

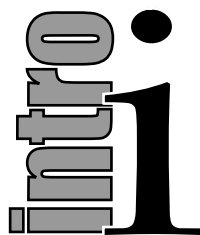
Archived Information

CONTENTS

CHAPTER 2 STUDENT ELIGIBILITY AND FINANCIAL NEED

INTRODUCTION	1
Recent Changes	2
SECTION 1: STUDENT ELIGIBILITY	3
Citizenship	3
Enrollment as a Regular Student in an Eligible Program	7
High School Diploma; Ability To Benefit	9
Remedial Coursework for Postsecondary Study	15
Enrollment Status	17
Satisfactory Progress	18
Loan Defaults and Overpayments	23
Bankruptcy	26
Eligibility After Total and Permanent Disability Cancellation	26
Valid Social Security Numbers	28
Registration with Selective Service	31
Borrowing in Excess of Loan Limits	36
Members of Religious Orders	37
Incarcerated Students	37
Correspondence and Telecommunications Courses	37
Student Certifications and Statements	38
Specific Program Requirements	38
SECTION 2: THE STUDENT'S FINANCIAL AID HISTORY	39
NSLDS Match	40
Checking Previous Attendance	41
Using NSLDS for Financial Aid Histories	41
Requesting FAT information	43
NSLDS and Midyear Transfers	44
Payment and Certification Options	46
Sending a Transcript	47
Required Information Items	47
Model Transcript	50

SECTION 3: OVERVIEW OF FINANCIAL NEED	53
Expected Family Contribution	54
Professional Judgment	56
Cost of Attendance (COA)	57
Award Calculations, Resources, and Estimated Financial Assistance	60
Packaging Aid	65
Overawards	67
APPENDIX A: DOCUMENTING CITIZENSHIP STATUS	69
U.S. Citizen or National	71
Citizens of the Pacific Islands	74
Other Eligible Categories	74
Student Rights with Respect to the Computer Match	77
Using the G-845S for Secondary Confirmation	79
Documentation of Permanent-Residence Status	81
Documentation for Other Categories of Eligible Noncitizens	82
Interpreting the G-845S	86
Updating Eligible Noncitizen Status in Later Award Years	90
Replacing Lost INS Documents	91
Additional Information	91
APPENDIX B: SELECTIVE SERVICE STATUS INFORMATION LETTERS	113
APPENDIX C: ELIGIBILITY MATCH RESULTS	127



Introduction

This chapter of *The Federal Student Financial Aid Handbook* describes the student eligibility requirements that affect the Student Financial Assistance (SFA) Programs. The calculation of financial need, a key determinant of student eligibility, is examined here, as are the details that pertain to documenting citizenship status and other eligibility criteria. Documentation necessary for proving citizenship status, information on eligibility matches, and the Selective Service's Status Information Letters appear in the appendices.

Schools and students receive information about the student's eligibility from the Central Processing System (CPS) on several different types of documents. These documents are the *Student Aid Report (SAR)* and *SAR Information Acknowledgement*, which are sent directly to the student, and the *Institutional Student Information Record (ISIR)*, which is sent to schools either through the Electronic Data Exchange (EDE) or on tapes and cartridges. Throughout this chapter, we will use the term output document to refer to all of these CPS-produced documents.

Schools are required to document that a student meets the eligibility requirements described in this chapter, and so must keep certain documents, such as output documents or financial aid history information. Although this chapter mentions some items that must be documented, Chapter 3, Section 7 has a detailed discussion of which records must be kept and how long they must be retained.

A school is also required to reconcile any conflicting information it has about a student's eligibility before it pays the student. The school must consider all information available to it, not just the information on the *Free Application for Federal Student Aid (FAFSA)*. If a school has conflicting information about a student or reason to believe the application information is incorrect, it must resolve the discrepancy before disbursing federal student aid. (See *The Verification Guide* for more about the general requirement to reconcile all conflicting information.)

**Output
document**

**Record
retention**

**Conflicting
information**

RECENT CHANGES

There have been only a few major changes relating to student eligibility for the 1997-98 award year. Some of the noteworthy changes for 1997-98 are:

- ◇ Higher loan limits are available to certain students enrolled in preparatory coursework for graduate programs (see “Enrollment as a Regular Student in an Eligible Program” in Section 1).
- ◇ Ability-to-benefit regulations that took effect on July 1, 1996 govern the approval and administration of tests used to determine a student’s eligibility; the Department has approved new tests under these rules (see “High School Diploma; Ability to Benefit” in Section 1).
- ◇ There have been some changes to the information provided from the National Student Loan Data System (NSLDS) on the SAR and ISIR to help aid administrators use the NSLDS system more effectively (see Section 2).
- ◇ The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, enacted August 22, 1996, has excluded noncitizens with “family unity” status from SFA eligibility (see Appendix A).

There have also been changes to the application processing system, some of which are noted in this chapter. For detailed information about the processing changes, and the processing system in general, see *A Guide to 1997-98 SARs and ISIRs* and the *1997-98 Counselor’s Handbook for Postsecondary Schools*.

Section 1

Student Eligibility

This section addresses the student eligibility criteria common to most Student Financial Assistance (SFA) Programs. Although programs vary, basic requirements (such as citizenship and satisfactory progress) remain the same for every student—whether the student is applying for grants, loans, or work-study. (See chapters 4 through 11 for information on specific requirements that apply to individual programs.)

Student eligibility criteria are often affected by requirements or policies determined by individual schools. For instance, a student must be meeting satisfactory academic progress standards to receive aid; a school, however, must have established a satisfactory progress policy for the purpose of monitoring whether the student meets the required standards. Note that many institutional requirements mentioned in this chapter are also discussed in detail in Chapter 3.

CITIZENSHIP

A student must be in one of the following citizenship categories to be eligible for aid through the SFA Programs (see Appendix A for details on documenting these statuses).

1. **A U.S. citizen or national.** The term “national” includes citizens of American Samoa and Swain’s Island.
2. **A U.S. permanent resident.** A permanent resident’s citizenship status should be evidenced by a comment on an output document indicating that an Immigration and Naturalization Service (INS) match has been successful. If no such comment appears on the output document, the permanent resident must provide the school with INS documentation verifying his or her citizenship status.
3. **Citizens of certain Pacific Islands.** Otherwise eligible citizens of the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau may receive only three

***Eligibility
categories***

types of SFA Program aid: Federal Pell Grants, Federal Supplemental Educational Opportunity Grants (FSEOGs), and Federal Work-Study (FWS) funds.

4. **Other eligible noncitizens.** Refugees, persons granted asylum, Cuban-Haitian entrants, those with temporary resident status under the Immigration Reform and Control Act of 1986, and others are included in this category. Such individuals must provide the school with INS documentation indicating that they are in the United States not with the intention of staying temporarily but with the intention of becoming U.S. citizens or permanent residents.

An individual who is in category 1, 2, or 4 and attends an eligible school in the United States is eligible for any type of aid through the SFA Programs. If attending foreign schools that participate in the Federal Family Education Loan (FFEL) Program, these individuals may also receive FFELs. In the case of parents who want to take out a Federal PLUS Loan for a dependent undergraduate student, the parent(s) and the student must be U.S. citizens or nationals, permanent residents, or eligible noncitizens (that is, categories 1, 2, or 4).

**SSA
citizenship
match**

All applications automatically go through the Social Security Administration (SSA) matching system, which verifies both U.S. citizenship status and social security numbers (SSNs). The result of the SSA citizenship match is reported on the output document (see page 2-28 for more on the SSN match).

When the student reports that he or she is a citizen and the SSA confirms this, there will be no comment on the output document. The match flag, reported as "SSA Citizenship Code" (on the SAR) or "SSA" (on the ISIR) in the FAA Information section, will be "A" or blank. If the SSA did not confirm that the student is a citizen, a comment will be provided explaining that the student either needs to provide documents proving citizenship or make a correction to show that he or she is an eligible noncitizen (Comment 146). (See Appendix A for information on acceptable documentation.) If SSA could not find a match in its database for the student's SSN, name, or date of birth, there will be a comment stating that SSA could not confirm citizenship because of a question about these items (Comment 62). In this case, the student must correct his or her information.



Beginning in 1997-98, if a student leaves the citizenship question blank on the FAFSA (question 15) but the SSA reports that the student is a U.S. citizen, the CPS will not necessarily reject the application for lack of citizenship information. If there was a complete match with the student's SSN, name, date of birth, and U.S. citizenship, the CPS will instead

assume the student is a citizen. The CPS will still reject the application if one of the items did not match, or if the SSA match shows the student is not a citizen.

The CPS will rematch the student's record with the SSA database if the student corrects the SSN, the first or last name, or date of birth. Beginning in 1997-98, once all four SSA match elements (SSN, citizenship, name, date of birth) have been confirmed, the SSA Citizenship Flag will be carried forward to the student's 1998-99 Renewal Application and the match will not need to be performed again in subsequent years (unless the student changes any of the match elements on a later application).

Note that U.S. citizens born abroad might fail the SSA citizenship match unless they have updated their citizenship information with the SSA (see Appendix A for more information on how students born abroad should proceed).

Primary Confirmation

To verify the citizenship statuses of U.S. permanent residents and other eligible noncitizens, the Department collects Alien Registration Numbers (A-Numbers) on the FAFSA. (The INS assigns A-Numbers to all legal immigrants.) If the applicant indicates on the FAFSA that he or she is an eligible noncitizen and provides an A-Number, identifying information from the FAFSA is automatically sent to the INS for confirmation. This verification process, performed by the INS, is known as "Primary Confirmation."

If a student mistakenly reports that he or she is a citizen rather than an eligible noncitizen, the school may make the correction electronically, or the student may correct the mistake on the SAR. In either case, the student must be sure to provide his or her A-Number. The CPS then processes the student's correction and conducts a match with the INS database.

When an INS match is conducted, a 13-digit INS Verification Number is assigned to the student and printed in the FAA Information section. If the student's citizenship is not confirmed, the student's data generally must be checked through the Secondary Confirmation process (discussed below). The INS Verification Number must be provided on the Secondary Confirmation Request Form (see Appendix A for an explanation of how to complete this form). Note that if no INS match can be made because a student failed to provide an A-Number on the application, that student will not receive an INS Verification Number. The student's information should be resubmitted with the A-Number so that a computer match may be attempted.

***Match
carryover to
later years***

***Citizens born
abroad***

***Match with
INS records***

***INS
Verification
Numbers***

**When SSA
and INS flags
conflict**



Because all applications are sent to the SSA match, an application that undergoes the INS match will also undergo the SSA citizenship match. Previously, the match results from both matches were provided on the output document. However, in some cases the INS and SSA citizenship match flags may conflict, or cause confusion about what procedures the school should follow. Because of these possible conflicts, in cases where the INS match is conducted, the SSA citizenship match flags will not be provided on the output document, and the school should follow the usual procedures for resolving any INS match discrepancies.

Secondary Confirmation

If the INS is unable to confirm a student's claim to be an eligible noncitizen or a school has conflicting information about a student's citizenship status, the school has to collect additional documentation and submit it to INS. This collection and submission of additional material is known as "Secondary Confirmation." See Appendix A for detailed information about Secondary Confirmation.

**Exception to
Secondary
Confirmation
requirement—
34 CFR
668.133(b)**

As of the 1996-97 award year, there is an exception to the requirement to conduct Secondary Confirmation. A school is not required to request Secondary Confirmation if the student was determined to be an eligible noncitizen through Secondary Confirmation in a previous award year, and the documents used for that Secondary Confirmation have not expired. The school must also have no conflicting information about the student and no reason to doubt the student's claim of having eligible noncitizen status.

Changes in Status During the Award Year

**Pell &
campus-
based**

If a student becomes a citizen or eligible noncitizen at any time during the award year, that student may be paid Pell Grant or campus-based funds as if he or she had been eligible the entire award year. For example, if a student attending school during the 1997-98 award year (July 1, 1997 to June 30, 1998) is granted permanent-resident status in May 1998 and is still enrolled in school at that time, that student may receive Pell Grant and campus-based funds as if he or she had been eligible every payment period that the school considers part of that award year.

**FFELs &
Direct Loans**

Similarly, if a FFEL or Direct Loan borrower becomes a U.S. citizen or an eligible noncitizen during a period of enrollment, the borrower may be paid as if he or she had been a U.S. citizen or eligible noncitizen during the entire period of enrollment. In a case where the period of enrollment is an academic year, the student would be eligible for the full annual maximum loan, regardless of when during the academic year he or she became eligible. For example, suppose a student begins a two-year

program in July 1997 and is not a citizen or eligible noncitizen. The student becomes an eligible noncitizen in April 1998 and her second academic year begins in May 1998. The student could receive a loan for the entire first year, up to the annual limit, and then receive a loan for the second academic year beginning in May.

Note that while a period of enrollment for a loan may cross an award year, it must coincide with academic terms such as an academic year, semester, trimester, quarter, or other academic period (as defined by the school). Therefore, the school will not always be able to include the student's entire previous enrollment in the loan period when the student becomes eligible. In the example above, suppose the student becomes eligible after May 1998, after she has started the second academic year. Because there is no academic term that includes both academic years, the enrollment period can include only the second academic year and cannot be adjusted to include any part of the first academic year. Therefore, the student is not allowed to receive a loan for the first year but is allowed to receive the full amount for which she is eligible as a second-year student.

A school is required to check a student's citizenship eligibility status only once during the award year (or period of enrollment for FFELs and Direct Loans), when aid is first disbursed. If a student later loses citizenship or eligible noncitizenship status during that award year or period of enrollment, the school does not need to take any action to prevent the student from receiving subsequent disbursements.

ENROLLMENT AS A REGULAR STUDENT IN AN ELIGIBLE PROGRAM

With limited exceptions, an individual must be enrolled as a regular student in an eligible program in order to receive SFA funds. A regular student is one who is enrolled for the purpose of obtaining a degree or certificate offered by the institution.

The regulatory definition of an eligible program is based on requirements found in statutory language defining eligible institutions. To qualify as an eligible institution, a school must offer at least one eligible program. However, not all programs at an eligible institution will be eligible. Indeed, factors such as course length or admissions requirements may prevent some programs at eligible schools from qualifying as eligible programs. Financial aid administrators should carefully study the material in Chapter 3 on program eligibility.

Three aspects that largely define an eligible program are especially important to note—the education credentials that the program awards, its length in instructional time and coursework offered, and, for “short term programs,” compliance with certain qualitative factors including

***Loss of
eligibility***

***Definition of
eligible
program***

completion and placement rates. These qualitative factors are discussed in Chapter 3, Section 1.

Study abroad

The eligible program requirements also apply to study-abroad programs approved for credit by eligible institutions. Again, to receive aid, a student in a study-abroad program must be enrolled as a regular student at the eligible institution approving the coursework. There also must be a contractual agreement between the home institution and the foreign school (see Chapter 3, Section 5).

Minimum length

The minimum length required for a program to be considered eligible varies according to the type of institution. Note that program length determines a program's eligibility and affects the amount of aid that may be awarded to students in the program. The amount of a student's Pell Grant, Stafford Loan, or Direct Loan will be reduced if the program is less than an academic year long. (See Chapters 4, 10, and 11.)

Two Exceptions to the "Eligible Program" Requirement

There are two cases when a student does not have to be enrolled as a regular student in an eligible program to receive a FFEL or Direct Loan. There is one case when a student does not have to be enrolled as a regular student in an eligible program to receive a Perkins Loan or FWS.

Preparatory coursework

A student who is not enrolled in a degree or certificate program is eligible for FFELs or Direct Loans for a period of up to one year if the student is taking coursework necessary for his or her enrollment in an eligible program. The coursework must be part of an eligible program otherwise offered by the school, although the student does not have to be enrolled in the eligible program. For instance, a student who has already received a bachelor's degree might need an additional 12 hours of specialized undergraduate coursework in order to enroll in a graduate program. If a student is enrolled at least half time in these prerequisite courses and if the courses are part of an eligible program, the student is eligible for loans for one consecutive 12-month period beginning on the first day of the loan period for which the student is enrolled.

If the 12-month period of preparatory coursework represents more than one academic year, the student may receive multiple loans. The loan limit for a first-year undergraduate applies, with certain exceptions as of January 1997. A student with a bachelor's degree taking preparatory coursework to enter a graduate or professional program can borrow up to the \$5,500 annual loan limit established for third-, fourth-, or fifth-year undergraduates. Graduate loan limits apply only when the student has been admitted as a degree candidate in a graduate program and has begun to take enough courses to qualify as at least half time on the graduate level.



Another exception to the requirement that the student be enrolled as a regular student in an eligible program involves the FFEL, the Direct Loan, the Perkins Loan, and the FWS programs. This exception allows eligibility for a student who is enrolled at least half time in a required teacher-certification program, even though the teacher-certification program does not lead to a degree or certificate awarded by the school (for example, the certificate may instead be granted by the state). The program must be required for elementary or secondary teacher certification or recertification in the state where the student plans to teach or in the state where the student is completing the program. This exception is not intended to cover optional courses that the student elects to take for professional recognition or advancement. Nor does the exception cover courses that the school recommends but that are not required for certification or recertification. The school should document that the courses are required by the state for teacher certification. For purposes of the FFEL and Direct Loan programs, a student who is considered eligible under this exception is considered a fifth-year undergraduate; therefore, the loan limit is \$5,500, plus an additional \$5,000 in unsubsidized loans if the student is classified as independent.

**Teacher
certification**

HIGH SCHOOL DIPLOMA; ABILITY TO BENEFIT

To receive SFA funds, a student must be qualified to study at the postsecondary level. For SFA purposes, a student with a high school diploma or its recognized equivalent is considered qualified. Students who pass approved ability-to-benefit (ATB) tests may also be qualified (see the discussion that follows).

SFA regulations identify several recognized equivalents to the high school diploma:

- ◇ General Education Development (GED) certificates and state certificates;
- ◇ For a student enrolling in an educational program that is at least at the associate-degree level, documentation that the student excelled academically in high school and has met the school's admissions standards;
- ◇ A certificate of completion of a home-study program if the program is recognized by the student's home state;
- ◇ A student's postsecondary school academic transcript if the student has completed a program of at least two years in length that is acceptable for full credit toward a bachelor's degree.

**Equivalents
to the high
school
diploma**

Ability to benefit

An SFA applicant without a high school diploma or its recognized equivalent can be eligible for SFA funds if he or she 1) passes an independently administered test used for determining the student's ability to benefit from postsecondary education and approved by the Department or 2) enrolls in a school that participates in a process that has been both prescribed by the state in which the school is located and approved by the Department.¹

Approved tests



On December 1, 1995, the Secretary published new regulations for approving and administering ATB tests. The regulations took effect July 1, 1996. On October 25, 1996, the Department published the first list of approved tests under the new rules in a *Federal Register* notice. See pages 2-12 and 2-13 for a list of newly approved tests. To be sure that you have a comprehensive up-to-date list, you may call the Customer Support at 1-800-433-7327 for information on tests approved after this publication went to print.

**34 CFR
668.148**

If it chooses to do so, a school may use more than one of the tests on the list to determine whether an ATB student is eligible to receive SFA program funds. Note that, in general, the transitional rule initiated for the 1996-97 award year and described in the 1996-97 handbook no longer applies. Schools should now be using tests from the new list. However, there are some areas in which there are no "new" approved tests; in these cases schools can still use the old approved tests until 60 days after the Department publishes the name and score of the new test. Specifically, the regulations contain additional provisions for approving tests for students whose native language is not English and who are not fluent in English and for students who have disabilities; no such tests have been approved. In such cases schools should make ATB eligibility determinations based on guidelines stated in the December, 30, 1992 *Federal Register* and by using tests approved as of June 30, 1996.

**Prior determination—
34 CFR
668.155(b)**

If a school properly determined that a student had the ability to benefit under a test approved as of June 30, 1996 (see the 1996-97 *Federal Student Financial Aid Handbook* for a comprehensive list), the school does not have to redetermine the student's eligibility under a newly approved test.

Test approval

The regulations address both approval and administrative procedures for test publishers. The Department evaluates the submitted tests according to the regulatory guidelines.

The Department will also review all state tests or assessments that are submitted for approval. If a state test meets the criteria for approval, both public and private schools in that state may use the test. Note that no such tests have yet been submitted.

