Early FAFSA / Prior Prior Year / 2017-18 FAFSA Processing

Bruce Honer | October 2016
U.S. Department of Education
NAFAA Conference

2017-18 Application Changes

- Two major changes beginning with 2017-18 award year
  - Early FAFSA launch
    - Beginning with 2017-18 award year, FAFSA cycle will begin on October 1 instead of January 1
    - 2017-18 FAFSA available 10/01/16
    - Change is permanent
  - Prior-Prior year income
    - 2017-18 FAFSA will collect tax year 2015 income
    - IRS Data Retrieval Tool (DRT) available at time of launch

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2017–18 Application Changes

**CHANGES TO THE FAFFSA PROCESS FOR 2017–18**

**Outreach Activities**
- Early FAFSA webpage
- Periodic EAs, DCLs, training, etc.
- Student websites, publications and communications updated appropriately and timely
- Early FAFSA mailbox – [EarlyFAFSAFeedback@ed.gov](mailto:EarlyFAFSAFeedback@ed.gov)

**Early FAFSA/Prior-Prior Year Considerations**

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**Early FAFSA/Prior-Prior Year Considerations**

**Materials and resources for outreach**
- FAFSA – [financialaidtoolkit.ed.gov/fafsa](http://financialaidtoolkit.ed.gov/fafsa)
- Resources – [financialaidtoolkit.ed.gov/resources](http://financialaidtoolkit.ed.gov/resources)
- FAFSA changes – [financialaidtoolkit.ed.gov/fafsa-changes](http://financialaidtoolkit.ed.gov/fafsa-changes)
- Talking points
- Table of FAFSA launch dates and tax years
- Fact sheets for counselors, parents and college students
- Outreach calendar
- PowerPoint presentations
- Information and upcoming webinars

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GEN-16-14: Conflicting Information

• ED will identify possible conflicting information resulting from use of 2015 income and tax information for 2016-17 and 2017-18 FAFSAs
• Limit burden and minimize instances of conflicting information related to 2015 income and tax information
• Normal conflicting information rules apply for non-income and tax related information

GEN-16-14: Conflicting Information

• FOTW new edits warn if one or more income or tax amounts reported for 2017-18 differs from amount reported on 2016-17 FAFSA
• If corrections not entered, comments included on SAR and ISIR
• Edits NOT triggered if
  • 2016-17 FAFSA transaction was based on estimated income/taxes
  • Change in dependency status between two years
  • There has been a change in either student’s or parents’ marital status between two years

GEN-16-14: Conflicting Information

• CPS will identify conflicting information between two years that once resolved would have significant impact on EFC
• CPS will NOT flag if
  • Student is not expected to be Pell-eligible
  • Change in dependency status between two years
  • Change in student’s or parents’ marital status between two years
  • PJ was performed in either year

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GEN-16-14: Conflicting Information

- Institutionally required resolution
  - Student’s 2017-18 ISIR and SAR will be flagged with ‘C’ code and comment code 399
  - Will NOT be included on 2016-17 ISIR
  - If comment code 399 not included on 2017-18 ISIR, school is not required to determine if there are any differences in income or tax information between two ISIRs
    - However, any other conflicting information (e.g., citizenship status or HS completion status) must be resolved

GEN-16-14: Conflicting Information

- Applicability of ISIRs
  - School does NOT have to resolve comment code 399 if
    - Never received 2016-17 ISIR
    - Received 2016-17 ISIR but did not and will not disburse TIV aid in either year
  - School does have to resolve comment code 399 if
    - Received 2016-17 ISIR and disbursed or may disburse TIV aid
    - Received 2016-17 ISIR but did not review or process 2016-17 ISIR

GEN-16-14: Conflicting Information

- Resolving potential conflicting information
  - School must compare all of 2015 income and tax-related FAFSA/ISIR items from both years’ ISIRs to determine which are in conflict
  - If, for either year, school had verified conflicting information or student/parent used IRS DRT and did not change any of transferred data, school can assume verified or DRT values are correct and submit changes to other ISIR’s year’s values
    - Exception
      - If school is aware that subsequent to verification, amended tax return was filed, school must ensure both years’ ISIRs based on amended tax data
### GEN-16-14: Conflicting Information

