase 2)
- Continuously monitor "new borrowers" enrollment to evaluate future enrollment impacts to students' 150% limitations (Phase 2)

A "new borrower" is defined as any borrower without an outstanding loan balance on July 1, 2013 or thereafter (Direct Subsidized, direct unsubsidized, PLUS loan [parent PLUS and grad PLUS], FFEL, consolidation and/or converted TEACH).

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## 150% Subsidy Loan Limit

The following NSLDS fields will be added to the ISIR:

Added	Value
Subsidized Usage Limit Applies Flag (SULA)	Y/N
Subsidized Loan Eligibility Used (SLEU)	000v000

- These fields will be passed from NSLDS to CPS starting with 2014-2015 at the borrower level during pre-screening
- A SAR Comment 267 will be triggered when SULA Flag is set to Y
- New NSLDS Post-Screening Reason Code 25 value will be added: Subsidized Usage Applies Flag Status Change
- <https://federalregister.gov/a/2013-11515> (DCL: GEN-13-13)

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## 150% Subsidy Loan Limit

- SAR Comment 267
  - There is a limit to the total amount of subsidized federal student loans that you may receive. Please visit [Studentaid.gov](http://Studentaid.gov) and select Types of Aid/Loans for more information.
- Reason Code 25 will be added to the NSLDS Post-screening for a Subsidized Usage Limit Applies Flag status change.

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## Update NSLDS Fraud Loan Flag

### Issue

NSLDS receives records from the Office of Inspector General (OIG) that indicate someone has been convicted of fraudulently obtaining federal loans and is no longer eligible for aid.

### Solution

Beginning January 1, 2014:

- NSLDS records that receive a flag value of "Y" in the NSLDS Fraud Loan Flag field will no longer have a SAR C Code
- Records will now receive Reject Reason 24 and SAR Comment 272
- Effective for 2013-14 and 2014-15

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## Update NSLDS Fraud Loan Flag

- SAR Comment 272:
  - The National Student Loan Data System (NSLDS) indicates that you have one or more student loans that may have been obtained fraudulently. You are not eligible to receive any federal student aid until this issue is resolved.

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## Verification

### Program Integrity Final Rules

- Federal Register Notice Published October 29, 2010
- Replacing the five verification items for all selected applicants with a targeted selection from items included in an annual Federal Register notice published by the Secretary

### FAFSA information to be verified for 2014-15 and acceptable documentation, refer to:

- Federal Register Notice published on June 13, 2013
- DCL GEN-13-16 posted on June 13, 2013

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## Verification

### Data from January 1, 2013 to November 1, 2013

#### Verification Selection

- Indicate of the 5,722,505 selected for verification from the 18,827,577 who applied to date
- .9% (51,533) were placed in the V4 – Customized Verification Group
- 1.45% (82,889) were placed in the V5 – Aggregate Verification Group

#### Unusual Enrollment History (Not part of Verification)

- Indicate of 18,827,577 who applied to date
- .93% (175,567) were placed in the UEH Flag #2 category
- .14% (26,496) were placed in the UEH Flag #3 category

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## Verification

Verification Tracking Flag	Verification Tracking Group	Verification Description
V1	Standard Verification	Record selected because conditions based on statistical analysis error-prone risk model were met
V2	(Formerly SNAP Verification) Reserved for FSA Use Only	N/A
V3	Child Support Paid Verification	Record selected for Child Support Paid criteria only
V4	Custom Verification Group	Record selected for Identity criteria and SNAP/Child Support Paid
V5	Aggregate Verification Group	Record selected for Identity criteria, "Standard Verification" criteria and SNAP/Child Support Paid
V6	Household Resources	Record selected for Other untaxed income, "Standard Verification" and SNAP/Child Support Paid

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## Verification

### Issue

FSA continues the process of refining our verification selection efforts related to Identity criteria (V4 and V5) based on our data analysis, resources and reporting tools.

### Enhancements

- New Reject Reason 23 will be applied when certain conditions related to identity issues are met
  - SAR Comment 281 will be generated
- Reject 23 can only be overridden by FSA
  - A system-generated SAR will be sent with SAR Comment 283

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## Verification

### SAR Comment 281

- We cannot process your FAFSA because of issues related to your eligibility. Contact Federal Student Aid at 202-377-3889 for assistance within 30 days from the date of this letter.

### SAR Comment 283

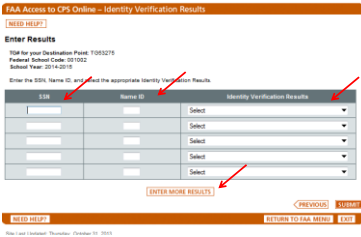
- Issues related to your FAFSA have been resolved and processing of your FAFSA may continue.