¹In the case of a school with branch campuses, the process must have been approved by the state in which the branch the student is attending is located.

To apply for approval, the test publisher must submit its test and certain documentation specified in the regulations. After receiving an application, the Department will notify the test publisher of approval or disapproval. If a test is approved, the Department will then publish in the *Federal Register* the name of the test and the test publisher and the passing score required for students taking the test.

The passing score will be one full standard deviation below the mean for students who earned high school diplomas and who took the test within three years of the date on which the test is submitted to the Department. The minimum passing score for each approved test was published in the *Federal Register* on October 25, 1996 and March 7, 1997.

The regulations also specify testing procedures school must follow. The school should make arrangements with one or more parties to administer the approved tests to students. Effective July 1, 1996, the regulations require that the test administrator be certified by the test publisher. The school should contact the test publisher to locate a certified test administrator. Certified administrators may come from various occupations. They may include but are not limited to people in these fields:

- ◇ high school guidance counselors;
- ◇ qualified professional educators;
- ◇ regional and area Armed Forces Commands staff who are experts in education, training, and human resource development;
- ◇ test and measurement experts; and
- ◇ human resource development professionals.

An approved test must be independently administered. To be independently administered, the test must be given by an individual or by an organization with no current or prior financial or ownership interest in the school, its affiliates, or its parent corporation other than the interest generated through its agreement to administer the approved test. The test may not be given by a current or former employee, consultant, or student of the school, an owner or member of the board of directors, a person with a financial interest in the school, or a relative of any of these individuals. In addition, the test administrator cannot score the test, but must submit it to the publisher for scoring.

**Testing
procedures—
34 CFR
668.151**

**Independent
administration**

Tests Approved by the Department

Following is a listing of the eight approved ability-to-benefit (ATB) tests and the publishers of these tests. The list is based on information originally printed in the *Federal Register* on October 25, 1996. Call ED's Customer Service number at 1-800-433-7327 for information on tests approved after this publication went to print.

- ◇ ASSET Program: Basic Skills Tests (Reading, Writing, and Numerical Skills): Forms B2 or C2. Approved passing scores: Reading (34), Writing (34), Numerical Skills (33). Used primarily by community/technical colleges. Paper/pencil testing. Hand score or computer score.

Publisher: American College Testing (ACT)
Placement Assessment Programs
2201 North Dodge Street
P.O. Box 168
Iowa City, Iowa 52243

Phone: 319-337-1054

- ◇ Career Programs Assessment (CPAt) Basic Skills Subtests (Language Usage, Reading, and Numerical Skills): Forms A, B, or C. Approved passing scores: Language Usage (43), Reading (44), Numerical Skills (42). Used primarily by proprietary career schools and colleges. Paper/pencil testing. Hand score only.

(Publisher: American College Testing [ACT]. See information in prior listing.)

- ◇ COMPASS Subtests: Prealgebra/Numerical Skills Placement, Reading Placement, and Writing Placement. Approved passing scores: Prealgebra/Numerical Skills Placement (21), Reading Placement (60), and Writing Placement (31). Used primarily by community/technical colleges and 4-year colleges and universities. Computer testing only/computer scoring only.

(Publisher: American College Testing [ACT]. See contact information above.)

- ◇ Computerized Placement Tests (CPTs)/ACCUPLACER (Reading Comprehension, Sentence Skills, and Arithmetic). Approved passing scores: Reading Comprehension (52), Sentence Skills (60), and Arithmetic (36).

Publisher: The College Board
45 Columbus Avenue
New York, NY 10023-6992

Phone: 212-713-8000

Tests Approved by the Department

- ◇ Descriptive Tests: Descriptive Tests of Language Skills (DTLS) [Reading Comprehension; Sentence Structure or Conventions of Written English]: Forms M-K-3KDT and M-K-3LDT; and Descriptive Tests of Mathematical Skills (DTMS) [Arithmetic]: Forms M-K-3KDT and M-K-3LDT. Reading Comprehension (108); Sentence Structure (9) or Conventions of Written English (309), and Arithmetic (506).

(Publisher: The College Board: See prior listing.)

- ◇ Test of Adult Basic Education (TABE) [Reading Total, Total Mathematics, Total Language]: Forms 5 and 6, Level A, Survey Version and Complete Battery Version. Approved passing scores: Reading Total (768), Total Mathematics (783), Total Language (714).

Publisher: CTB/McGraw Hill
20 Ryan Ranch Road
Monterey, CA 93940-5703
Phone: 408-393-7197

- ◇ Test of Adult Basic Education (TABE) [Reading, Total Mathematics, Language]: Forms 7 and 8, Level A, Survey Version and Complete Battery Version. Approved passing scores: Reading (559), Total Mathematics (562), Language (545).

(Publisher: CTB/McGraw Hill. See contact information above.)

**Administration
by
assessment
center**

A test is also considered to be independently administered if it is given at an assessment center. An assessment center is located at an eligible degree-granting school or public vocational institution, and is responsible for evaluating students for multiple purposes, such as course placement. It must not have administering ATB tests as its primary purpose. The assessment center must be staffed by professionally trained personnel and be independent of the admissions and financial aid process. An assessment center may score students' tests, unless its agreement with the test publisher prohibits it.

**Test
selection**

When selecting a test, the school should consider the following issues:

Relevance of test to the educational program. Are the skills and abilities assessed important for the successful completion of the student's planned program of study?

Level of difficulty of the test. Is the overall level of difficulty appropriate to the population of prospective students being assessed and to the coursework required in the program?

Native language. If the student's program will be taught in a language other than English, the student should be permitted to take the test in the language of the program. (See the "Exception" to test selection and administration that follows.)

Tests for students with physical disabilities. Students with physical disabilities should receive appropriate assistance in test taking, in accordance with the guidelines developed by the American Educational Research Association, the American Psychological Association, and the National Council of Measurement in Education.

**Students
with special
needs—
34 CFR
668.153**

The regulations take into account the special needs of students with documented disabilities and students who are not native speakers of English. Under certain circumstances, special testing procedures or instruments may be used for testing such individuals. For students whose native language is not English, the school must use one of the approved tests listed on the previous pages if a student enrolls in a program taught in English without an English as a Second Language (ESL) component or if the student does not enroll in an offered ESL component. Otherwise, the school may use a test approved in the student's native language or an ESL test, as appropriate, once such a test is approved. As noted previously, no tests for those purposes or for students with disabilities has yet been approved. Therefore, schools may continue to use the previous tests and procedures until 60 days after the Department publishes the name and score of new approved tests in the *Federal Register*.

All tests must be administered in accordance with the procedures specified by the test publisher. Such procedures address, but are not limited to, time limits for completion, rules on how often and within what time frame the test may be readministered, whether the test may be given verbally, and so on. If a test comprises multiple parts, all **relevant** parts must be administered in order for the test to be valid. The approval notice published by the Department will show either the approved score for each subpart or an approved composite score.

***Proper
administration***

A student who has taken an approved, independently administered test within the last 12 months may submit the official test-score notification to the school to demonstrate his or her ability to benefit. If the school accepts the results of a previously administered test, that school must obtain documentation showing that the test and its administration meet federal requirements. If a student withdraws from school and then re-enrolls more than 12 months after taking the test, he or she must be retested, unless he or she now has a high school diploma or equivalent.

***Duration of
test results***

A student may be eligible for SFA funds for a period beginning before he or she passed an ATB test. If the student becomes eligible by passing an approved ATB test after he or she has begun attendance, the student is eligible for Pell Grant and campus-based funds beginning with the payment period (usually an academic term) during which the student passed the ATB test. The student would also be eligible for a Direct Loan or FFEL for the entire period of enrollment (usually an academic year) in which the student passed the ATB test.

***Retroactive
eligibility***

In addition to assuring that students who do not have high school diplomas (or recognized equivalents) successfully pass ability-to-benefit tests, the school must make a GED-preparatory program available to such students. Note that the requirement to make the GED programs available is stated in the school's Program Participation Agreement. See Chapter 3, Section 1.

***Access to
GED
programs***

REMEDIAL COURSEWORK FOR POSTSECONDARY STUDY

Remedial coursework prepares a student for study at the postsecondary level. If a student is enrolled solely in a remedial program, the student is not considered to be in an eligible program and thus is not eligible for SFA funds. Additionally, if a student's acceptance into the eligible program is contingent upon the completion of the remedial work, the student cannot be considered to be enrolled in the eligible program until the remedial work is completed. The one exception, for the FFEL and Direct Loan programs only, is enrollment in preparatory coursework, which may be remedial in nature (see page 2-8).

A student may receive SFA funds for a limited amount of noncredit or reduced-credit remedial coursework that is included in a regular program. The remedial coursework must be at least at the high-school level, as determined by the state legal authority, the school's accrediting agency, or the state agency recognized for approving public postsecondary vocational education.

Enrollment status

Determining the enrollment status for students taking remedial coursework may be problematic because schools either may give no credit or may give reduced credit for such coursework. However, because there is a credit or clock-hour limit on the amount of remedial coursework for which the student can be paid, the school must be able determine how many credit or clock-hours of such coursework the student is enrolled in. In addition, the student's enrollment status affects the amount he or she can receive under the Pell Grant Program and whether he or she is eligible for loans under the FFEL and Direct Loan programs.

To include noncredit remedial hours in the student's enrollment status for financial aid payments, a school must determine the number of hours of study that the remedial course requires (both classroom and homework hours) and must compare that number with the hours required for similar nonremedial courses. For determining a student's enrollment status, the school should use the same number of credits for the remedial course as for a nonremedial course. (Clock-hour schools should use the number of classroom hours attended in the remedial program.)

Limitation on hours

To determine a student's enrollment status, a school should add the credits or clock hours assigned to the noncredit course to the credits or clock hours of regular coursework. A school may not take into account more than one academic year's worth (30 semester or trimester hours, 45 quarter credit hours, or 900 clock hours) of noncredit remedial coursework for a student. ESL courses do not count against these limits.

In addition, the school should include in the student's cost of attendance tuition paid for noncredit remedial work that is counted in the student's enrollment status.

High school coursework excluded

A school cannot count noncredit remedial hours when determining enrollment status or cost of attendance if the noncredit remedial course is part of a program that leads to a high school diploma or its recognized equivalent. A student is never permitted to receive funds for GED training or for high school, even if the GED or high school training is offered at postsecondary schools. These noncredit remedial hours must not be counted, even if the course is required for completing the postsecondary program. A postsecondary student is **not** permitted to receive SFA funds while he or she is simultaneously enrolled in an elementary or secondary school. For example, a high school student who is taking vocational

training in the afternoon or weekends is not eligible for SFA funds even if his or her entire program at the postsecondary school is postsecondary in nature.

ENROLLMENT STATUS

Half-time enrollment status is not a minimum requirement for receiving Pell Grants and campus-based funds. Enrollment status may affect how much a student receives under Pell. (See Chapter 4 for information on how enrollment status affects a student's Pell Grant award.)

The FFEL and Direct Loan programs **do** require a student to be enrolled at least half time to receive aid. A half-time student must be taking at least half of the course load as that of a full-time student. (See Chapter 10 for more information on the FFEL Program, and Chapter 11 for more information on Direct Loans.)

As specified in the regulations, schools define the full-time workload, subject to certain minimums. This measurement may differ from the definition used for other purposes at the school, such as the definition used by the registrar's office. The school's definition of a full-time workload for a program must be used for all students enrolled in that program and must be the same definition for all SFA-related purposes, including loan deferments.

A full-time student is a student who is carrying a full-time academic workload. The school may include any combination of courses, work, research, or special studies in its definition of workload. For undergraduate students--but not for graduate students--the school must define full-time status to meet at least the following minimums:

- ◇ 12 semester hours or 12 quarter hours per academic term in an educational program using a semester, trimester, or quarter system;
- ◇ 24 semester hours or 36 quarter hours per academic year for an educational program using credit hours but not using a semester, trimester, or quarter system, or the prorated equivalent for a program of less than one academic year;
- ◇ 24 clock hours per week for an educational program using clock hours;

Minimum enrollment

Definition of full time—34 CFR 668.2

- ◇ for a student who is taking a combination of courses offered in semester credit, quarter credit, and/or clock hours, prorated percentages of the minimums for credit- and clock-hour measurements equal to at least one;

Example

The student is at a school that uses academic terms. For the first term, the student is taking 6 semester hours and 3 quarter hours and is also taking 9 clock hours per week. To determine if the student is full time, divide each type of hour by the minimum requirement for full time and then add the fractions:

$$6/12 + 3/12 + 9/24 = .5 + .25 + .375 = 1.125$$

Because the result is greater than or equal to one, this student would be considered full time.

- ◇ a series of courses or seminars equaling 12 semester or quarter hours over a maximum of 18 weeks; or
- ◇ the work portion of a cooperative education program in which the amount of work performed is equivalent to the academic workload of a full-time student.

A student taking only correspondence courses is never considered to be enrolled more than half time.

Enrollment status and deferment

Note that a student's enrollment status also is important for deferment purposes. A borrower is eligible for a deferment as a half-time student if 1) he or she is a Direct Loan borrower or 2) if he or she is a FFEL borrower who received loans on or after July 1, 1993 and had no outstanding balance on a FFEL borrowed before July 1, 1993. Certain other FFEL borrowers may need to be enrolled full time to receive an in-school deferment (see Chapter 10).

SATISFACTORY PROGRESS

Every school participating in the SFA Programs must monitor its SFA recipients to ensure that they are meeting satisfactory progress standards. Each school must develop reasonable standards for measuring academic progress, which must contain elements specified in the regulations.

A school's satisfactory progress policy for students receiving SFA funds must be at least as strict as the policy used for students who do not receive SFA funds. The policy must be applied consistently to all SFA recipients within identifiable categories of students (such as full-time or part-time,

graduate, or undergraduate students). Note that the school's satisfactory progress policy must include both a qualitative measure (such as the use of cumulative grade point average) and a quantitative measure (such as a maximum time frame for completion) of the student's progress.

Although a school may establish its own satisfactory progress standards, these standards must at least meet the minimums required by law and regulations. For the qualitative standard, the law specifies that by the end of the second academic year (measured as a period of time, not by the student's grade level), the student must, in general, 1) have a C average or its equivalent, or 2) have an academic standing consistent with the requirement for graduation from the program. If a school does not use letter grades, a school's satisfactory progress policy should define "equivalent of a C average." If a school determines that a student has maintained satisfactory progress standards even though his or her average falls below a C average, the school must be able to document that the student's average is consistent with the academic standards required for graduation.

Rather than using a single fixed standard throughout the program, a school may use a graduated grade point requirement. For instance, a school may set a minimum grade point average (GPA) of 1.75 (on a scale of 0.0 to 4.0) at the end of the second academic year in a four-year degree program. The school may also require that a student earn at least a 2.0 average in order to graduate. If school policy permits progression toward the 2.0 graduation requirement, the school may permit a lower standard at the end of the second academic year.

The GPA is not by itself a sufficient measure of progress. Consider this situation: A student initially enrolls for 12 credits per semester but then withdraws from two classes that he or she was failing. Although the student may have an A average in the two classes from which he or she did not withdraw, that student may not be progressing toward graduation at an acceptable pace. To accurately measure a student's progress in a program, the satisfactory progress policy must also include a quantitative measure to determine the number or percentage of courses, credit hours, or clock hours completed.

To quantify academic progress, a school must set a maximum time frame in which a student is expected to finish a program. For an undergraduate program, the maximum time frame may not exceed 150% of the published length of the program measured in academic years, academic terms, credit hours attempted, or clock hours completed, as appropriate. For instance, if the published length of an academic program is 120 credit hours, the maximum time frame established by the school must not exceed 180 attempted credit hours (that is, 120×1.5).

**Qualitative
and
quantitative
measurements**

**Minimum
qualitative
standards**

**Graduated
qualitative
standards**

**Minimum
quantitative
standards—
34 CFR
668.16(e)**

**Increments
(evaluation
periods)**

To ensure that a student is making sufficient progress throughout the course of study, the school must divide the program into **equal** evaluation periods called increments. An increment may not be longer than half the program or one academic year, whichever is less.

In other words, for a school's 700-hour program, an increment must not exceed 350 hours. For a school's 2,000-hour program, an increment must not exceed 900 hours if the school uses a 900-hour academic year definition. Increments are also expected to coincide with payment periods.

Once a school defines the length of each increment, the school must compare the number of hours the student attempted with the number of hours the student successfully completed. This calculation enables the school to determine whether the student is progressing at a rate that will allow him or her to finish the program within the maximum time frame.

Quantitative progress example

A school that offers a 4-year program and determines the maximum time frame based on academic years could allow students 6 academic years to complete the program. Edison College decides to allow students a maximum time frame of 5 academic years of work for its 4-year microbiology program.

Two students, Andrew and Malia, are enrolled in this 4-year microbiology program. The program requires 120 semester credits for graduation. Under the school's policy, the maximum time frame for completing the program is 150 credit hours (5 academic years of work). Both students enroll in 5 classes each semester (15 credits per semester). After one year, Andrew has earned 27 credits and Malia has earned 30 credits. After two years, Andrew has earned 45 credits and Malia has earned 51 credits. Are Andrew and Malia making satisfactory progress in their course of study?

Solution

Because the school has set a maximum time frame of 150 semester hours to complete a 120-semester-hour program, a student must successfully complete 80% of the work attempted to be making satisfactory progress ($120 \div 150 = .8$).

Both Andrew and Malia attempted 30 credit hours in the first year.

80% x 30 credit hours attempted = 24 credit hours

Because both students successfully completed at least 24 credit hours in their first year, they both were making satisfactory progress when entering their second year of study.

After their second year of study, in order to be considered to be making satisfactory progress, they must have successfully completed 80% of 60 credit hours.

80% x 60 credit hours attempted = 48 credit hours

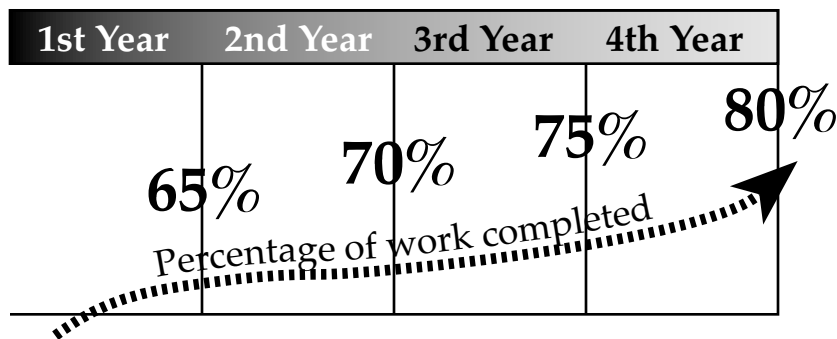
Therefore, Malia was making satisfactory progress because she had completed 51 credits, but Andrew was not because he had earned only 45 credits.

In the preceding example, the school established a minimum percentage of hours the student must complete each academic year. By setting a percentage rather than a fixed number of hours or credits that must be completed each academic year, the school can easily adjust for changes in a student's enrollment status from one period to the next. For instance, if in the second year, Andrew enrolled for only 15 credit hours, his progress would be measured as follows:

$$80\% \times 45 \text{ credits attempted (30 in first year and 15 in second)} = 36 \text{ credits}$$

If Andrew successfully completed 9 of the 15 credits attempted in the second year, he would be considered to be making satisfactory progress (27 completed in the first year + 9 in the second equals 36 credits, the minimum that must be completed to achieve an 80% completion ratio).

A school may use a graduated completion percentage for each year of enrollment. For instance, a school might choose to apply a more lenient completion standard in the student's first academic year but may gradually increase the completion standard during the course of study to ensure that the student completes program requirements within the maximum time frame.



At some schools (mainly clock-hour schools), a student is given credit for every hour attended, so that the hours attempted equal the hours earned. In such cases, the quantitative standard must be based on calendar time (in weeks or months). For instance, if a school offers a 900-clock-hour program that normally takes 8 months to complete, the school might set a maximum time frame of 12 months for completing the program. Therefore, a student would have to complete the first 450 hours of the program within 6 months to establish that he or she is meeting satisfactory progress standards.