- Conflicts must be resolved if information
  - Was not verified
  - Was not transferred using IRS DRT
  - Was transferred and then changed or
  - If school is aware amended tax return was filed with IRS
  - May need to reach out to student for reasons why data is different between years

### GEN-16-14: Conflicting Information

- Additional disbursements and overpayments
  - 2017-18 FAFSA/ISIR – if required correction is for 2017-18 year, school must use EFC from corrected ISIR to award/disburse
  - 2016-17 FAFSA/ISIR – if required correction is for 2016-17 year, school must ensure that all awards/disbursements for 2016-17 are using corrected 2016-17 ISIR
    - Exception – not required to submit corrections to 2016-17 ISIR if 09/09/17 published deadline for making corrections has passed

### GEN-16-14: Conflicting Information

- Unable to resolve
  - Until conflicting information is resolved, school may not disburse any additional 2016-17 or 2017-18 Title IV aid
  - If unable to resolve school must consider student in overaward status for any need-based 2016-17 Title IV aid that was disbursed
    - except FWS – though no more FWS can be earned
GEN-16-14: Conflicting Information

- Additional disbursements and overpayments
  - **Lower EFC**: when correction results in lower official 2016-17 EFC, school must disburse any additional 2016-17 aid it determines student is eligible to receive
  - Consistent with late disbursement rules at 34 CFR 668.164(g)
  - **Higher EFC**: when correction results in a higher official 2016-17 EFC, school must determine student’s 2016-17 Title IV eligibility based on corrected EFC and may not make any additional 2016-17 disbursements for which student is no longer eligible
  - Overawards may occur

- Resolving overawards and overpayments
- Title IV Grants and Perkins Loans
  - Adjust subsequent disbursements
  - If not resolved by adjusting subsequent disbursements, student must repay portion disbursed no longer eligible for
  - School is not liable
  - Follow normal overpayment rules and procedures
- Direct Subsidized Loans
  - Does not need to be immediately repaid but instead will be repaid under terms of promissory note
  - No action school must take except to record its determination

For Discussion Purposes Only
2017-18 Enhanced Messaging - FOTW

• **Issue:** Students are confused about which FAFSA to complete when two cycles are active and the student has not completed a FAFSA for either year
• **Solution:** Messaging on “Get Started” page enhanced for clarity

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U.S. Department of Education
• **Issue:** There will be a larger population of applicants and parents for whom the income tax return won’t provide correct information due to recent marital status change.

**Solution:** Messaging and help text have been added.
2017-18 Enhanced Messaging - FOTW

- Issue: Most applicants should have filed their 2015 taxes already
- Solution: Messaging reflects expectation that taxes have already been filed
2017-18 IRS DRT Enhancements

• **Issue**: Filtering questions don’t align with collection of prior-prior year tax information
• **Solution**: Filtering questions have been modified

2017-18 IRS DRT Enhancements

• **Issue**: Applicants who are eligible to use the IRS DRT are not using it
• **Solution**: Eligible applicants can only advance through FOTW if they use IRS DRT or actively opt out of using IRS DRT

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Other 2017-18 FAFSA Changes

- Will no longer print FAFSA as color packet
  - More than 99 percent of FAFSAs are filed electronically
  - PDF FAFSA available online to be printed
  - Call 1-800-4FEDAIL to request copy
- Medicaid added as federal means-tested benefit

Important Dates

**October 2016**

- 2017-18 FAFSA on the Web availability (October 1, 2016)
- 2017-18 IRS Data Retrieval Tool availability (October 1, 2016)
- 2017-18 FAA Access to CPS Online availability (October 1, 2016)
Questions

ED Contacts

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

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

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<th>G2-Audit</th>
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<tr>
<td>COD</td>
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<td>Foreign Schools Participation Division</td>
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Questions?

Contact me with follow-up questions about this session:
Bruce Honer-Federal Training Officer
bruce.honer@ed.gov; 415-486-5521

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Training Feedback

To ensure quality training we ask all participants to please fill out an online session evaluation
• Go to http://s.zoomerang.com/s/BruceHoner
  Evaluation form is specific to Bruce Honer
• This feedback tool will provide a means to educate and inform areas for improvement and support an effective process for “listening” to our customers
• Additional feedback about training can be directed to joann.borel@ed.gov; 936-201-3298

Thank You

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