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## Verification

- The FAA will enter SSN, Name ID, and Verification Results from a dropdown menu on this page
- Click "Add SSNs" and enter additional ones



FAA Access to CPS Online - Identity Verification Results

NEED HELP?

Enter Results

TIGR for your Destination Point: T0102710  
Federal School Code: 011002  
School Year: 2014-2015

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

SSN	Name ID	Identity Verification Results
		Select
		Select
		Select
		Select
		Select

ENTER MORE RESULTS

PREVIOUS

RETURN TO FAA MENU

EXIT

NEED HELP?

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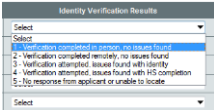
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## Verification

Dropdown options will be:

- Verification completed in person, no issues found
- Verification completed remotely, no issues found
- Verification attempted, issues found with identity
- Verification attempted, issues found with HS completion
- No response from applicant or unable to locate



Identity Verification Results

Select

Select

0 - Verification completed in person, no issues found

1 - Verification completed remotely, no issues found

2 - Verification attempted, issues found with identity

3 - Verification attempted, issues found with HS completion

4 - No response from applicant or unable to locate

Select

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## Verification

Coming in April 2014

FAA Access to CPS Online - Identity Verification Results

NEED HELP?

Load Results File

TIGR for your Destination Point: T099999  
Federal School Code: 011002  
School Year: 2014-2015

Enter the location of the file you want to load:

Browse...

PREVIOUS

UPLOAD RESULTS

NEED HELP?

RETURN TO FAA MENU

EXIT

FAAs will be able to create and upload a flat file

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## Verification

**FAA Access to CPS Online – Identity Verification Results**

[NEED HELP?](#)

**Confirmation**

TSA for your Destination Point: T053275  
 Federal School Code: 001002  
 School Year: 2014-2015

Your identity verification results have been submitted for the following record(s):

111-11-1111	XX	Verification completed in person, no issues found
222-22-2222	XX	Verification attempted, issues found with identity
333-33-3333	XX	Verification completed remotely, no issues found

Select **Print This Page** to print this page for your records.

[NEED HELP?](#) [PRINT THIS PAGE](#) [RETURN TO FAA MENU](#) [EXIT](#)

FAAs will get a confirmation page with the results submitted and can print the page for their records

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## Applicants Younger than 13

Issue  
 Provide a COPPA-compliant process to allow students younger than 13 to apply for Title IV.

Solution

- Implement a special-handling paper process that:
  - Will bypass the Date of Birth edit
  - Will not allow the student to provide an e-mail address
- Student will receive a paper SAR and the school will receive an ISIR
- The Renewal Process will not be available for these applicants

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## Applicants Younger than 13

Correction Process

- If corrections are required,
  - the student/parent can submit them via the paper SAR correction process
  - The FAA can make corrections, except they cannot provide an e-mail address

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## Important Dates



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## Important Dates

- August 29, 2013
  - **2014-2015 Application Processing System Specifications for Software Developers draft**
- September 19, 2013
  - **2014-2015 EFC Formula Guide**, pending final 2012 IRS tax legislation

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## Important Dates

- October 18, 2013
  - **2014-2015 CPS Test System User Guide**
- October 21, 2013
  - 30-day public comment period for the Federal Register draft of the 2014-2015 Free Application for Federal Student Aid (FAFSA). **Comments were due November 20, 2013**

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## Important Dates

- October 23, 2013
  - **2014-2015 Electronic Data Exchange (EDE) Technical Reference** (including the ISIR Record Layout and ISIR Cross-Reference) Final
- October 23, 2013
  - **2014-2015 ISIR Guide**

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## Important Dates

- November 2013
  - **2014-2015 SAR Comment Codes and Text**
- December 29, 2013
  - The CPS Test System and Demo Site are available

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## Important Dates

- January 1, 2014
  - FAFSA on the Web available to students
- January 1, 2014
  - FAA Access to CPS Online available to financial aid administrators
- January 3, 2014
  - 2014-2015 CPS begins processing

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## Your Region IX Training Officers

- Virginia Hagins
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- Bruce Honer
- [Bruce.honer@ed.gov](mailto:Bruce.honer@ed.gov)
- Robert Vallas
- [Robert.vallas@ed.gov](mailto:Robert.vallas@ed.gov)



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## Kindly complete an evaluation....

<http://s.zoomerang.com/s/VirginiaHagins>



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