A school's satisfactory progress policy must explain how withdrawals, grades of "incomplete," courses that are repeated, and noncredit remedial coursework affect the academic progress determination. A school must also establish procedures that enable the student to appeal a determination that finds him or her **not** to be making satisfactory

**Graduated
quantitative
standards**

**Credit for all
hours
attempted**

**Additional
elements**

progress. For students ultimately judged not to be making satisfactory progress, the school must establish specific procedures that enable such students to once again meet satisfactory progress standards.

Standards must be cumulative

The quantitative and qualitative standards used to judge academic progress must be cumulative and must include all periods of the student's enrollment. Even periods in which the student did not receive SFA funds must be counted. Transfer credit hours must be counted as well, so that transfer students are not given more time than other students in meeting satisfactory progress standards. A school cannot set a maximum time frame based on hours attempted and then have a policy to routinely exclude certain hours attempted, such as hours taken during a summer session, from its determinations of satisfactory academic progress.

Bear in mind that as a rule, the Department does not regulate schools' satisfactory progress standards. Other than the minimum qualitative standard set by law and the minimum quantitative standard provided in regulations, the Department only stipulates policy components—not academic standards.

Loss of eligibility

If a student does not meet the school's standards of satisfactory progress, he or she is not allowed to receive further aid from the SFA Programs unless the school uses its discretion to set aside the requirement because of mitigating circumstances. The statute specifies cases in which the school might choose to set aside the standards: for example, if a student becomes very ill, if a student is severely injured, or if a student's relative dies. Schools that permit waivers of satisfactory progress standards must establish written procedures explaining when a special circumstance merits a waiver.

Payment after reinstatement

If a student loses SFA eligibility because he or she is determined not to be making satisfactory progress, that student will regain eligibility when the school determines that he or she is again meeting its satisfactory progress standards. A student may be paid Pell Grant and campus-based funds for the payment period in which he or she regains satisfactory progress but cannot be paid for any payment period in which the standards were not met. (The school must document each case.) For FFELs and Direct Loans, a student who does not meet satisfactory academic progress standards at the beginning of a period of enrollment but who meets the standards later in that period is eligible for the entire period of enrollment (usually an academic year) in which he or she met the satisfactory academic progress standards—unless school policy provides for reinstatement of eligibility at a later point.

LOAN DEFAULTS AND OVERPAYMENTS

A person generally is not eligible for SFA funds if he or she is in default on an SFA loan or must repay an SFA grant. This ineligibility rule also applies to a parent seeking a PLUS Loan (through the FFEL or the Direct Loan program). For a parent to receive a PLUS Loan, neither the parent nor the student may be in default or owe an overpayment through the SFA Programs. (The General Provisions regulations contain several exceptions to these blanket rules on defaults and overpayments, as noted in the discussion below.)

Additionally, a student's property must not be subject to a judgment lien for a debt owed to the United States. For example, if the Internal Revenue Service (IRS) had placed a lien on a student's property, the failure to pay this debt or to make satisfactory arrangements for repayment would render the student ineligible for SFA funds. A parent cannot receive a PLUS Loan if either the student or the parent has property subject to a judgment lien for a debt owed to the United States.

Any student applying for SFA funds must certify that he or she is not in default on any SFA loan and that he or she does not owe an overpayment on any SFA grant, or that he or she has made satisfactory arrangements to repay the overpayment or default. The "Certification Statement on Overpayments and Defaults" is printed on the FAFSA.

The National Student Loan Data System (NSLDS) contains student financial aid information from guaranty agencies, lenders, schools, and the Department. To help schools determine if a student is in default or owes a repayment, the CPS matches application with the NSLDS database. (For more information on the NSLDS match, see Section 2.) Remember that a school is responsible for reconciling all information it receives about a student before disbursing aid. Therefore, schools are required to resolve any conflicts between the NSLDS information and information received from the student. For example, if the NSLDS indicates that a student is not in default but the school has documentation indicating that the student is in default, the school must resolve this conflict before disbursing federal student aid

Loan Defaults

After a student who is in default on an SFA loan repays the loan in full, that student may receive SFA funds as long as he or she meets all other necessary eligibility requirements. SFA loans include Federal Perkins Loans (including NDSL), FISLs, Federal Stafford Loans, Federal Direct Loans, Federal SLS,² Income Contingent Loans (ICL), Federal

²Federal SLS loans include Auxiliary Loans to Assist Students and PLUS Loans to students, former names for SLS loans.

Liens

***NSLDS
database***

***Schools
must resolve
discrepancies***

Repaid in full

Consolidation Loans, Federal Direct Consolidation Loans, Federal PLUS Loans and Federal Direct PLUS Loans. If the student borrower and the loan holder agree on a compromised amount for settling a loan and the student repays the amount agreed upon, that student may receive SFA funds.

The student regains eligibility whether repayment was completed voluntarily or otherwise (that is, through IRS offset or wage garnishment). Please note that if a student has repaid his or her defaulted loan in full, the school may still consider the prior default to be evidence of a student's unwillingness to repay loans and may therefore deny him or her future Perkins Loans.

**Satisfactory
repayment
arrangements**

A student in default on an SFA loan may continue to receive SFA funds if he or she has made satisfactory repayment arrangements with the loan holder. The student must make arrangements that are satisfactory to the loan holder and that are in accordance with the individual SFA loan program regulations. After the student makes six consecutive, full, voluntary payments on time, he or she regains eligibility for SFA funds. As of July 1, 1996, this six-payment requirement also applies to defaulted Perkins Loans and NDSLs.

Before a school may pay the student, it must have documentation that the student has made satisfactory repayment arrangements. For example, the lender may update the code for the loan in NSLDS to DX once six payments have been made; the school could then use the NSLDS information as confirmation of the repayment arrangement. The school may also use a written statement from the loan holder indicating that the student has made satisfactory repayment arrangements as documentation of the arrangement.

A student who regains eligibility after making six consecutive payments on a defaulted SFA loan is eligible for a new FFEL or Direct Loan for the entire enrollment period in which eligibility was regained (which may be a full academic year or an academic term). Note that the enrollment period cannot include periods that are part of an academic year previous to the one in which the student regained eligibility. If an enrollment period begins in one academic year and ends in the following academic year and if the borrower regains eligibility during the second academic year, the school may award a loan only for that portion of the enrollment period that is part of the second academic year.

Rehabilitation

Although a student regains eligibility for all SFA funds after making six payments, the loan is still in default. After further payments, the loan may be rehabilitated (that is, it will no longer be in default), and the student will be eligible for all the normal loan benefits, such as deferments. A student with a FFEL cannot have his or her loan rehabilitated (assuming

the lender agrees to rehabilitate) until 12 consecutive, full, voluntary payments have been made on time. (See Chapter 10.) A defaulted Direct Loan will automatically be rehabilitated after 12 consecutive, full, voluntary payments have been made on time. (See Chapter 11.) A Perkins Loan or an NDSL will be rehabilitated after the borrower executes a new written repayment agreement and makes one payment for each month for 12 consecutive months.

If a student has paid a defaulted loan in full but receives an output document with a comment indicating that he or she is ineligible because of the default, the student must provide the school with documentation proving that the loan has been paid in full.

Overpayments

If a student receives a Pell Grant overpayment, he or she is permitted to continue to receive SFA funds if the overpayment can be eliminated by reducing the subsequent Pell Grant payments for the same award year. A student who receives an overpayment through the FSEOG, SSIG, or Perkins Loan program may continue to receive SFA funds if the overpayment can be eliminated by adjusting subsequent financial aid payments (other than Pell Grants) within the same award year. If the overpayment was the result of the school's error and the school cannot eliminate the overpayment in the same award year, the school must repay the overpayment; the student is then not considered to owe an overpayment and may receive SFA funds. If a student's error caused the overpayment, the student is responsible for repaying the overpayment. The student cannot receive additional SFA funds until he or she repays the overpayment in full or makes satisfactory arrangements to repay the overpayments.

If the student is responsible for repaying the overpayment, the school may, if it chooses, make the repayment for the student (that is, the school can return to the program accounts the amount overpaid to the student). When a school makes such a repayment on the student's behalf, the student is no longer considered to owe an overpayment. Instead, the student owes an institutional debt which the school can collect according to its own procedures. Because the student does not owe an overpayment, he or she is eligible for SFA funds as long as all other eligibility criteria are met

The school must make attempts to collect overpayments that have not been repaid from its students. If a school is unable to recover a Pell Grant or FSEOG overpayment from the student for which the student is liable, the school must report the student's overpayment to the Department. (See Chapter 4, Section 6 and Chapter 5, Section 2 for more information.) After this information is reported, the student's future output documents will

School error

Student error

Optional school repayment

School must attempt to collect

be flagged for resolution when his or her FAFSA is received by the CPS. Since 1996-97, Pell Grant and FSEOG overpayments reported to the Department's Debt Collection Service (DCS) have been incorporated into the NSLDS for flagging and tracking purposes. The NSLDS Financial Aid History will indicate that a student has a reported overpayment. In addition, the student's output document will have a comment stating that the student is ineligible for SFA funds until the overpayment is repaid, and a "C"—indicating that the school must resolve the issue before payment is made—will be printed next to the EFC reported on the output document.

BANKRUPTCY

***Reaffirmation
not required***

A student with an SFA loan discharged in bankruptcy is eligible for SFA grants, work-study, and loans. Prior to October 22, 1994, a student whose defaulted loan was discharged in bankruptcy could not receive loan funds unless the student reaffirmed the discharged debt and made satisfactory repayment arrangements. Because of changes made by the Bankruptcy Reform Act of 1994, students are no longer required to reaffirm discharged loans before receiving new loans.

***Loans stayed
in
bankruptcy***

In addition, if a student includes an SFA loan in a bankruptcy claim, so that collection on the loan is stayed, the student remains eligible for SFA funds as long as he or she has no loans in default (including the stayed loan) and as long as all other eligibility requirements are met. For more information on loan status and eligibility, see the chart on the next page.

ELIGIBILITY AFTER TOTAL AND PERMANENT DISABILITY CANCELLATION

A borrower whose loan is canceled because of total and permanent disability may later receive any type of SFA funds if he or she meets all other eligibility requirements. If such a borrower wishes to take out an SFA loan, he or she must obtain certification from a legally licensed physician stating that the student's condition has improved and that the student 1) has the ability to engage in substantial gainful activity or 2) can attend school. Then the student must sign a statement indicating that he or she is aware that his or her new SFA loan cannot later be canceled on the basis of any present impairment unless that condition substantially deteriorates to the extent that the definition of total and permanent disability is again met. The borrower is not required to obtain a physician's certification or to sign the aforementioned statement if the borrower is applying for an SFA grant or work-study only.

Effect of Loan Status on Student Aid Eligibility

Loan Status	NSLDS Code	Eligible for SFA Funds*
In school, grace period,	DA-Deferred FB-Forbearance ID-In school or grace period RP-In repayment	Yes
Paid	DP-Default, then paid in full PC-Paid in full through consolidation PF-Paid in full	Yes For consolidation, it does not matter what type of consolidation loan the borrower received, nor whether loan was in default before consolidation.
Lost guarantee	UI-Uninsured, Unreinsured	Yes It does not matter if the loan was in default.
Canceled or discharged	BC-No default, bankruptcy discharge CA-Cancelled DF-Default, false certification discharge DG-Default, false certification (ability to benefit) discharge DI-Disability DJ-Default, discharged by judicial ruling DK-Default, bankruptcy discharge DN-Default, closed school discharge DS-Default, disability cancellation EA-False certification (ability to benefit) discharge EC-Closed school discharge EF-Loan discharged for fraudulent disbursement EJ-Court ordered write-off OD-Default, bankruptcy discharge	Yes To receive new loans, the borrower must have a doctor's certification that his or her condition has improved and sign a statement indicating that he or she is aware that the new loan cannot be canceled on the basis of any present impairment unless the condition deteriorates.
No default, bankruptcy filing	BK-No prior default, active bankruptcy claim	Yes Loan was not in default and has not been discharged.
Default	DL-Defaulted, in litigation DT-Defaulted, collection terminated DU-Defaulted, unresolved	No
Default, bankruptcy filing	DB-Defaulted, active bankruptcy claim DO-Defaulted, active bankruptcy claim	No, unless debtor can show that loan is dischargeable.
Default, compromise	DC-Defaulted, compromised	Yes Compromise is recognized as payment in full.
Default, written-off	DW-Defaulted, write-off	No, unless debtor reaffirms loan and makes satisfactory repayment arrangements or repays loan in full.
Default, satisfactory repayment arrangement	DX-Defaulted, satisfactory arrangements, and six consecutive payments	Yes, if borrower continues to comply with repayment plan or is granted forbearance.

*Federal Perkins Loan regulations allow the financial aid administrator to deny eligibility for additional loans if he or she has evidence that the applicant is unwilling to repay the loan.

VALID SOCIAL SECURITY NUMBERS

SSNs required

To be eligible to receive SFA funds, each student must provide a Social Security Number (SSN). The Social Security Administration (SSA) and the CPS work together to conduct matches that verify that the given student's SSN is correct and that the SSN corresponds to the given student's name and birth date.

Successful match

As is the case for the SSA citizenship match, no comment is provided on the output document when the SSN match is successful. A match flag of "4" will be provided in the FAA Information Section for a successful match. If the school discovers that a matched SSN is incorrect or discovers conflicting information about the student's SSN, the school must resolve the conflict before disbursing SFA funds to the student.

Discrepancy on date of birth

If a student's name and SSN match but the SSA shows a different date of birth, a comment stating that the date of birth is inconsistent will appear on the student's output document (Comment 60). The school should resolve the discrepancy with the student. In such a case, no further action is **required** through the CPS. However, if the student's reported date of birth is incorrect, the student or school can submit a correction. Note that beginning in 1997-98, the student's application will be rejected if the year of birth is mistakenly reported to be the current year. In this case, the student **must** submit a correction before he or she can receive aid.



Discrepancy on name

If the SSN and the date of birth match but there is a discrepancy regarding the student's name, the student will receive a comment on the output document telling the student either to correct the appropriate items or to contact the SSA to resolve the problem (Comment 61). This situation is most likely to occur when a student has used a nickname on the application or when a student has failed to inform the SSA of a name change (from marriage, for instance). The school may disburse funds if the student provides documentation explaining the discrepancy, and shows that the submitted SSN is correct; the application does not need to be resubmitted to the CPS. However, the student should submit a correction to the CPS if the name he or she reported is not correct. The student **must** submit a correction if the reported SSN is not correct. If both the reported name and SSN are correct, the student may wish to contact SSA so it can correct its records. Comment 61 will be printed only on the original output document, not on subsequent output documents.

SSN invalid

If the SSN does not match, the student's application will be rejected. The student will receive a comment that instructs the student to correct his or her SSN or contact SSA if he or she believes the SSN reported is correct (Comment 24). The student will only receive this comment if the SSN he or she reported does not exist in the SSA database. If the SSN is correct, the student must follow up with a local or regional SSA office to update

the SSA database; the student must report his or her correct number to the SSA and provide documentation verifying the correct number. The student must contact an SSA office directly. The SSA database is updated daily with information from local and regional offices. Once the SSA database is updated, the student may submit the SSN again as a correction, and the CPS will match again with SSA. Note that the student is no longer allowed to simply verify that the SSN is correct; the application will be rejected until the SSA database is updated.

If the student's application is rejected because he or she reported an incorrect SSN, the student should submit a correction to have the new (correct) SSN matched again with the SSA.

If the application is missing either the last name or the date of birth, no match with SSA will be conducted, and the student's application will be rejected. The CPS will check to see whether the reported SSN falls within a valid range. If it does, the student will receive a comment explaining that the match could not be conducted without the name or date of birth and telling the student to correct those items (Comment 59). The student must submit a correction providing the missing information. When the correction is sent, the information will be sent to SSA for matching, and the school should check the new output document for match results. If the SSN does not fall within a valid range, the student will receive a comment stating that the reported SSN does not appear to be valid (Comment 23). In addition to submitting the missing name or date of birth on a correction, the student must either contact SSA to correct its records (if the reported SSN is correct) or correct the SSN he or she reported. Again, the school should check the new output document for match results.

If no match was conducted due to processing problems, the CPS will check to see whether the reported SSN falls within a valid range. If it does, the student will receive a comment telling the student to provide proof to the school that the SSN is correct (Comment 58). If the student does provide documentation to the school, he or she can receive aid without resubmitting the data. Note that if the student makes other corrections, the SSA match will be attempted again, and the school should check the results of that match.

If there was no match because of processing problems and the SSN does not fall within a valid range, the student's application will be rejected. The output document will have a comment stating that the SSN does not appear to be valid (Comment 23). The student must correct the SSN (if it is wrong) and resubmit the SAR, or contact SSA to have it correct its records. In either case, the student must submit a correction so that the application will pass through the SSN match.



***No match
due to
insufficient
information***

***No match
due to
processing
problems***

Note that once a student's SSN is confirmed, and there is no discrepancy on the name or date of birth, the student cannot change the SSN. If a student tries to correct a confirmed SSN, he or she receives a comment explaining that the SSN has been verified, and directing the student to contact the school for further assistance. If the student used a wrong SSN, but it was confirmed by SSA, the student will need to file a new application with the correct SSN, instead of making a correction. In certain circumstances, a student may need to use a correction application to correct the problem.

Correction applications

Correction applications are very rarely needed. They may be used in certain cases where two students reported the same SSN. A problem is likely to arise when spouses or siblings with similar names report the same SSN by mistake. In such a case, both applicants would be assigned the same record identifier, made up of the SSN and the first two letters of the applicant's last name. The shared number will cause problems for both applicants in the CPS and in the Pell disbursement system. The student using the correct SSN must submit a Correction Application, which will generate a new transaction for his or her record identifier but which will provide his own application data instead of carrying the data of the other student (with the wrong SSN) over. The student who reported the wrong SSN must refile a new FAFSA in order to change the SSN and the record identifier. The school can also submit the student's correct data through EDEXpress, but must submit it as an original application, not an ISIR correction. A correction will not give the student a nonduplicated record identifier.

Both students should keep copies of all the output documents, including those from the first FAFSAs filed. When the students file the Correction Application or a new FAFSA, the application receipt date is changed. Because some schools and agencies use this receipt date to determine if the student met a deadline, the students should keep the output documents to show the original receipt date and to show why a second (and later) application was necessary.

A financial aid administrator who needs to receive a 1997-98 Correction Application should contact the Department's Application and Pell Processing Systems Division and ask for the Correction Application Coordinator. The telephone number is 1-202-260-9988. The Department will determine case by case if a Correction Application is necessary. If a Correction Application is necessary, the financial aid administrator may request that it be mailed either to the school or to the student.

Exception to the SSN requirement

Students from the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau are not required to provide SSNs. Students from these areas who do not have SSNs should send their

FAFSAs to the following address—not to the address on the FAFSAs or on the FAFSA envelopes:

Federal Student Aid Programs
P.O. Box 4010
Mt. Vernon, IL 62864-8610

The Department prefers that schools bundle such applications and send them as a group. These applications will first be assigned a special identifying number (in lieu of an SSN) in Item 8 of the FAFSA and then will be sent to the CPS for regular processing. These applications are exempt from the SSN match with the SSA.

These students who are not required to have SSNs cannot use FAFSA Express to apply for SFA funds electronically. These students may, however, ask their schools to use EDEXpress to transmit the student applications electronically if EDEXpress is available. (See *The Counselor's Handbook* for more information on FAFSA Express and EDEXpress.)

REGISTRATION WITH SELECTIVE SERVICE

Most males from age 18 through 25—including permanent residents and other eligible noncitizens—are required to register with the Selective Service System. Anyone required to register with Selective Service must have done so in order to receive aid through the SFA Programs.

***Most males
age 18-25
must register***

Persons exempted from this requirement include:

1. females;³
2. males currently in the armed services and on active duty (this exception does not apply to members of the Reserve and National Guard who are not on active duty);
3. males who are not yet 18 at the time that they complete their applications (an update is not required during the year, even if a student turns 18 after completing the application);
4. males born before 1960; and
5. citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau.

³Whether a person is a male or female is a matter for medical determination. If a school needs to determine whether a student is male or female for Selective Service purposes, the school should tell the student to write to Selective Service for a Status Information Letter.

Waiver of registration requirement

There are certain less common situations in which the registration requirement is waived. Students who are not required to have already registered prior to meeting one of these criteria and who meet one of the criteria for the entire time they are 18 through 25 qualify for the waiver if

1. they are unable to register due to being hospitalized, incarcerated, or institutionalized;
2. they are enrolled in any officer procurement program at The Citadel, North Georgia College, Norwich University, or Virginia Military Institute;
3. they are commissioned Public Health Service officers on active duty or members of the Reserve of the Public Health Service; or
4. they are commissioned officers of the National Oceanic and Atmospheric Administration.

School must document student's status

If one of these criteria applies to a student—thereby exempting him from having to register with the Selective Service System—the school must document the student's status. If the student is not clearly exempt from the requirement to register, the school should ask the student to document the exemption by providing the school with a Status Information Letter from the Selective Service.

Registering students

The Department takes several steps to ensure that a student registers with the Selective Service when required and to provide convenient ways for the student to register: A student may check Item 105 on either the FAFSA or the SAR. By checking this item, the student gives the Department of Education permission to submit his registration information to the Selective Service so that the student may be registered.⁴ As required by the HEA, the Department matches student aid applications with registration records from the Selective Service System. If the student's output document displays Comment 29, "Your registration or your exemption status has been confirmed by Selective Service," the school should consider the student in compliance with the requirement by being either registered or exempt.

Comment 29

If the Selective Service could not confirm the applicant's registration or if a match was not conducted because of technical reasons, one of the

⁴The student can be registered with Selective Service as early as 30 days before his 18th birthday; if the student is too young Selective Service will hold the registration until the student is within 30 days of his 18th birthday. Students 26 and older cannot be registered.

following five comments will appear. (See Appendix C for the complete comment text .)

1. Comment 14: The student received aid in a prior year and may not have registered.
2. Comment 30: The Selective Service reports that the student is not registered.
3. Comment 32: The Selective Service did not conduct a match.
4. Comment 33: The student did not provide enough information for registration.
5. Comment 37: The Selective Service was unable to complete the student's registration.

Until the registration problem is appropriately resolved, the school must withhold all SFA funds and must not certify a loan application for any student who receives any of these comments. Whenever one of these comments appears, a "C" will appear next to the student's EFC to alert the financial aid administrator that there is an eligibility problem that must be resolved before disbursements may be made.

Unless the financial aid administrator has documentation proving that a student who receives one of these comments is exempt from registration, the student must present appropriate confirmation (that is, his Selective Service Registration Acknowledgement or his letter of registration) to the financial aid administrator. Otherwise, the student remains ineligible for SFA funds. If the student does not have any of these documents, he must reconcile the conflict with the Selective Service. If the conflict is resolved in the student's favor, the student will receive a letter from the Selective Service documenting that he is registered or that he is exempt from registering. Selective Service provides no letters for females because females are not required to register.

In recent years, a number of students have been denied aid because they failed to register with the Selective Service before their 26th birthday. (The Selective Service will register only males age 18 through 25, leaving older students with no way to remedy their situation if they failed to register.) The Military Selective Service Act was amended to require a school, under certain conditions, to pay otherwise eligible students who are 26 or older and who did not register when required. To receive aid, such students must demonstrate that they did not knowingly and willfully fail to register. The Department of Education's regulations also allow students who did not register and are too old to register to receive aid if they served on active duty in the armed forces. (It is presumed that a person

Withholding funds

Student must submit documentation

Students who are beyond the permissible age to register

who has actually served in the armed forces is not trying to avoid registering for duty.) The financial aid administrator should obtain such a student's DD Form 214, "Certificate of Release or Discharge from Active Duty," showing military service in the armed forces with other than the reserve forces, the Delayed Entry pool, and the National Guard.

The financial aid administrator must determine whether a student who has not served in active duty knowingly and willfully failed to register. That is, the financial aid administrator must determine if the student knew of the registration requirement but, nevertheless, chose not to register. The procedures that a financial aid administrator should use to make this determination follow. The financial aid administrator's decision is final and cannot be appealed to the Department of Education.

Unless the financial aid administrator can document that the student meets one of the allowable exemptions regarding registration or can document that the student has served in active duty in the armed forces, the student must first write to the Selective Service so that he may receive a Status Information Letter addressing his failure to register. The student should provide as complete a description about his situation as possible: where he was living during the period when he should have registered, whether he was incarcerated or institutionalized, his citizenship status during the period, if applicable, and so on.

Status Information Letters

The Selective Service has a number of different types of Status Information Letters. Copies of the letters are included in Appendix B. A code appears in the lower left-hand corner to indicate the type of letter in question. The codes are listed here.

General exemption

- ◇ **E1-E7**
A letter with any of these codes indicates that the student was not required to register or was exempt the entire time he could have registered (ages 18 through 25).

DOB before 1960

- ◇ **NR**
A letter with this code indicates that the student was born before 1960 and is therefore not required to register.

Required; no record of attempt

- ◇ **RR**
A letter with this code indicates that the student said he attempted to register but that Selective Service has no proof that he attempted to register.

Military service: noncontinuous

- ◇ **NM**
A letter with this code indicates that the student did not register although he was on active duty in the armed forces only for a

portion of the time when he could have registered (between ages 18 through 25) and was, therefore, required to register.

◇ **RL**

A letter with this code indicates that the student was required to register, that the Selective Service has no record of his registration, and that Selective Service records show he was sent one or more letters requesting his compliance with the registration requirement during the period he was required to be registered.

***Required;
compliance
letter sent***

◇ **RD**

A letter with this code indicates that the student provided a reason for not registering (or provided documentation proving him exempt from this requirement) but that the Selective Service determined the reason or documentation to be invalid; therefore, this code indicates that the student was required to register but did not.

***Required; no
valid
exemption***

If the student receives a “general exemption letter” (codes E1-E7) or a “DOB before 1960” letter (code NR), the student is exempt from registration and may receive SFA funds. If the student receives any other type of letter, the school must determine (based on all relevant evidence) whether the student knowingly and willfully failed to register. The letter from Selective Service is part of the relevant evidence. For example, if the student received a letter indicating a compliance letter had been sent (code RL), this letter would be a negative factor when the financial aid administrator makes the determination. If the student received a “Military Service: Noncontinuous” letter (code NM), the financial aid administrator may reasonably determine that the student did not knowingly and willfully avoid registration.

Most of these letters state that the final decision regarding the student eligibility rests with the agency awarding funds. For the purposes of the SFA Programs, the decision is made by the financial aid administrator, who represents the Department. If the school’s financial aid administrator determines that the student’s failure to register was knowing and willful, the student loses SFA eligibility.

***Final
decision
made by
school***

The school’s decision is final and therefore cannot be appealed to the Department. However, the Department will hear appeals from students who have provided their schools with proof of compliance with the registration requirement (i.e., that they are registered or exempt from registration) but who are still being denied federal student aid based on the registration requirement.

Relevant evidence

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

- ◇ Where the student lived when he was age 18 to 25. For example, if a student was living abroad, it is more plausible that he would not come into contact with the requirement for registration.
- ◇ Whether the student claims that he thought he was registered. Mistakes in recordkeeping can occur. Correspondence indicating an attempt to register could form a basis for determining that the student did not knowingly and willfully fail to register. On the other hand, a letter from Selective Service stating that it received no response to correspondence sent to the student at a correct address would be a negative factor.
- ◇ Why the student was not aware of the widely publicized requirement to register when he was age 18 through 25.

Students who have questions about the Selective Service registration may contact the Selective Service at 1-847-688-6888.

Statement eliminated

Note that in the 1996-97 award year, the Statement of Registration Status was eliminated. Because the CPS conducts data matches to verify the registration status of male students, schools are no longer required to collect signed Statements of Registration Status.

BORROWING IN EXCESS OF LOAN LIMITS

If a borrower inadvertently exceeds the annual or aggregate loan limit allowed for the SFA Programs, he or she may be eligible for SFA funds if the excess loan amount is repaid in full or if satisfactory repayment arrangements are made with the loan holder. The borrower will remain ineligible for further SFA funds until one of these conditions is met.

Schools verify compliance, prevent excess borrowing

Because a school should have verified compliance before a loan is disbursed to the student, excess borrowing should not occur often. Financial aid administrators are encouraged to obtain financial aid information by using the NSLDS (rather than by using paper financial aid transcripts) because the NSLDS will catch many problems that might otherwise be overlooked. (See Section 2 for more on NSLDS.)

Following are some cases in which excess borrowing may have occurred:

- ◇ if a student borrowed for attendance at multiple schools and if the financial aid administrator did not receive the financial aid transcripts before disbursing a Perkins Loan, certifying a FFEL, or originating a Direct Loan;
- ◇ if the student used different names when borrowing; or
- ◇ if the student failed to disclose the names of other schools he or she had attended.

Cumulative loan limits may also be exceeded because of confusion over amounts borrowed versus amounts outstanding. See Chapter 6 for Perkins Loan limits, Chapter 10 for FFEL limits, and Chapter 11 for Direct Loan limits.

MEMBERS OF RELIGIOUS ORDERS

Members of religious orders are not permitted to receive subsidized FFELs, subsidized Direct Loans, Federal Pell Grants, or campus-based aid. Members of any religious community, society, or order that directs the students' courses of study or that provides the students with subsistence support are not considered to have financial need. Members of religious orders are eligible, however, for unsubsidized FFELs and unsubsidized Direct Loans.

INCARCERATED STUDENTS

If a student is incarcerated, he or she is ineligible for an SFA loan. Incarcerated students are eligible for FSEOGs and FWS. The Violent Crime Control and Law Enforcement Act of 1994 amended the HEA to prohibit the awarding of a Federal Pell Grant to any individual who is incarcerated in any federal or state penal institution (see Chapter 4, Section 1 for more information).

CORRESPONDENCE AND TELECOMMUNICATIONS COURSES

A student enrolled in a correspondence course is ineligible for SFA funds unless the course is part of a program leading to an associate, a bachelor's, or a graduate degree. A student in a course of instruction offered in whole or in part through telecommunications is not considered to be enrolled in a correspondence course if the telecommunications program leads to an associate, a bachelor's, or a graduate degree from that school and telecommunications and correspondence courses at the school total less

Course must lead to degree

than 50% of all the courses offered. See Chapter 3, Section 1 for more information on telecommunications courses.

STUDENT CERTIFICATIONS AND STATEMENTS

In order to receive SFA funds, a student must sign certain statements. The required statements include

1. Statement of Educational Purpose, and
2. Certification Statement on Overpayments and Defaults.

Both statements are on the FAFSA. The statements will be printed on a student's SAR only if the student applies through FAFSA Express but does not print and mail the required signature page to the CPS. In this case, the student must sign Part 2 of the SAR (which includes the statements) and return it to the CPS.

In the Statement of Educational Purpose, the student certifies that he or she will use all SFA funds received only for postsecondary education expenses. The statement for the FFEL Program must be filed with the lender. For this reason, the Statement of Educational Purpose is included on the loan application.

The Certification Statement on Overpayments and Defaults states that the student does not owe a repayment on any SFA grant or loan and either is not in default on any SFA loan or has made satisfactory repayment arrangements on any defaulted SFA loan in his or her name. This certification also states that the student has not borrowed (at any school) in excess of the allowable SFA loan limits. The school may rely on this statement only until confirmation is received from NSLDS or financial aid transcripts. Remember that a student who is in default or who owes a repayment is generally not eligible for SFA funds (see "Loan Defaults and Overpayments" earlier in this chapter).

SPECIFIC PROGRAM REQUIREMENTS

In addition to these general requirements, some programs have additional eligibility rules. For instance, the Pell Grant Program requires that a school receive a valid SAR while the student is still enrolled and is still eligible for payment. See chapters 4 through 11 for details on specific requirements for each program.

Section 2

The Student's Financial Aid History

Generally, when a student transfers from one school to another, the new school must receive a financial aid history for the student before it disburses or delivers SFA funds. Exceptions to this rule are discussed later in this section.

The financial aid history is needed to monitor two aspects of student eligibility. First, it tells the financial aid administrator how much aid a transfer student has received from the SFA Programs at other schools. By using this information, the aid administrator can make sure that the student does not receive an overpayment. Most of the SFA Programs have annual maximum limits; the loan programs also have cumulative maximum limits, as discussed in Chapters 6, 10, and 11. Second, the financial aid history is used to prevent a student from receiving any SFA aid if he or she is in default or owes a repayment on an SFA grant or loan.

In the past, a school was required to obtain a student's financial aid history by requesting a paper financial aid transcript (FAT) from the previous schools the student attended. Beginning in 1996, schools have also been permitted to obtain student financial aid histories through the National Student Loan Data System (NSLDS), a comprehensive database containing select financial aid history information. Schools were notified that the NSLDS could be accessed for this purpose in "Dear Colleague" letter GEN-96-13, published July 1996. (Notification was also published in the *Federal Register* on September 16, 1996.) This "Dear Colleague" letter also provides detailed information on how to access and use the NSLDS as an alternative to the FAT process.

Schools use the NSLDS for a number of other functions besides accessing financial aid histories, such as reporting the status of Perkins Loans and completing required Student Status Confirmation Reports (SSCRs). The Department has incorporated the SSCR function into the NSLDS beginning March 1997. (See GEN-96-17 for more on SSCR.) All schools that participate in the SFA Programs must enroll in NSLDS to use the SSCR function, even if they choose not to use the database to obtain financial aid histories. In this chapter, we will only be discussing the use of NSLDS to fulfill the financial aid history requirement.

Purpose of obtaining a financial aid history

NSLDS alternative

**NSLDS
optional**

Presently, although schools are strongly encouraged to use the NSLDS for financial aid histories, they are not required to do so. The NSLDS may be used as an **alternative** to the paper FAT. Schools may still request a student's financial aid history through a paper FAT, and a school that receives a request for a paper FAT must still complete and return the FAT to the requesting school. There are no changes to the requirements for requesting or receiving a paper FAT.

NSLDS MATCH

**All schools
responsible
for default
and
overpayment
information
from NSLDS**

A student's application information is matched against the NSLDS database, and the results of this match are provided on output documents on the NSLDS Financial Aid History page and in the FAA Information Section. All schools are responsible for resolving any default or overpayment problems reported through the NSLDS match, even if they are not using NSLDS for financial aid histories. As is the case for other matches, problems that must be resolved are indicated by a "C" next to the student's EFC. The school must resolve these eligibility problems before disbursing aid. (See Section 1 for more on resolving default and overpayment situations.)

Partial match

If the student's SSN is in the database, but neither the first name nor date of birth matches those the student reported, the output document will have a comment explaining that the financial aid history is not provided because the name and date of birth do not match, and directing the student to work with the school to resolve any discrepancies (Comment 138). This partial match may result when students use nicknames. When there is a partial match, the output document will not have the financial aid history or any information on defaults or overpayments associated with the reported SSN, and will have a "C" code. A partial match **requires resolution**; otherwise the school will not have information from the Department on defaults and overpayments.

**Obtaining
information
through the
NSLDS**

If the student originally reported incorrect information, the school can have the student submit correct information; the student's information will then be sent through the match again. The school can also access NSLDS directly using the reported SSN to determine if the NSLDS record belongs to the applicant. The school determines whether the NSLDS record is the student's by considering whether other information it has about the student is consistent with the NSLDS data. For example, if the name reported on the application is a nickname and the name in NSLDS is the actual name, the school should determine that the record is the student's and use the NSLDS data in determining the student's eligibility. Or if the school knows that the student attended a particular school in a particular award year, and NSLDS shows aid received at the school in that year, the school may assume that the record belongs to the student. If the school discovers the discrepancy is due to the student misreporting the

name or date of birth on the application, it should have the student make a correction. However, the school may use the NSLDS record to determine the student's eligibility; it does not need to wait for the corrected data to be reported.

If the school determines that the financial aid history associated with the student's SSN does not belong to the student, it may assume that the student has no relevant financial aid information. The school (or the student) may also contact the agency that reported someone else's data using the student's SSN, but is not required to do so. See "Dear Colleague" Letter GEN-96-13 for further discussion.

CHECKING PREVIOUS ATTENDANCE

A school not using NSLDS to obtain an applicant's financial aid history must determine if a student who applies for aid from the SFA Programs previously attended other eligible schools. The school must make an active effort to find out if the student previously attended other schools. For instance, most schools routinely ask any prospective student to state their previous academic experience, either in the course of an admissions interview or on the school's application. The financial aid administrator is responsible for ensuring the "consistency of information" at the school regarding a student's eligibility (see Chapter 3, Section 2), and therefore must have a system to exchange such information with the admissions office.

A school using NSLDS for financial aid histories is not required to determine if the student previously attended other schools. However, in some cases a school using NSLDS will still want to contact previous schools directly, and so will need to determine if the student has attended other eligible schools. For example, if the student begins enrollment during the award or academic year, the output document might not have a completely current financial aid history, and the school might decide to contact previous schools for the current information. To do so, it will need to determine what schools (if any) the student previously attended.

USING NSLDS FOR FINANCIAL AID HISTORIES

There are five methods by which a school may obtain financial aid history information from the NSLDS. The school may

- ◇ use the NSLDS Financial Aid History page of Part 1 of the SAR;
- ◇ use the NSLDS Financial Aid History section of the ISIR sent to a school through the Title IV Wide-Area Network (TIV-WAN);

Checking required if using FAT

Checking not required for NSLDS

- ◇ request an electronic file of financial aid history information for specific students through the TIV-WAN;
- ◇ request a print file of financial aid history information for specific students through the TIV-WAN; or
- ◇ log on to the NSLDS directly and access the NSLDS data on-line for an individual student.

An output document will contain the NSLDS financial aid history information only if the student's identifying information matches the database and there is relevant information for the student in the database. The financial aid history will not be provided on a rejected application. The school can check the NSLDS results flag reported in the FAA Information Section to determine why an application has no NSLDS financial aid history.

Partial match

A results flag of "2" indicates that the SSN was found in the NSLDS database, but neither the name nor the date of birth matched what the student reported. A school must resolve this partial match situation (see page 2-40).

No history

A results flag of "3" indicates that the student's SSN is not in the database; therefore, the student has no financial aid history. The student will also receive a comment on the output document explaining that NSLDS confirmed that the SSN is not associated with any previous financial aid history (Comment 140).

No relevant history

A results flag of "4" indicates that the student's SSN is in the database, but there is no relevant data to report. For example, no data would be reported if the only information for a student was for a Pell Grant received in the previous year, because that information is not needed to determine the student's eligibility for aid for the current year. The student will receive a comment explaining that his or her record was matched with NSLDS, but no information was found to print on the NSLDS page (Comment 137).

Changes to NSLDS data

Once the school has received the financial aid history through NSLDS, it is not required to check for changes to the data before it disburses or delivers funds to the student. However, if the school learns (from NSLDS or another source) that the student was not eligible or is no longer eligible, it must not deliver or disburse any more SFA funds and must help make sure the student arranges to repay the aid that he or she was not eligible for.

To help schools identify when they have received an output document with changed NSLDS data, the Department has added a new flag, the NSLDS Transaction Number. This number can be found in the FAA Information Section with the other match flags. The NSLDS Transaction Number is the number of the last transaction on which the NSLDS data changed. If a school receives an output document with an NSLDS Transaction Number later than the one on the output document the school used to determine the student's eligibility, the school should review the NSLDS data on the new document to be sure there are no changes affecting the student's eligibility. Note that if a student or school requests a duplicate output document, the request is also sent to the NSLDS for matching. If the NSLDS data have changed, the request will be treated as a system-generated correction, and both the output document transaction number and the NSLDS Transaction number will be updated.

**NSLDS
Transaction
Number**



REQUESTING FAT INFORMATION

If the school does not obtain financial aid history information from the NSLDS, and discovers that the student did attend another eligible school, the school is required to obtain FAT information from that school (or schools, if the student attended more than one eligible school) directly. The FAT information must be sent directly from the previous school to the current school (not to the student). The student may request that a transcript be sent, or the current school may make the request. In either case, the current school must document that a request was made. (Neither the school nor the student is required to request a financial aid transcript from a foreign school.) Note that although a student may make the request that a transcript be sent, it is the school, not the student, that is **required** to obtain the FAT.

A school is not required to use a paper FAT to obtain the FAT information directly from another school. A school may use any reasonable method to obtain the information, as long as the school obtains all of the FAT information required by regulations and the school maintains proper documentation. In addition to a paper FAT, a school may obtain the information through written documentation, such as letters or faxes. All documentation must contain the signature of the official authorized by the previous school to provide FAT information. The use of electronic mail messages is not allowed because signatures cannot be attached to such messages.

**Closed
school**

If it appears that the student's previous school has since closed, the current school can request the Department's assistance by writing to the following address:

Student Financial Aid Information Center
Financial Aid Transcript Request
P.O. Box 4129
Iowa City, IA 52244

The current school will receive one of the following responses from the Department's SFA Information Center:

- ◇ No transcript is required for this student because his or her school has closed, is no longer eligible to participate in the SFA Programs, or does not appear to be actively participating in the SFA Programs,
- ◇ The transcript must be requested directly from the school, which is currently in operation and is participating in the SFA Programs (the school's current name and address will be included in this response), or
- ◇ The request did not provide the needed information; the school must resubmit the request, providing the name of the student, the name and address (city, state) of the previous school, and the specific years of attendance in question.

CLARIFICATION

If no transcript is required, either because the previous school is foreign, has closed, or does not participate in the SFA Programs, a school is not required to take further steps to obtain the financial aid history information. However, the school must use any information it is aware of to ensure that the student in question has not defaulted on an SFA loan. A school is encouraged, but not required, to check the NSLDS for information. Also, to prevent an overaward for the current award year, the school should secure the student's signed statement of the amounts of SFA Program funds that were awarded and disbursed to him or her for the current award year.

NSLDS AND MIDYEAR TRANSFERS

GEN-96-13

In some cases, NSLDS might not provide timely financial aid history information for students who attended another school during the same award year (midyear transfers). Because NSLDS data providers are on a monthly submission schedule (except Pell, which is weekly), the student's current information may not be available immediately when he or she

transfers. The school has several options for obtaining financial aid history information for midyear transfer students.

1. The school can determine if the student previously attended other schools (as it normally would if it was relying on paper FATs) and obtain financial aid history information for a midyear transfer directly from the previously attended school or schools. If the previous school has closed, the school may check NSLDS or write to the FSAIC, as described on the previous page.
2. The school can use NSLDS for the financial aid history for previous years, and request only current year information from the previous school. The necessary current year information is: the student's name and SSN, the award year which the transcript covers, the student's scheduled Pell Grant, the amount of Pell funds disbursed, the amount of Perkins loan disbursed, and the amount of, and period of enrollment for, the most current loan made to the student under the FFEL and Direct Loan programs.
3. The school may use NSLDS and disburse aid if it checks the NSLDS no earlier than 60 days after the student's last date of enrollment at the other school. Waiting for 60 days after the student's previous enrollment has ended should allow enough time for all the data from the previous school to be reported. If the school later discovers that the student should not have received all or some of the aid, the school would not be liable, but the student would be responsible for repaying any amounts for which he or she was not eligible.
4. The school could review the NSLDS data from the student's output document and then make an initial disbursement of Pell and campus-based funds or certify or originate loans as is permitted when a school is waiting to receive an FAT it has requested (see the next page). The school would then check the NSLDS no earlier than 60 days after the student's last enrollment at the previous school; it may then make subsequent disbursements or release loan funds, if the student's eligibility is confirmed.

PAYMENT AND CERTIFICATION OPTIONS

Pell and campus-based programs

Once the school has requested the FAT information, the school may pay the student under the Pell Grant and campus-based programs for one payment period only. If a school exercises this option, after it receives the transcript information the school must make any necessary adjustments to the student's aid package before making another payment. Also, the school must have documentation that the FAT information was requested. The school is not liable for the amount of the first payment if the school never receives the FAT information (or if the information arrives and shows that the student is ineligible). However, the school may not make any subsequent payments to the student without receiving the transcript information, and the school must attempt to collect any overpayment from the student.

Federal Stafford

After requesting the transcript information, the school may certify a Stafford loan application for the student, but the school may not release the proceeds from the loan until after the transcript information is received. If the school does elect to certify a Stafford loan application and then receives FAT information that shows the student to be ineligible for payment, the school must return the loan proceeds to the lender. In addition, beginning with the 1997-98 award year, the school may not hold FFEL proceeds for more than 10 days (this changes to three days beginning with award year 1999-2000). If the FATs still have not arrived at the end of the 10 days, the school must return the loan proceeds to the lender. For more information on the return of FFEL Program funds to a lender, see Chapter 10.



PLUS

Under General Provisions regulations, the school may not certify a PLUS application until the school has received the FAT information.

Direct Loan

After requesting the transcript information, the school may originate a Direct Loan award for the student, but the school may not disburse funds to the student until the transcript information is received.

Payment without transcript: no SFA funds received, records unavailable

In several cases, the regulations permit the school to pay a transfer student without receiving a financial aid transcript. The school may pay the student as usual if the previous school certifies that the student did not receive SFA Program funds or certifies that the record retention period for the student's period of attendance has expired and the previous school no longer has the student's records. (See Chapter 3, Section 7 for recordkeeping requirements). As mentioned earlier, the new school may also pay without transcript information if the new school discovers that the previous school has closed and the requested information is not available.

SENDING A TRANSCRIPT

When a school receives a request for FAT information, the school must promptly provide the requested information. If the student did not receive assistance from the SFA Programs, or attended the school so long ago that the record retention period has lapsed and the school no longer has those records, the school must notify the requesting school in writing that the transcript information will not be sent and specify the reason. (See Chapter 3 Section 7 for recordkeeping requirements.)

If the school sending the transcript information has any information indicating that the student had attended any other schools, it must include the names of those schools with the transcript information (or in the written response, if the school is not required to send transcript information). When the school requesting the transcript information finds that the student has attended another school, it must also request transcript information from that school.

A school cannot withhold FAT information for a student who owes a debt to the school (such as unpaid tuition and fees, or a library fine or parking fine). However, the Department does not discourage the withholding of official academic transcripts in compliance with applicable state laws.

All FAT information must be signed by the person the school authorizes to sign transcripts and other financial aid documents; the transcript does not need to be certified. Using a signature stamp to validate transcript information is also acceptable if the stamp's use is restricted for use by specific financial aid personnel. In either case, a school is liable for any inaccurate information provided. Note that a school may accept a facsimile of transcript information, provided it is properly completed and signed.

REQUIRED INFORMATION ITEMS

The transcript information must include

- ◇ *The student's name and Social Security Number.*
- ◇ *Whether the student is in default on an NDSL, or Perkins Loan, or owes a repayment on a Pell Grant or FSEOG at that school. The school should always be able to tell from its own records if the student is in default or owes a repayment for any of these programs.*
- ◇ *If known, whether the student owes a repayment on an SSIG or is in default on a FFEL at that school, or is in default on a Direct Loan or*

Reasons for not sending transcript

Listing other schools attended

Signature requirement

Consolidation Loan. In many cases, the holder of the debt (the guaranty agency, the state agency, or the Department) will have informed the school if the student is in default or owes a repayment.

- ◇ *For the award year in which the transcript is requested, the amount of Perkins funds disbursed.*
- ◇ *The total amount of any loans received by the student under the Perkins and NDSL programs at that school.*
- ◇ *Whether the student had an outstanding balance on an NDSL (either Defense or Direct) from that school on July 1, 1987. This will affect whether the student may be considered a new borrower in the Perkins Loan Program. New Perkins borrowers are given a nine-month grace period, rather than the six-month NDSL grace period and are eligible for a deferment or cancellation for volunteer service in the Peace Corps.*
- ◇ *Whether the student had an outstanding balance on an NDSL (either Defense or Direct) from that school on October 1, 1992.*
- ◇ *The amount and period of each loan made to the student under the FFEL and Direct Loan programs at that school. This includes PLUS loans taken out by the student's parents on the student's behalf.*
- ◇ *The student's Scheduled Pell Grant and the amount of Pell Grant funds disbursed to the student for the current award year.*

FSEOG

Schools do not have to report information on FSEOG awards with the transcript information because annual FSEOG maximums apply only to the amount that the school may award during an award year, not to how much the student may receive from multiple schools.

Information about aid at other schools attended

When responding to an FAT request, a school is not required to include information about the amount of aid awarded at other schools or the student's default or overpayment status at other schools. However, the school sending the transcript must list these other schools with the transcript information, and the new school must make sure that it has received transcript information from those schools.

A school may decide to provide additional information such as types of work-study or cooperative-education study performed, institutional scholarships awarded, or Pell awards received in prior years. A school may also include any information about a student's eligibility for, or

receipt of, financial aid if the school considers that information useful to the school the student will be attending.

NSLDS Information

The NSLDS financial aid history includes the required information described above, plus additional information:

- ◇ *Whether the student is in default on loans received at any school.* Note that an output document for a student who has defaulted loans will have a “C” next to the EFC.
- ◇ *A listing of defaulted loans in the student’s name.* The list includes the type of loan (that is, whether the loan is subsidized, unsubsidized, a Perkins Loan, a FFEL, etc.), the default date, the outstanding balance, the loan period, identifiers indicating the guaranty agency (if a FFEL), the school that administered the loan, the current servicer, and—if the Department is holding the loan—the regional office holding it. Up to six defaulted loans will be listed on the student’s output document. If there are more than six defaulted loans, the NSLDS Information page will have a message telling the school to access NSLDS for more records. The school may access NSLDS directly (through TIV-WAN) for additional information.
- ◇ *Whether the student owes an overpayment at any school.* For 1997-98, if the student does not owe an overpayment, the NSLDS Information will have an “N” printed in the appropriate field. Previously, the fields were left blank if there was no overpayment.
- ◇ *Whether the student filed for bankruptcy protection on a SFA debt.*
- ◇ *The aggregate amounts the student borrowed under FFEL and Direct Loans at all schools.* For 1997-98, in addition to reporting the outstanding principal, NSLDS provides the amount of pending disbursements and a total loan amount (the sum of the outstanding principal plus pending disbursements). If Consolidation Loan amounts are listed and if the outstanding principal balance may affect student eligibility for additional loan amounts, the school must determine what portions of the Consolidation Loan should be attributed to each of the loan types by logging into NSLDS or contacting the loan holder .
- ◇ *The cumulative amount of Perkins Loans disbursed to the student and, for the current award year, the annual amount of Perkins Loans*

disbursed. Note that beginning in 1997-98, the NSLDS will no longer report whether loans were disbursed prior to 1987.

- ◇ *Indicators showing if any Perkins Loans were awarded under the Expanded Lending Option (ELO), which changes the annual and cumulative maximum allowed.*
- ◇ *Details—for the purpose of providing schools with information needed to monitor annual loan limits and frequency of the receipt of these loans—on up to six FFEL and/or Direct Loans. Note that this is an increase in the number of loans listed; in 1996-97, information was given on up to three FFEL and /or Direct Loans per student. In addition, this list is no longer limited to loans for loan periods beginning on or after January 1, 1994. If more than six loans exist, the NSLDS Information page will include a message stating “Access NSLDS for additional loan records.”*



MODEL TRANSCRIPT

Although there is no official form for the required FAT information, the National Association of Student Financial Aid Administrators (NASFAA) has developed an FAT form that schools may use as a model (see the following pages). Financial aid administrators may receive a copy by writing to NASFAA at 1920 L Street N.W., Suite 200, Washington DC 20036.

Part I

Part I of the transcript contains identifying information about the student and may be filled out either by the student or by the requesting (current) school. The student's signature is optional. However, the transcript must include the student's name and Social Security Number.

Part II

Part II of the transcript gives the student's financial aid history, as completed by the financial aid office at the prior school. **Section A** gives information about other schools the student attended. **Section B** is used when the school is not providing the student's financial aid history either because the student did not receive SFA funds at the school or because the record retention period has expired and the records are no longer available. **Section C** contains several statements regarding the SFA funds received by the student, including outstanding loan balances, repayments owed, and defaults. The school should check all statements that are true for the student in question. **Sections D and E** are used to report amounts of aid received from the SFA Programs. **Section F** is the signature block for the school sending the transcript.

Sample documents not available
in electronic copy

Sample documents not available
in electronic copy

Section 3

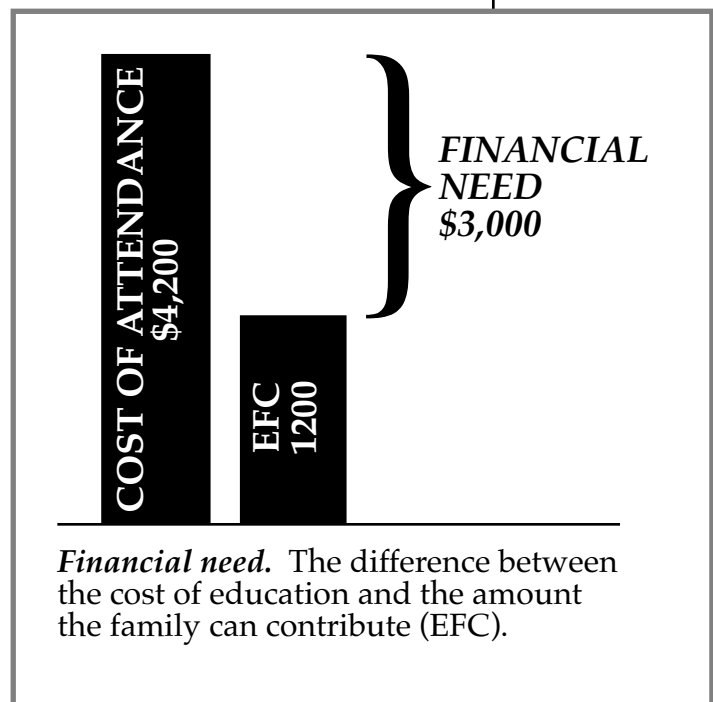
Overview of Financial Need

A student must demonstrate financial need to receive all Student Financial Assistance (SFA) except for unsubsidized loans under the Federal Family Education Loan (FFEL) Program and the Direct Loan Program. These loans include unsubsidized Federal Stafford Loans, Federal PLUS Loans, Direct Unsubsidized Loans, and Direct PLUS Loans. Unlike scholarship programs that may award funds based on academic merit or based on the student's field of study, SFA Program aid is administered based on the family's need for assistance.

Financial need is simply defined as the difference between the student's cost of attendance (COA) and the family's ability to pay these costs. Note that the student's financial need will be reduced by aid that is awarded to the student.

Education costs for the SFA Programs are defined by statute and are fairly easy to calculate based on the student's tuition and fee charges, living situation (e.g., on campus, off campus with parents, off campus without parents), as well as other factors affecting the student. However, the student's ability to contribute toward these costs, as measured by the Expected Family Contribution (EFC), is much more complicated to assess.

This section examines the concepts related to financial need. The section first discusses family contribution analysis. Discussion of the COA follows; then overawards and financial aid packaging are addressed



EXPECTED FAMILY CONTRIBUTION

The EFC is the amount that a family can reasonably be expected to contribute toward college costs. The EFC is based on an analysis of the family's financial strength, including the income and assets of the student and the student's spouse or—if the student is dependent—the student and his or her parents. The EFC formula also considers factors such as the number of persons in the household, the number of those persons attending college, and the special costs of families in which both heads of household work. For more information on how the EFC is calculated, see *The EFC Formula Book, 1997-98*. You may order a copy by calling the Federal Student Aid Information Center at 1-800-4-FED-AID.

Maximum EFC: 2500

If the EFC is less than the COA (in other words, if the student's family cannot be expected to contribute the full costs faced), the student is considered to have financial need. In the case of eligibility for a Pell Grant, however, a maximum eligible EFC is determined annually. Although a student whose EFC exceeds the maximum may have financial need, he or she is not eligible for a Pell Grant. For 1997-98, the maximum EFC that a student may have to qualify for a Pell Grant is 2500. As long as the EFC is less than the cost of attendance, the student will remain eligible for aid from other SFA Programs, provided that he or she meets the other eligibility requirements of those programs.

Simplified needs test

Some students will have more than one EFC calculated. The CPS will calculate a simplified EFC for a student who meets certain income and tax-filing requirements. When an applicant meets the requirements for a simplified needs test, family assets are not considered in the calculation; therefore, the student does not need to provide this information on the application. If the student does provide the information on family assets, however, the CPS will calculate two EFCs—a Primary EFC, which uses the simplified formula, and a Secondary EFC, which uses the full formula. In all cases, the Secondary EFC will be equal to or higher than the Primary EFC. The financial aid administrator may use either figure to determine eligibility for aid from any SFA Program.

EFC for 9-month enrollment

The EFC found in the upper right hand corner of the first page of the output document is based on a 9-month enrollment period and should always be used for awarding a Pell Grant, even if the student is attending for a longer or shorter period. The second section of the FAA Information area contains headings for the number of months, Primary EFC, and Secondary EFC, as well as a table of 1- to 12-month alternate EFCs. The

EFC for other than 9-month enrollment

figures in the table represent alternate EFCs that the financial aid administrator may use to award aid—other than Pell Grants for which the 9-month figure is always used—if the student is attending for less than or greater than the standard 9-month period. For dependent students, the

alternate EFCs for periods of attendance other than 9 months are calculated by the CPS according to a formula prescribed in the HEA. For independent students, the law does not specify the adjustments, so the CPS performs a simple proration of the EFC by month for the convenience of the financial aid administrator.

Note that if only a Primary EFC appears in this area, either the student has not met the simplified-formula criteria (based on income or tax-filing status) or the student met the criteria but did not supply sufficient asset information to permit a Secondary EFC calculation.

If the student has special circumstances not taken into account by the EFC formula, the financial aid administrator may use professional judgment to adjust—on a case-by-case basis—the value of specific data reported on the student’s SAR. Special circumstances are conditions that differentiate an individual student, not conditions that exist for a whole class of students. Adjustments may increase or decrease a student’s specific data item used to calculate the EFC or used in calculating the COA. For example, if a dependent student’s parent had been retired since 1996 and, thus, the family expected to have a lower income for 1997, the financial aid administrator might use professional judgment to adjust the parents’ income. The reason for an adjustment must relate to that student’s special circumstance and must be documented in the student’s file. For more information on the use of professional judgment, see *The Counselor’s Handbook for Postsecondary Schools* and the discussion on “Professional Judgment” that appears later in this section.

One of the most significant decisions in need analysis concerns whether the student should be treated as a dependent student or as an independent student (in other words, whose ability to contribute should be analyzed?). If the student is considered to be dependent on his or her parents, information on the income (and assets, if applicable) of the parents must be collected on the financial aid application, and a parental contribution will be added to the student’s contribution to determine the EFC.

For the 1997-98 award year, a student is automatically independent if he or she meets one of the following criteria. Complete definitions of these criteria can be found in the 1997-98 *Free Application for Federal Student Aid*.

1. The student was born before January 1, 1974.
2. The student is a veteran of the U.S. armed forces.
3. The student will be enrolled in a graduate or professional program (beyond a bachelor’s degree).

**Special
circumstances**

**Independent
student
definition**

4. Either the student is a ward of the court (or was a ward of the court until age 18), or both parents are deceased and the student has no adoptive or legal guardian. Note that a student is not considered a ward of the court based only on being incarcerated.
5. The student is married (this definition may depend on the common law rules in the student's state of legal residence).
6. The student has legal dependents other than a spouse.¹

Note that a student's living situation (that is, whether the student lives with his or her parents) does not affect the student's dependency status.

In unusual circumstances, a student who does not meet any of these criteria may still be considered to be independent on the basis of the financial aid administrator's professional judgment. The financial aid administrator must make this decision on an individual (case-by-case) basis and must document the reason(s) for the decision. *The Counselor's Handbook* provides information on the proper procedures for performing a dependency override.

Bear in mind that the aid administrator may use professional judgment only to classify as independent a student who would otherwise be considered dependent. An aid administrator cannot require a student who meets one of the criteria for independence to file as a dependent. However, the financial aid administrator may adjust an independent student's assets or income to include a parental contribution if the aid administrator decides that such a contribution is warranted. Again, any such individual determination must be documented in the student's file.

PROFESSIONAL JUDGMENT

Although aid administrators have asked the Department to provide guidance on making professional judgment decisions, the Department historically has given only limited advice. Following are guidelines regarding this inherently subjective process.

The only areas where the law allows aid administrators to apply professional judgment are: Independent student status, calculation of

¹A legal dependent is any person who 1) lives with the student at the time the application is filed, 2) receives more than half of his or her support from the student at the time of filing, and 3) will continue to receive that support between July 1, 1997 and June 30, 1998. An otherwise dependent student would—if she or he had a legal dependent as defined above—be considered an independent student, regardless of the nature of the relationship between the student and the dependent. Note that the legal dependent would also be included when reporting "Household Size" and "Number in College" (if applicable) on the FAFSA.

expected family contribution, calculation of cost of attendance, satisfactory academic progress, and denial or reduction of eligibility for FFELs or Direct Loans.

The aid administrator may **not** exercise professional judgment to waive general student eligibility requirements or to circumvent the intent of the law or regulations. The Department specifically prohibits the use of professional judgment to change FSEOG selection criteria. Nor can the aid administrator include post-enrollment activity expenses in the student's COA. (For example, professional licensing exam fees are not allowable costs.)

Occasionally aid administrators make decisions contrary to the professional judgment provision's intent. These **unreasonable** judgments have included, for example, the reduction of EFCs based on reoccurring costs such as vacation expenses, tithing expenses, and standard living expenses (related to utilities, credit card expenses, childrens' allowances, and the like). Aid administrators, whom the Department grants significant latitude in exercising professional judgment, are expected and required to make "**reasonable**" decisions that support the intent of the provision. Note that the school is held accountable for all professional judgment decisions made, and that each decision must be fully documented.

COST OF ATTENDANCE (COA)

The cost of attendance (COA) is an estimate of a student's education expenses for the period of enrollment. A student's financial need for SFA Program funds (other than the Pell Grant) is equal to the student's COA, minus his or her EFC, minus his or her Pell Grant eligibility, minus financial aid from other sources. Another way to express this formula is to say that the total aid the student may receive from the SFA Programs and other sources (when added to the student's EFC) may not exceed the student's COA. (However, note that the Federal PLUS, the Direct PLUS, the unsubsidized Federal Stafford, and the Direct Unsubsidized loan may be substituted for the EFC, as described later.)

The components of the COA are the same for all SFA Programs. However, in the case of programs of study or enrollment periods that are less than or greater than the school's academic year, the COA for purposes of loans and campus-based aid differs from the COA for the Federal Pell Grant Program. The Pell costs are always prorated to the costs for a full-time student for a full academic year, but the COA for the other programs is based on the student's actual costs for the period for which need is being analyzed. See Chapter 4 for more information on Pell.

**SFA Need=
COA-EFC-aid
from other
sources**

A student's COA generally is the sum of the following:

- ◇ The tuition and fees normally assessed for a student carrying the same academic workload, including costs of rental or purchase of equipment, materials, or supplies required of all students in the same course of study.
- ◇ An allowance for books, supplies, transportation, and miscellaneous personal expenses.
- ◇ An allowance for room and board (see the following chart).

Student category	An allowance of not less than*
Student who lives with parents and has no dependents	\$1,500
Student living in institutionally owned or operated housing without dependents	The standard allowance normally assessed most residents
For all other students	\$2,500

* Note that these minimums are for a standard 30-week period. If the loan period or the campus-based award is for a shorter period, the applicable minimum is prorated down, based on the number of weeks.

- ◇ For a student with dependents, an allowance for costs expected to be incurred for dependent care (during periods that include, but that are not limited to, class time, study time, fieldwork, internships, and commuting time for the student), the amount of which should be based on the number and age of such dependents and should not exceed reasonable cost in the community for the kind of care provided.

Study abroad

- ◇ For study-abroad programs approved for credit by the student's home institution, reasonable costs associated with such study.

- ◇ For a disabled student, an allowance for expenses (including special services, personal assistance, transportation, equipment, and supplies) reasonably incurred, related to the student's disability, and not provided for by other agencies.²
- ◇ For students placed in a work experience through a cooperative education program, an allowance for reasonable costs associated with such employment.
- ◇ And, for students receiving SFA loans, the fees required to receive them (for example, the loan fee for a Direct Loan or the origination fee and insurance premium for a FFEL). Schools may also include the fees required for nonfederal student loans (that is, nonfederal loans that must be considered resources for the student when packaging aid). In all cases, the school can either use the exact loan fees charged to the student or an average of fees charged to borrowers of the same type of loan at that school.

Costs related to disabilities

Cooperative education

Origination fees and insurance premiums

Exceptions to the Normal Cost of Attendance (COA) Allowances

Following are the exceptions to the normal COA allowances discussed above:

- ◇ For students who are enrolled less than half time, only the costs for tuition and fees and allowances for books and supplies, transportation (but not miscellaneous expenses), and dependent care expenses may be included as part of the COA.
- ◇ Generally, the COA for a correspondence study student is restricted to the costs for tuition and fees. However, if the student is fulfilling a required period of residential training, the COA can also include required books and supplies, an allowance for travel, and room-and-board costs specifically incurred. (Note: a student is not eligible to receive aid from the SFA Programs for correspondence courses unless they are a part of an associate-, bachelor's-, or graduate-degree program and unless the school meets the criteria for the percentage of courses taught using this medium. See Chapter 3 for more details.)

Less-than-half-time status

Correspondence students

²A student is considered disabled if he or she is deaf, mentally retarded, hard of hearing, speech or language impaired, visually disabled, seriously emotionally disturbed, orthopedically impaired, autistic, has a traumatic brain injury, is otherwise health-impaired, or has specific learning disabilities that require special education and related services. There is no maximum on the allowance for expenses related to a disability. However, the school should be careful not to include costs for services or equipment provided free of charge by other assisting agencies.

Incarcerated students

- ◇ The COA for incarcerated students is limited to tuition and fees and required books and supplies. Bear in mind that an incarcerated student is ineligible to receive an SFA loan; if a student is incarcerated in a federal or state penal institution, he or she cannot receive a Pell Grant (see Chapter 4).

Students receiving instruction by telecommunications

- ◇ In determining a student's COA, no distinction is made regarding the mode of instruction, except that the cost to rent or purchase equipment is excluded for students receiving instruction by telecommunications. However, if the aid administrator, using professional judgment, determines that instruction by telecommunication substantially reduces elements of a student's COA, the aid administrator must adjust the COA accordingly and thereby reduce the student's eligibility for grants, loans, or work-study assistance.

Special circumstances

- ◇ The financial aid administrator has the authority to use professional judgment to adjust the COA for the SFA Programs on a case-by-case basis to allow for special circumstances. Such adjustments must be documented in the student's file. (See "Professional Judgment" above.)

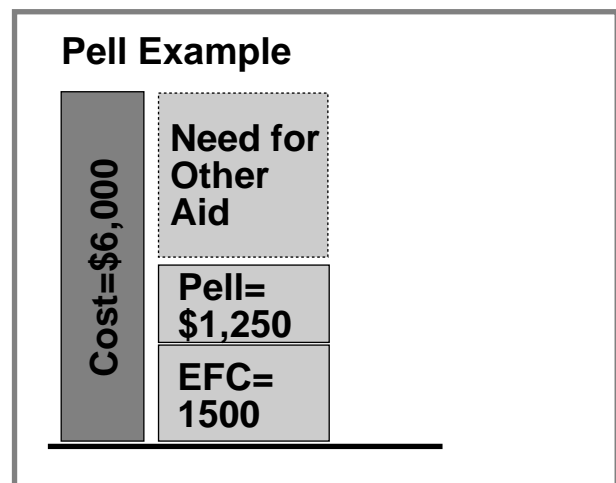
AWARD CALCULATIONS, RESOURCES, AND ESTIMATED FINANCIAL ASSISTANCE

A basic premise of need-based aid is that the total package of aid must not exceed the student's financial need. Aid in excess of need is referred to as an overaward (see "Overawards" later in this section). Because of differences in the way aid is handled in each of the SFA Programs, there are differences in the way that each program takes into account other sources of aid.

Determining Remaining Need

Pell Grants

Pell Grants are considered to be one of the first sources of aid to the student. The Department issues Pell Grant payment and disbursement schedules that base the award solely on the student's COA, EFC, and enrollment status. When awarding other sources of need-based aid, the financial aid administrator must take eligibility for the Pell Grant into account. It is always

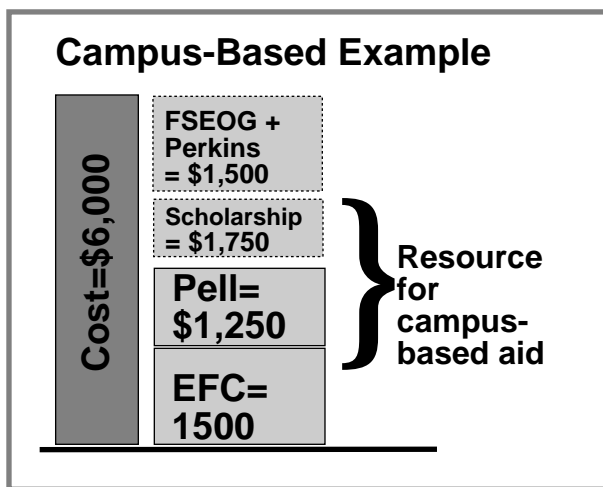


possible, however, that the student will receive a scholarship or other aid that, in combination with the Pell Grant, causes the student's financial aid package to exceed his or her need. The school may not award additional need-based **federal** aid that would cause the package to exceed the need. If the student's need is exceeded due to the combination of the Pell Grant and other sources of aid, the student is still eligible for the Pell Grant as determined by the payment or disbursement schedule.³

In contrast to the Pell Grant Program, the regulations for the campus-based programs specifically require the school to take into account all resources available to the student when funds are awarded from these programs.

Such resources include the student's Pell Grant eligibility (whether or not the student applies for a Pell Grant), subsidized Stafford Loans, Direct Subsidized Loans, veterans benefits, outside scholarships, and net earnings from **need-based** employment that will be received during the award year. If the total of the student's EFC, resources, and campus-based aid exceeds the student's COA, the campus-based aid must be reduced to prevent an overaward. However, note that there are overaward thresholds (discussed later in this section and in Chapter 5, Section 2) for the campus-based programs.

**Campus-based:
resources**



Suppose a student has a cost of attendance of \$6,000, and an EFC of 1500. The student's resources are a \$1,250 Pell Grant and a \$1,750 outside scholarship. The school may award the student a \$500 FSEOG and a \$1,000 Perkins Loan to fully meet the student's financial need.

For SFA purposes, veterans educational benefits are treated as resources, not as income, and therefore are not reported as income on the FAFSA. Note that the income earned from the Veterans Administration Student Work-Study Allowance Program (VASWSAP) is not treated as a veterans educational benefit, so it is **not** considered a resource. It should be reported as untaxed income (not income earned from work) on the FAFSA.

**Veterans
benefits**

³Note that although a Pell Grant could be adjusted if the student received funds under the Paul Douglas Teacher Scholarship Program, this program has not been funded for the 1997-98 award year (see Chapter 9).

FFEL and Direct: estimated financial assistance

The statute governing the Federal Family Education Loan (FFEL) Program (subsidized and unsubsidized Stafford, as well as PLUS) and Direct Loan Program (Direct Subsidized, Direct Unsubsidized, and PLUS) does not use the term "resources" as defined for campus-based programs. Instead, a similar measure, called "estimated financial assistance," is used for determining FFEL and Direct Loan eligibility. Despite the different terminology, the two measures include the same sources of assistance.

"RESOURCES" (for campus-based aid) **and** **"ESTIMATED FINANCIAL ASSISTANCE"** (for FFEL and Direct Loans) includes (but is not limited to):

FEDERAL AID

Pell Grant eligibility,*

Gross Stafford Loan or Direct Loan funds received**

Campus-based aid (FSEOG, Perkins, FWS [less the direct costs of employment])**

Veterans educational benefits

Insurance programs for the student's education, which includes Social Security educational benefits

* Estimated amount the student would receive, whether or not the student actually receives it

** These are not regarded as a resource in the need equation for the program for which the need is being determined. In other words, if the aid administrator is determining the need for a Stafford loan, the amount of Stafford loan to be awarded is not a resource.

SCHOOL & PRIVATE AID

School and other scholarship and grant aid, including:

- athletic and ROTC scholarships
- ROTC subsistence allowance
- fellowships and assistantships
- waiver of tuition and fees

Net earnings from need-based employment

School loans (long-term)***

Loans from state and other loan programs***

*** Unless these amounts were used to finance the family contribution. See text for an explanation.

The unsubsidized Stafford, PLUS, Direct Unsubsidized, Direct PLUS, and state and private education loans are not considered to be resources or estimated financial assistance to the extent that they finance (or replace) the EFC. Thus, students may borrow under these programs up to the amount of the EFC without affecting eligibility for campus-based aid, a subsidized Stafford Loan, or Direct Subsidized Loan. For instance, in the campus-based example just shown, the student could receive a \$1,500

private education loan, unsubsidized Stafford Loan, or Direct Unsubsidized Loan without being overawarded. None of these loans would be considered a resource as long as it did not exceed the EFC.

The school may certify an application for a subsidized Stafford Loan or Direct Subsidized Loan only for the amount of need that remains after subtracting both the student's EFC and estimated financial assistance from his or her COA. As noted previously, the student can also borrow unsubsidized loans beyond his or her need as long as the loan does not exceed the EFC. Note that a student may qualify for a combination of subsidized and unsubsidized loans.

For a dependent student, the student can borrow a combination of subsidized and unsubsidized loans up to the applicable Stafford or Direct Loan limit. The limit for a student depends on the student's grade level and program length. The unsubsidized amount the student can borrow is equal to this limit minus the subsidized amount the student borrows. For example, if a dependent student whose loan limit is \$2,625 qualifies for a \$1,600 subsidized Stafford Loan or Direct Subsidized Loan, he or she may borrow an additional \$1,025 (\$2,625 minus \$1,600) unsubsidized Stafford Loan or Direct Unsubsidized Loan, as long as the total of all aid received does not exceed the student's COA.

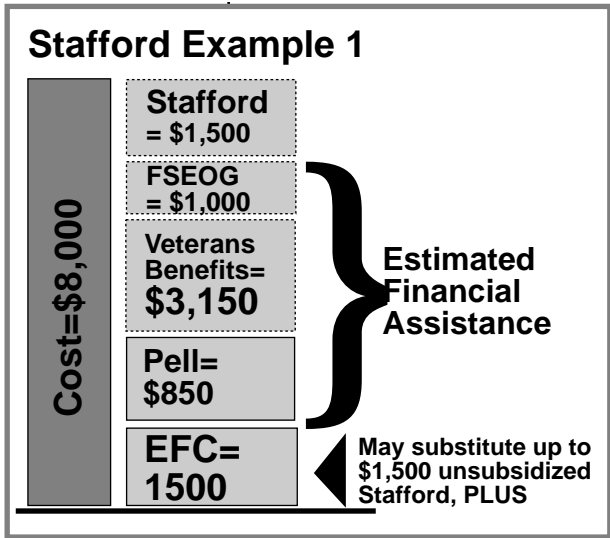
The independent student can also borrow the base amount described above. The mix of subsidized and unsubsidized loans in this base amount depends upon the student's need. The independent student can also borrow an additional **unsubsidized** loan amount, above the base amount. The maximum additional amount is limited to either the total of the student's EFC and remaining need or the applicable additional unsubsidized loan limit, whichever is less. Note that, as for the base amount, there are different loan limits depending on the student's grad level and program length. See Chapters 10 and 11 for a list of all the applicable limits.

A dependent student whose parents are unable to obtain a PLUS or Direct PLUS is also eligible for the additional unsubsidized loan amount that independent students can receive. See Chapters 10 and 11 for more information.

Remember that before the school may certify a Stafford Loan or originate a Direct Loan, the school must have determined the student's eligibility for a Federal Pell Grant. A school does not need to have an official EFC from the CPS to determine the Pell eligibility. Instead, a determination of the student's Pell eligibility could be made through software available at the school. On the other hand, the school **must** have evidence proving that the student's data went through the CPS before the loan may be disbursed.

Dependent student

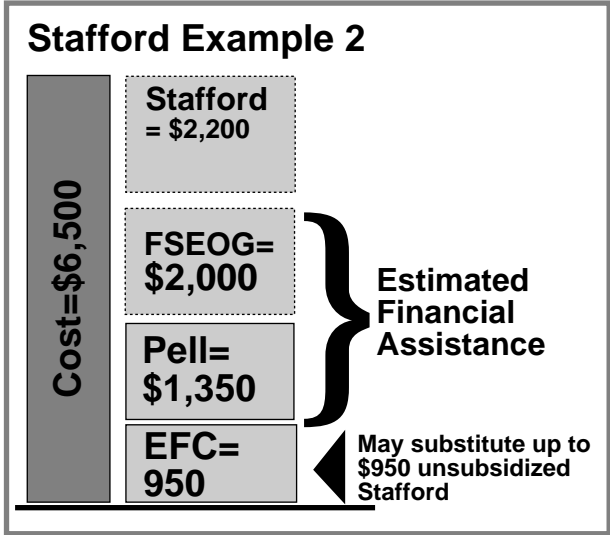
Independent student



Suppose an independent student’s cost of attendance (COA) is \$8,000, EFC is 1500, Pell Grant is \$850, veterans benefits is \$3,150, and FSEOG is \$1,000. The student is eligible for a maximum subsidized Stafford Loan of \$1,500. This amount is calculated by subtracting the EFC and the other aid received from the COA (\$8,000 - \$1,500 - \$5,000). Because unsubsidized Stafford Loans are not considered a resource as long as the loan amount does not exceed the EFC, the student would also be eligible for an additional \$1,500—the amount equal to the EFC—from this program. In the case of a first-year dependent student, the maximum Stafford Loan that may be borrowed is \$2,625.

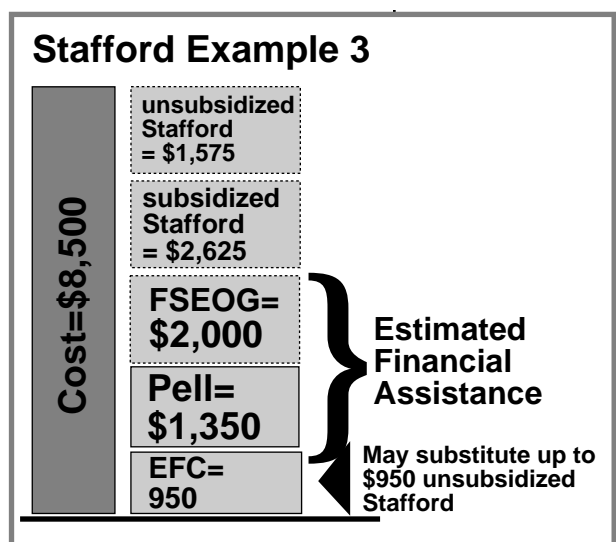
Therefore, a first-year dependent student whose circumstances are the same as our independent student could borrow a \$1,125 unsubsidized Stafford Loan, and the parent could borrow the remaining \$375 as a PLUS Loan. Or, the parent could borrow the full \$1,500 as a PLUS Loan and the student could borrow just a \$1,500 subsidized Stafford.

An independent first-year undergraduate student has a cost of attendance of \$6,500, an EFC of 950, a Pell Grant of \$1,350, and an FSEOG of \$2,000. This student has remaining need for subsidized Stafford of \$2,200 (\$6,500 - \$4,300). Because the amount of the unsubsidized loan, up to the amount of the EFC, is not considered a resource, the student may also borrow a \$950 unsubsidized Stafford Loan.



This would mean that the student’s total Stafford loan is \$3,150 (\$2,200 in subsidized and \$950 in unsubsidized loans).

Suppose this student's COA is \$8,500 and she has remaining need for a subsidized loan of \$4,200. Because the maximum subsidized Stafford Loan for first-year undergraduate students is \$2,625, the student would be limited to borrowing that amount under the subsidized program. After borrowing the \$2,625, the student still has remaining need for \$1,575, **as well as the ability to borrow \$950 (the EFC amount)**. Therefore, the student may borrow a \$2,525 unsubsidized Stafford Loan, which increases the total borrowed to \$5,150 (\$2,625 in subsidized plus \$2,525 in unsubsidized loans).



PACKAGING AID

Packaging is the process of finding the best combination of aid to meet a student's financial need, given limited resources and given institutional constraints that vary from school to school. A student may be able to receive some federal student aid—in the form of a Federal Pell Grant—even if his or her school does not, for example, participate in the campus-based programs and does not have its own sources of aid. Any subsidized loan under the FFEL Program or the Direct Loan Program is limited to whichever amount is less: 1) the amount of the student's remaining financial need after his or her estimated financial assistance is taken into account or 2) the loan limit for the student's level and enrollment status. Of course, as explained earlier, the student may also borrow an unsubsidized Stafford, Direct Unsubsidized Loan, PLUS, Direct PLUS, state-sponsored, or private education loan equal to the amount of the EFC. If a school does have other sources of aid, the financial aid administrator must decide how to allocate scarce funds from different sources to meet students' needs.

The financial aid administrator must evaluate numerous variables when packaging aid and may consider questions such as these: Should priority be given to students who apply for aid first (on a "first-come-first-served" basis)? Should grant assistance be awarded to beginning students and should loans and work-study go to students who have had a chance to adapt to the academic program? If there are not enough funds to meet every student's need, should school policy be to give more assistance to the neediest students? Or should the school meet an equal proportion of each student's need across the board?

Variables to consider when packaging aid

Special considerations

Special considerations in packaging also arise when a student qualifies for both SFA funds and for vocational rehabilitation assistance funds. In that case, the school should determine the student's package exclusive of both the costs related to the student's disability and anticipated vocational rehabilitation assistance. In this way, the student with disabilities will be offered the same aid package as a student who is in the same financial situation but who does not have disabilities; the student with disabilities will also receive the maximum amount of vocational rehabilitation aid to which he or she is entitled.

If, in packaging aid, the school were to consider both the disability-related costs and an anticipated vocational rehabilitation aid amount that was less than those costs, the amount of SFA funds in the student's package might be increased to cover the remaining costs. When the vocational rehabilitation agency actually disburses funds, it will take that SFA increase into consideration and disburse only the smaller anticipated amount rather than disbursing enough to cover all of the disability-related costs. The school has covered all of the student's need in both cases: But if the increase in SFA funds in the second case is the result of an increased loan amount, the school has unnecessarily added to the student's debt burden. Although the vocational rehabilitation funds should not be considered a resource when the school packages, the school must coordinate funds available from the vocational rehabilitation agency and from institutional, state, and federal student financial assistance programs to prevent an overaward. The amount of assistance from the vocational rehabilitation agency must be documented in the student's file.

Each state association of student financial aid administrators has a voluntary agreement with its state vocational rehabilitation agency; this agreement specifies the procedures for coordinating vocational rehabilitation assistance with other forms of financial aid. For information about your state association's agreement, contact that association or a regional office of the U.S. Department of Education.

Makeup of student body may influence packaging policy

The characteristics of a school's academic programs and the makeup of its student body may influence its packaging procedures. Section 9 of the Self-Instructional Modules (formerly produced through contract by the SFA Programs) discusses some of the basic types and philosophies of packaging. Although the modules have not been updated, financial aid administrators may nonetheless find the general discussion of packaging useful. For ideas on different approaches to packaging, also refer to materials prepared by professional associations representing schools and financial aid administrators or consult with other aid administrators at schools that have similar characteristics.

OVERAWARDS

While the school must always take care not to overaward the student when packaging aid, circumstances may change after the aid has been awarded and may result in an overaward. For instance, the student may receive an academic scholarship, or the student may want to extend his or her work-study employment. When these circumstances would lead to an overaward, the school may be required to adjust the federal student aid in the package.

Pell Grants are never adjusted to take into account other forms of aid.

If a school determines before FFEL or Direct Loan funds (other than PLUS) are delivered to the student that the student will receive an overaward, the school must take certain steps to eliminate the overaward. In general, there is no overaward tolerance for these loans. However, if a student's financial aid package also contains Federal Work-Study (FWS), there is a \$300 overaward tolerance for the loan overaward. The school in this case would not have to adjust a Stafford or Direct Loan unless the overaward exceeds \$300.

- ◇ If the package includes a unsubsidized Stafford Loan, Direct Unsubsidized Loan, Direct PLUS Loan, PLUS Loan, or nonfederal loan and the aid package does not already apply these loans to finance the EFC, the aid package may be adjusted so that all or some portion of these loans replaces the EFC, thus reducing or eliminating the overaward.
- ◇ The second or subsequent disbursement of a Stafford or Direct Loan can be canceled or reduced.
- ◇ If these adjustments have been made and an overaward still exists for a Stafford Loan or Direct Loan borrower, the school must withhold and promptly return to the lender or the federal government any funds that have not yet been delivered to the borrower. Note that Stafford and Direct Loan overawards must be repaid before adjusting or canceling campus-based funds.
 - For a Stafford Loan, the school may return the entire undelivered amount or may choose to return only the amount of aid for which the student becomes ineligible. For example, if a loan disbursement is \$1,000 and the amount of the overaward is \$800, the school could return just the \$800 or could instead the entire check and have the lender issue a new check for \$200. In either case, the school

Pell

**FFEL and
Direct**

must provide the lender with a written statement describing why the funds were returned.

- For a Direct Loan borrower, the school may choose either to return the amount of loan for which the student becomes ineligible or to cancel the loan, return the full disbursement, and originate a new loan for the lower amount. Consider the Stafford example (with a \$1,000 disbursement and an overaward of \$800) and apply it to a Direct Loan school. The school could return just the \$800 or return the full disbursement, cancel the loan, and originate a new loan for \$200. If the school chooses the latter, a new origination record must be created, and a new promissory note must be generated for the student to sign.
- ◇ The requirement to return overawards does not apply to Stafford Loans made to cover the COA at foreign schools or to PLUS or Direct PLUS Loans.
- ◇ Although a school is not required to return Stafford Loan or Direct Loan funds that were delivered to the borrower (either directly or by applying them to the student account) before the overaward situation occurred, the law does not prevent the school from returning funds that were applied to the student account if the school chooses to do so. The borrower who received funds disbursed directly to him or her is not required to repay funds that were delivered in excess of need unless the overaward was caused by his or her misreporting or withholding of information.

Campus-based

If reducing undisbursed Stafford Loans or Direct Loans is not sufficient to eliminate the overaward, the school may be required to reduce the amount of campus-based aid that has been awarded the student. Campus-based aid need not be reduced if the overaward does not exceed \$300, which is the overaward threshold for all campus-based programs. Note that the \$300 threshold is allowed only if an overaward occurs after campus-based aid has been packaged. The threshold does not allow a school to deliberately award campus-based aid that, in combination with other resources, exceeds the student's financial need. (See Chapter 5, Section 2.)

If the overaward cannot be eliminated by reducing future payments of campus-based aid, the student must repay the full amount of the campus-based funds that he or she received in excess of need. However, the student cannot be required to repay FWS wages he or she has earned.

Appendix A:
Documenting
Citizenship Status

As authorized by Congress, the SFA Programs are intended to provide needy students with financial aid if the students are 1) U.S. citizens or nationals, 2) permanent residents, 3) certain Pacific Islanders, or 4) persons who intend to become citizens or permanent residents of the United States. To be eligible for SFA funds, a student must prove that he or she qualifies under one of these categories, which are explained here in detail.

This appendix explains when a school is required to document a student's citizenship status and what documents are acceptable as proof of the student's status.¹ Financial aid administrators should bear in mind that required documentation verifying a student's citizenship status must be kept in the school's files until the record retention period expires.

U.S. CITIZEN OR NATIONAL

The term "U.S. citizen" includes citizens of the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands. All U.S. citizens are considered to be U.S. nationals. However, not all nationals are U.S. citizens: Natives of American Samoa and Swain's Island are not U.S. citizens but are nationals and therefore may receive SFA funds.

Generally, students in the U.S. citizen or national category are not required to provide status documentation to receive SFA funds. (Note that if a student leaves the citizenship question blank but provides an A-Number, the CPS will assume the applicant is an eligible noncitizen and will forward the A-Number to the INS to confirm eligibility.)

In 1996-97, the Social Security Number (SSN) match with the Social Security Administration (SSA) was expanded to verify citizenship status for applicants who report that they are U.S. citizens. All applications for federal student aid are sent to SSA for the SSN match. The applications of those who report themselves as eligible noncitizens and who provide A-Numbers are also sent to the INS match. Results from the INS match take precedence over the results from SSA. Note that the INS match process has not changed from prior years.

If the SSA does not cannot match an SSN, name, or date of birth, then the student's citizenship status will not be verified, and the student will receive a comment explaining that his or her citizenship could not be confirmed because of a question about the SSN, name, or date of birth (Comment 62). In this case, the student must provide his or her school with documentation of his or her citizenship. The school determines what

¹ The rules discussed in this chapter regarding documenting citizenship status also apply to the parent(s) borrowing a Federal or Direct PLUS Loan.

**SSA
citizenship
match**

constitutes acceptable documentation of citizenship. See the list below for documents the school may choose to accept.

If the SSA did not confirm the student's citizenship status, the student receives a comment explaining that the student needs to either provide documents proving citizenship or make a correction to show that he or she is an eligible noncitizen (Comment 146). The output document will also have a "C" next to the EFC. The student must provide the school with documentation substantiating his or her claim to be a citizen or eligible noncitizen. If the student claims to be an eligible noncitizen, he or she must submit a correction, which must include the A-Number.

Documentation

If the student's status as a citizen or a national must be documented, the following are permissible forms of certification:

- ◇ A copy of the student's birth certificate showing that he or she was born in the United States.
- ◇ A copy of Form FS-240 ("Report of Birth Abroad of a Citizen of the United States"), the FS-545 ("Certificate of Birth-Foreign Service"), the DS-1350 ("Certificate of Birth"), or the INS Form G-639 (the Freedom of Information Act Form). The first three forms are generated by the State Department and include an embossed seal with the words "United States of America" and "State Department."
- ◇ A U.S. passport, which may be current or expired. (In the case of nationals who are not citizens, the passport will be stamped "Noncitizen National.")
- ◇ A Certificate of Citizenship from the INS. This certificate must include at least the following information:
 - the student's name,
 - the certificate number (found in the upper right hand corner), and
 - the date the certificate was issued.
- ◇ A Certificate of Naturalization from the INS. This certificate must contain at least
 - the student's name,
 - the certificate number (found in the upper right hand corner),
 - the INS A-Number,
 - the name of the court that granted the naturalization, and
 - the date of naturalization.

Older versions of the Certificate of Citizenship and of the Certificate of Naturalization advise the holder not to photocopy them. The INS, however, permits photocopying of these documents if done for lawful purposes (such as applying for SFA funds).

Note that a Social Security card or driver's license is not acceptable for documenting citizenship or national status: Noncitizens and nonnationals may possess these forms of identification.

Even though students are considered U.S. citizens when born abroad to parents who are U.S. citizens, the SSA database is not automatically updated to indicate the student's status even if the student's birth was registered. Therefore, such students (for example, those born on military bases abroad) will fail the SSA citizenship match until the SSA database is corrected. That is, the applications of U.S. citizens who were born abroad but who file as U.S. citizens are automatically flagged by the SSA as ineligible foreign born, even if the applicant has an SSN.

Such students may document citizenship by providing a "Certificate of Birth Abroad." If the birth of the student was (before he or she reached age 18) registered with the Department of State or with the American consulate or embassy of that country, the student can receive a copy of the certificate by contacting

Department of State
Passport Correspondence Branch
1111 19th St. S.W., # 510
Washington, DC 20522-1705

202-955-0737

The student should provide the following information: Persons seeking the birth document; name given at birth; day-time phone number; parents' names and their dates and place(s) of birth; and a \$10 check or money order made to the Department of State. Students will receive either form FS-240 or DS1350. This process takes four to eight weeks. The student may also want to contact SSA about updating its database.

If the student's birth was not registered and he or she is under age 18, the student may document his or her birth by going to any foreign country and submitting the above requested information at the American consulate or embassy. If the student is over 18 and the birth was not registered, she or he can file a self-petition for a "Certificate of Citizenship" to any local U.S. INS office (Form W-600). Proof of parents' U.S. citizenship at the time of the student's birth must be provided.

**Citizenship
confirmation
for U.S.
citizens born
abroad**

CITIZENS OF THE PACIFIC ISLANDS

The Compact of Free Association (P.L. 99-329) created three political entities from the former Trust Territory of the Pacific Islands. Two of these entities, the Marshall Islands and the Federated States of Micronesia, voted in 1986 to end political ties with the United States. Citizens of these islands are eligible for Pell Grants, FWS, and FSEOGs but are not eligible for loans.

The third entity, Palau, voted to ratify the compact in 1994; its independence was effective October 1, 1994. Citizens of Palau who enrolled after that date will, like citizens of the Marshall Islands and the Federated States of Micronesia, be eligible for Pell Grants, FWS, and FSEOGs—but not for loans.

Note that the Northern Mariana Islands voted to become a Commonwealth of the United States on November 3, 1986. Citizens of these islands are U.S. citizens and are eligible for all SFA funds on that basis.

Students who are citizens of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau should check Block 2 (indicating eligible noncitizen status) in the citizenship question on the FAFSA and leave the item about the A-Number blank. (If the student doesn't have an SSN, he or she may leave that item blank as well.) As long as the student's file contains consistent information on his or her citizenship, the financial aid administrator is not required to collect documentation.

For 1997-98, Pacific Island residents who file electronically (through EDEExpress) may indicate that they are eligible noncitizens, after which their state of legal residence will be confirmed. If they are determined to be residents of the Pacific Islands, they will not be required to provide an A-Number, and EDEExpress will not reject their applications. (In 1996-97, such applicants had to file as U.S. citizens to avoid being flagged when using EDEExpress.)

OTHER ELIGIBLE CATEGORIES

In contrast to citizens, nationals, and Pacific Island citizens—whose documentation is needed only in the restricted instances discussed earlier (for example, when the student's citizenship data are not matched or when the student initially fails to check the box on citizenship)—permanent residents and other eligible noncitizens must always provide documentation on eligibility. For the majority of students, the Department initiates the documentation process by accessing the INS computer database. This computer match, known as Primary

Confirmation, produces a comment on the student's output document indicating that the student's status was confirmed, that it was not confirmed, or that the INS was unable to search its records. If the student's immigration status is confirmed by INS, a comment is printed to that effect on the output document and no further documentation is needed.²

Unsuccessful Primary Confirmations occur even when a student is an eligible noncitizen. Primary Confirmation may not confirm the student's status, for example, if the student did not provide enough information when completing the application or if INS did not respond to the Department within 24 hours, as required. Although the student is not automatically ineligible for SFA funds if the match does not confirm the student's status, additional procedures may be necessary to document the student's eligibility. This subsequent paper process is called Secondary Confirmation.

In Primary Confirmation, an applicant's noncitizen information is electronically matched with the database kept by INS. When application data are received by the CPS, identifying information for all noncitizen applicants is transferred electronically to INS's computer. The match is conducted by using the A-Number collected for all students who indicate that they are eligible noncitizens. (The A-Number is a unique number assigned to each legal alien by INS.) INS is responsible for matching this information and electronically transmitting the INS response back to the CPS within 24 hours. The CPS then provides the appropriate comment on the applicant's output document.

If the comment states "Your citizenship status has been confirmed by the Immigration and Naturalization Service (INS) and you meet the citizenship requirements for Federal student aid" (Comment 143), the student's status as an eligible noncitizen has been confirmed. The output document with that comment serves as documentation of the student's eligibility, and the student need not provide further evidence of his or her immigration status.

**General
overview of
the matching
program**

**Details about
Primary
Confirmation**

**Comment
143**

² The process of documenting citizenship status should not be confused with the process of verifying financial and household data. Although verification is required only for students selected by the CPS, documentation of immigration status (either on the output document or on an INS document) is required of all permanent residents and eligible noncitizens other than citizens of Palau, the Federated States of Micronesia, and the Marshall Islands.

There are four cases in which additional documentation is needed. The student must provide further documentation

**Comment
142**

1. if Primary Confirmation was not attempted because certain key information (e.g., the A-Number) was illegible or blank. In this case, the following comment will appear:

The Immigration and Naturalization Service (INS) could not confirm your statement that you are an eligible noncitizen because there is a question about your alien registration number. You must submit proof of your noncitizen eligibility to your school within 30 days after you give this SAR to your school. If you fail to submit proof within 30 days, you may be found ineligible for Federal student aid.

This comment will also appear for citizens of the Marshall Islands, the Federated States of Micronesia, and Palau because such students are eligible noncitizens but would not have A-Numbers to report. Again, these students are not required to provide proof of eligible noncitizen status for the purpose of eligibility determination for SFA fund (see “Citizens of the Pacific Islands” in this appendix).

**Comment
144**

2. if the information needed to perform a match was on the application but did not match the INS database information. In this case, the following comment appears:

The Immigration and Naturalization Service (INS) did not confirm your statement that you are an eligible noncitizen. You must submit proof of your noncitizen eligibility to your school within 30 days after you give this SAR to your school. If you fail to submit proof within 30 days, you may be found ineligible for Federal student aid.

**Comment
145**

3. if the INS was not able to match the student’s record within 24 hours or if the computer matching program was not in service. In this case, the following comment will appear:

Because of processing problems, the Immigration and Naturalization Service (INS) was not able to confirm your statement that you are an eligible noncitizen. You must submit proof of your eligible noncitizen status to your school before you may receive Federal student aid.

**Inconsistent
information**

4. if the school has on file conflicting data that cause the school to question the validity of the match. (The General Provisions require that the school resolve any conflicting information before paying the student or certifying a loan application.)

There is one unusual circumstance where the school will need to collect documentation from the student but not submit it to the INS for Secondary Confirmation. The Jay Treaty of 1794 (as well as subsequent treaties and U.S. immigration law) gives Canadian-born Native Americans with “50% Indian blood” the legal right to live and work in the United States; such individuals are not subject to the legal restrictions typically imposed on aliens by the INS, are not required to obtain documentation from the INS, and are considered “lawfully admitted for permanent residence.”

Because few SFA applicants are eligible under the Jay Treaty, the FAFSA does not include a separate response for such students. Therefore, any student eligible for SFA funds through the Jay Treaty should report that he or she is an “eligible noncitizen” but should leave the A-Number blank. The application will not be matched with INS, and Comment 142 (see the previous page) will be printed on the output document. The school must obtain proof that the student has 50% Native American blood and was born in Canada. To do so, the student should provide one or more of the following documents:

- ◇ A “band card” issued by the Band Council of a Canadian Reserve, or by the Department of Indian Affairs in Ottawa.
- ◇ Birth or baptism records.
- ◇ An affidavit from a tribal official or other person knowledgeable about the applicant’s or recipient’s family history.
- ◇ Identification from a recognized Native American provincial or territorial organization.

If the student can provide one of the above forms of documentation, and is otherwise eligible, the school must document the file and can award SFA funds.

STUDENT RIGHTS WITH RESPECT TO THE COMPUTER MATCH

If the student’s citizenship status requires resolution, the school must first ask the student to provide documentation of his or her status. If the documentation provided does not appear to constitute reasonable evidence of eligible noncitizen status, the school may determine the applicant to be ineligible for SFA funds without sending the documentation to INS for verification. On the other hand, if the documents submitted appear to constitute reasonable evidence of eligible noncitizen status, the school must then submit the documentation to INS to verify its correctness. Sending the student’s documentation to INS for

verification is a procedure known as Secondary Confirmation, and requires the school to complete a Form G-845S.

Limitations on using results of match to deny aid

The Computer Matching and Privacy Protection Act of 1988 prohibits a school from suspending, terminating, or reducing SFA funds; making a final denial of SFA funds; or taking other adverse action against a student based on the results of an interagency data match unless the student has been notified and has had time to respond to the notification.

As noted on the SAR for any student who must provide further documentation, the student is permitted at least 30 days from the time he or she submits the SAR to provide that documentation. During this period and until the results of the Secondary Confirmation are received, a financial aid administrator may not deny, reduce, or terminate aid to a student. Disbursements may be made to an otherwise eligible student pending the INS response if at least 15 business days have elapsed since the date on which the documentation was submitted to INS. (Of course, the general exclusions for inconsistent data being on file are applicable here.)

Liability

A school is not liable for an error in its determination that a student is an eligible noncitizen if, in making that determination, the school had no conflicting data on file and it relied on 1) an output document indicating that the student meets the requirements for federal student aid, 2) an INS determination of an eligible immigration status in response to a request for Secondary Confirmation, or 3) immigration status documents submitted by the student, if INS did not respond in a timely fashion. The student (or parent for PLUS borrowers) is liable for any SFA funds received if he or she is ineligible. If the school made its determination without having one of these types of documents, the school is held responsible for repaying SFA funds to the Department.

Appeal rights for SFA recipients

The school should establish procedures to ensure that if SFA funds are disbursed and the school subsequently determines (using Secondary Confirmation) that the student recipient is not an eligible noncitizen, the student is provided with a notice of the determination, an opportunity to contest the determination, and notice of the school's final determination. The student may contest the determination by submitting to the school all additional documents the student believes support his or her claims to be an eligible noncitizen. If the documents appear to support the student's claim, the school should submit them to INS using Secondary Confirmation. The school's final determination would be based on the Secondary Confirmation results.

For every student required to undergo Secondary Confirmation, the school is required to furnish written instructions providing

- ◇ an explanation of the documentation the student must submit as evidence of eligible noncitizen status. (The “Summary Chart of Acceptable Documentation” found at the end of this appendix is acceptable);
- ◇ the institutional deadline for submitting documentation (which must be at least 30 days from the date the school receives the results of the Primary Confirmation) and notification that if the student misses the deadline, he or she may not receive SFA funds for the award period or period of enrollment; and
- ◇ an acknowledgment that no determination of the student’s eligibility will be made until an opportunity to submit immigration status documents is provided.

USING THE G-845S FOR SECONDARY CONFIRMATION

If the output document does not confirm the student’s status as an eligible noncitizen, the student must provide the school with appropriate documentation (as explained in this appendix) showing that he or she is a permanent resident or other eligible noncitizen. The school must then initiate a Secondary Confirmation of this documentation with INS to ensure validity.

To initiate Secondary Confirmation, the school must complete a Form G-845S. The G-845S (“Document Verification Request”) is a standard INS form that is used to ask the File Control Office at INS to confirm that an alien noncitizen’s documentation is valid. To complete the G-845S, fill in each item on the top half of the form. The A-Number is provided in the first item; “Education Grant/Loans/Work Study” must be marked in Box 8, “Benefits.” You must state your name as the submitting official and the school’s name as the submitting agency. Under Item 6, “Verification Number,” the school must provide the 13-digit number that is located in the FAA Information section with the match flags. Secondary Confirmation requests sent to INS without Verification Numbers will be returned unprocessed (with one exception discussed below).

There are two circumstances in which a student will not receive a verification number:

1. **No match was performed due to technical reasons.** If the student did not receive a number because no match was performed due to technical reasons (Comment 145), the aid

**Requirements
for
notification
to students**

**No
Verification
Number**

administrator must write in large (preferably red) letters at the top of the G-845S “Comment 145 present, Application Processed on _____ [processing date from output document].”

- 2. No match was performed because the student failed to provide an alien registration number.** If the match was not performed because the student failed to provide his or her A-Number on the application, the school cannot initiate Secondary Confirmation for the student. Instead, the SAR should be resubmitted for correction with the A-Number.

Photocopies of the front and back sides of the student’s citizenship document (such as an I-94 with the appropriate stamps or an I-551) must be attached to the Form G-845S. Be sure to submit each pertinent visa and document along with the G-845S. The G-845S is used only to certify the authenticity and identity of immigration documents attached to it; the G-845S must not be submitted to INS by itself for determining a student’s eligibility for SFA funds. Therefore, an applicant who has lost documents or surrendered these documents when entering prison is responsible for obtaining copies of these documents before the G-845S is submitted. (See “Replacing Lost INS Documents” in this appendix.) Schools may request copies of immigration documents directly from penal institutions at the request of the applicant. The school must send the completed G-845S and attachments to the File Control Office serving its locale (see the list at the end of this appendix) no more than 10 business days after receiving the documentation from the student.

A status-verifier at the District INS Office will search the applicant’s record to confirm the applicant’s immigration status. The status-verifier at the INS office completes the “INS Response” section of the G-845S and sends it back to the financial aid administrator, generally within 10 working days of receipt. The Department recommends that the school document its mailings to INS. If the school has not heard from INS, the financial aid administrator may wish to call the INS office to make sure that the G-845S was received. If the school does not receive a determination from INS within 15 working days (10 working days plus 5 days mail time) of the date the school sent the G-845S, the financial aid administrator should review the file to determine whether he or she feels the student meets the citizenship eligibility requirements based on the documentation the student provided and the information in this appendix. If the administrator believes that the student meets the requirements, the school may make any disbursement for which the student is otherwise eligible; the school, however, must note in the student’s file that INS exceeded the time allotment and, thus, citizenship eligibility was determined without the benefit of INS verification.

DOCUMENTATION OF PERMANENT-RESIDENCE STATUS

As noted earlier, an applicant who claims to be a permanent resident but whose status was not confirmed through Primary Confirmation must provide copies of his or her INS documents (as described below). The following is a discussion of the acceptable documents to accompany the G-845S.

The standard documentation for a permanent resident of the United States is the Alien Registration Receipt Card (Form I-151 or Form I-551). Both forms are referred to colloquially as “green cards,” although the newly issued forms are most often white with blue or pink wavy lines. The INS is replacing cards issued before 1979 with these new, counterfeit-resistant cards. The deadline established for permanent residents to replace their old cards was March 20, 1996. However, the older Form I-151 cards remain acceptable as evidence of permanent residence for the purpose of receiving SFA funds. A passport or an I-94 is also acceptable if it has one of the following stamps:

- ◇ A passport stamped “Processed for I-551. Temporary Evidence of Lawful Admission for Permanent Residence. Valid until _____. Employment Authorized.”
- ◇ A Departure Record (form I-94) stamped as above or stamped “Temporary Form I-551. Admission for permanent residence at _____ [port] on _____ [date] verified. _____ [signature of issuing officer] _____ [title].” This Form I-94 will also contain the individual’s photo and an INS seal over the photo and the stamp.

Special Circumstances

If the student has an I-551 with a baby picture, the financial aid administrator should suggest that the student update the I-551 with INS. Permanent residents are expected to obtain a new picture and to be fingerprinted at the age of 14. However, the school may submit the documents to INS and ultimately pay a student who has an I-551 with a baby picture, as long as the school can confirm that the I-551 belongs to the student. This confirmation may be accomplished by comparing the I-551 to a current photo ID that has the student’s name, date of birth, and signature. (The current photo ID must also be consistent with any identifying information in the student’s file at the school.)

**Standard
documentation**

**I-551 with
baby picture**

**Applicants
for
permanent
residence**

A student who has an approved application for permanent residence on file with INS and who is waiting for an Alien Registration Receipt Card may not have proof of his or her citizenship status. The financial aid administrator should advise such a student to contact his or her local INS office for the passport stamp or I-94 stamp described above, as these are available to the student before the normal permanent-residency documentation is issued. Note that an **application** for permanent-resident status is not sufficient for determining eligibility for SFA funds.

**Conditional
permanent
resident**

The Marriage Fraud Amendments established a two-year conditional permanent-residence status for certain alien spouses and their children. The alien spouse of a U.S. citizen or legal immigrant is given conditional permanent-residence status if the marriage took place less than two years before the spouse applied for permanent-residence status or citizenship. This status may also apply to any of the spouse's children who are aliens.

An alien who is granted conditional permanent-residence status will be given a Form I-551. This form is the same I-551 that is issued to regular permanent residents, except that the card will have a "C" (for "conditional") on the front and an expiration date on the back. Once the two-year period expires, a conditional permanent resident must file a petition for removal of this restriction within 90 days after the end of that period. The alien's petition will then be reviewed. If the results of the review are satisfactory, the restriction will be dropped, and new documents will be issued. Conditional permanent residents holding an I-551 with a valid expiration date are eligible to receive aid under the SFA Programs.

**DOCUMENTATION FOR OTHER CATEGORIES OF ELIGIBLE
NONCITIZENS**

Procedures for a student who belongs to another category of eligible noncitizens (such as a refugee, asylee, or parolee) and for whom Primary Confirmation did not confirm his or her citizenship status are similar to those just described for the permanent resident. The applicant must provide copies of his or her INS documents (as described below). A school must then initiate Secondary Confirmation of these documents by using the G-845S.

For humanitarian reasons, a student who has been designated by INS as lawfully present in the United States for other than temporary purposes is considered eligible for aid from the SFA Programs. Evidence of this lawful

presence is given on the departure record (Form I-94). The I-94 departure record will contain one of the following:

- ◇ A stamp indicating that the student has been admitted to the United States as a refugee. This stamp will read either “Admitted as a Refugee Pursuant to Section 207 of the Act. If you depart the United States you will need prior permission to return. Employment Authorized,” or “Status changed to refugee pursuant to Section 207 (c)(2) of the Immigration Nationality Act, on _____. Employment Authorized.”
- ◇ A stamp indicating that the student has been granted asylum in the United States. This stamp will read “Asylum status granted pursuant to Section 208, INS. Valid to _____. Employment Authorized.” Persons who have been granted asylum in the United States are given employment authorization for one year. At the end of that year, they are eligible to apply for permanent residence. Asylum status continues unless revoked by INS or until permanent residence status is granted.

Note that a refugee or an asylee may apply for permanent-resident status. During the period in which the application is being reviewed, the student must surrender his or her original I-94 to INS. INS will give the student a copy of the original I-94, which will include the endorsement “209a (or 209b) pending. Employment Authorized.” Students with this form of documentation are eligible for SFA funds.

- ◇ A stamp indicating that the student has been admitted to the United States as a conditional entrant. Although this status remains valid, INS stopped using this category on March 31, 1980. Therefore, if the school does not hear from INS within the permissible time frame, the school should not disburse to a student who shows an I-94 with conditional-entrant status granted after March 31, 1980.
- ◇ A stamp indicating that the student has been paroled into the United States for an indefinite period of time for humanitarian reasons. The word “indefinite” and/or “humanitarian” will be handwritten into the stamp.
- ◇ A stamp across the face of the I-94 indicating that the student has been classified as a “Cuban-Haitian Entrant (Status Pending). Reviewable January 15, 1981. Employment authorized until January 15, 1981.” Note that a document showing that the

Refugee

Asylee

Conditional entrant

Parolee

Cuban-Haitian

holder is a Cuban-Haitian entrant is valid even if the expiration date would make the document appear to be no longer valid.

The I-94 for some Cuban-Haitian entrants who are applying for permanent residence may be stamped "applicant for permanent residence." (Or the student may instead be given a separate document acknowledging the receipt of his or her application for permanent residence.) Because the application for permanent residence is not sufficient to make a student eligible for SFA funds, a student who is a Cuban-Haitian entrant must request documentation of that status from INS.

Suspension of deportation

If a person is applying to suspend deportation, he or she must request a hearing before an Immigration Law judge who will render an oral or written decision. If the decision is favorable, INS will give the applicant a Form I-551, which will certify his or her lawful permanent-resident status. Therefore, there is no special category for persons who have been granted suspensions of deportation.

Family unity status

An approved Form I-797, "Application for Voluntary Departure Under the Family Unity Program," indicates that the student has been granted relief from deportation under the Family Unity Program. As a result of changes made by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, enacted August 22, 1996, this is no longer an eligible status.

IRCA

The Immigration Reform and Control Act of 1986 (IRCA) made it possible for certain categories of aliens to receive temporary-resident status and eventually permanent-resident status. These categories included aliens who 1) entered the United States illegally before January 1, 1982, resided continuously in the United States between that date and the date they applied for temporary-resident status, and met certain other eligibility requirements or 2) performed qualifying agricultural employment in the United States during defined periods and met certain other eligibility requirements. This legalization program was colloquially called the amnesty program.

An alien who was eligible for temporary-resident status under IRCA and applied to an INS office was issued an Employment Authorization Card (Form I-688A), which permitted an eligible alien to work legally in the United States while his or her application was being processed. Although the deadline for applying for amnesty under Section 245 of IRCA has expired, some students may still hold amnesty-related statuses if their cases are being disputed in one of several lawsuits. A student who has a Form I-688A is not eligible for SFA funds. These forms expired six months from the date of issue. Except for those applicants whose cases are still being disputed, some time during the six-month effective

period of the Form I-688A, the holder should have been notified whether the application for temporary-resident status was approved.

The next step in the amnesty process was the issuing of the interim Form I-688B or the I-766. These Employment Authorization Documents (EAD) are used for employment authorization purposes only. None of these documents (I-688A, I-688B, or the I-766) is sufficient by themselves to qualify the student for SFA eligibility.

If the application for temporary-resident status was approved, the applicant would have received the Temporary Resident Card (Form I-688), popularly called a “red card,” which has an expiration date. Students who have valid Forms I-688 are eligible for SFA funds.

A student with an F-1 or F-2 Student Visa; a J-1 or J-2 Exchange Visitors Visa; L-1; or a G series Visa (pertaining to international organizations) is not eligible to apply for SFA funds unless he or she has a Form I-94 with one of the endorsements listed earlier. Also, someone who has only a “Notice of Approval to Apply for Permanent Residence (I-171 or I-464)” cannot receive SFA funds.

Some students may present Forms I-94 stamped “Temporary Protected Status.” This status is used for persons who are from countries that are in upheaval, but the status differs significantly from “Refugee” or “Asylum” because it provides no conversion to permanent-resident status. A student with this status is **not** eligible for SFA funds.

Each of the documents described above will be stamped in a rust-colored ink. It will normally contain a validation indicating the office of issuance and a code that indicates what officer prepared the document. Examples of codes are “WAS-82” (Washington District Office, Officer Number 82) or “1/13/84 SPO.KD” (Spokane Office, officer’s initials KD).

The school must keep in the student’s file a copy of the citizenship documentation the student submits, along with the G-845S results. Documentation provided as proof of the student’s citizenship status (such as the Alien Registration Receipt Card and the Departure Record) may legally be photocopied by the student, as long as the photocopies are made for this lawful purpose. The student must understand that he or she is permitted to photocopy an INS document **only** for lawful purposes such as applying for SFA funds. (Document photocopying is generally not permitted even for other purposes.)

Financial aid administrators must always examine and copy original documents. Sometimes the endorsement (a stamp) does not photocopy well due to the ink color on the original document. In this case, the financial aid administrator should hand copy the exact endorsement on

Temporary Resident Card

Student visas, etc., are not acceptable

Temporary protective status not eligible

Stamp and validation

the photocopy. Because the endorsement can be placed anywhere on the I-94, the endorsement may be difficult to locate. Note that although the endorsement may appear on the student's passport, the endorsement **must also** be on the I-94. INS offices do not have uniform procedures or stamps. The school should contact the local INS office with questions regarding acceptable citizenship documentation.

INTERPRETING THE G-845S

A single form, INS Form G-845S, is used both for the financial aid administrator's request for a Secondary Confirmation and for INS to respond to the school's request. In reviewing INS's response, bear in mind that the G-845S reflects the student's most recent status with INS and, thus, may show a different status than the documentation presented by the student. In this case, the school should verify that both documents identify the same person. If so, the status on the G-845S should be used since that status is the most current.

The following are possible INS responses and consequent implications with respect to student eligibility. Next to each item, we have indicated whether a check in this block by INS indicates

- ◇ eligibility, in which case payments to the student may be made;
- ◇ ineligibility, in which case the student is not eligible for payment unless the student later provides other valid documentation from INS showing that he or she is an eligible noncitizen; or
- ◇ inconclusive eligibility, in which case the financial aid administrator must examine any other boxes checked by INS to determine whether payment can be made. A check in such a box does not indicate eligibility or ineligibility.

Permanent resident (eligible)

1. This document appears valid and relates to a Lawful Permanent Resident alien of the United States. Block #1 is checked when the documentation submitted is determined to be a valid I-551, I-151, I-181, or I-94 or a passport stamped with the notation "Processed for I-551, Temporary Evidence of Lawful Admission for Permanent Residence."³ Immigration law allows this person to live and work in the United States on a permanent basis.

³ The term "temporary" as used here refers to the documentary evidence. It is not intended to imply that the immigration status itself is temporary.

2. This document appears valid and relates to a Conditional Resident alien of the United States. This is checked when the documentation submitted is determined to be a valid I-551, I-181, or I-94 or a passport stamped with the notation "Processed for I-551, Temporary Evidence of Lawful Admission for Permanent Residence." Immigration law allows this person to live and work in the United States; however, INS will reevaluate the person's status within two years. Conditional resident-alien status is granted to an alien who marries a U.S. citizen or national or permanent-resident alien; a conditional resident must remain married to that spouse for two years to maintain resident status.

Conditional resident (eligible)

3. This document appears valid and relates to an alien authorized employment as indicated below. This is checked to indicate whether the authorization covers full-time or part-time employment and when, if applicable, the period of employment will expire. "Indefinite" will be indicated if there is no specific expiration date for employment eligibility. Employment authorization by itself does not mean that the student is eligible for SFA funds.

Authorized employment (inconclusive eligibility)

4. This document appears valid and relates to an alien who has an application pending for...: This is checked when an alien is waiting for a new immigration status or a change of immigration status. If a change of status is pending, the appropriate block indicating the current status will also be checked elsewhere on the G-845S. A pending application for an immigration status does not (by itself) render the student eligible for SFA funds.

Application pending (inconclusive eligibility)

5. This document appears valid and relates to an alien having been granted asylum/refugee status in the United States: This is checked when an alien has been granted asylum or refugee status in the United States because of persecution or because of a well-founded fear of persecution in his or her country of nationality. These statuses are considered temporary. Documentation presented may include either Form I-94 stamped with "Section 207-Refugee" or "Section 208-Asylee" or a Refugee Travel Document (Form I-571).

Asylum/refugee status (eligible)

6. This document appears valid and relates to an alien paroled into the United States pursuant to Section 212 of the Immigration and Naturalization Act: This is checked for an alien who has been allowed to enter the United States under emergency conditions or under the determination that his or her entry is in the public interest. This status is temporary. Documentation presented may include Form I-94 stamped with "Section 212(d)(5) - Parolee."

Parolee (eligible)

Cuban-Haitian entrant (eligible)

7. This document appears valid and relates to an alien who is a Cuban-Haitian entrant: This is checked for Cubans who entered the United States illegally between April 15, 1980 and October 10, 1980 and Haitians who entered the country illegally before January 1, 1981.

Conditional entrant (eligible)

8. This document appears valid and relates to an alien who is a conditional entrant: This is checked to indicate a refugee who entered the United States under the seventh preference category of P.L. 89-236 or whose status was adjusted to lawful permanent-resident alien under that category. Documentation presented may include Form I-94 stamped with "Section 203(a)(7)." This status was defined by Section 203(a)(7) of the Immigration and Nationality Act but was later abolished by the Refugee Act of 1980. Noncitizens who fall into this category had to have entered the United States prior to the enactment of the Refugee Act of 1980.

Alien nonimmigrant (ineligible)

9. This document appears valid and relates to an alien who is a nonimmigrant. This is checked to indicate an alien who is temporarily in the United States for a specific purpose. This category includes students, visitors, and foreign government officials. Documentation presented may include the Form I-94.

Employment unauthorized (ineligible)

10. This document appears valid and relates to an alien not authorized employment in the United States: This block is checked when an alien's status prohibits employment in the United States.

Searching indices (inconclusive)

11. Continue to process as legal alien. INS is searching indices for further information. This block is checked if INS is withholding judgment, pending further investigation on the status or validity of documentation. This statement does not imply that the applicant is an illegal alien or the holder of fraudulent documentation. Benefits should not be denied on the basis of this statement.

The student's documentation should be accepted at face value until INS sends final notification regarding immigration status. If the student appears to be an eligible noncitizen based upon the school's review of the documents, the school may pay the student any SFA funds for which he or she is eligible. If INS later notifies the school that the student's documentation is not valid, the school must cancel further disbursements but is not liable for the payments already made.

Invalid documentation (ineligible)

12. This document is not valid because it appears to be altered or counterfeit: This is checked when the documentation presented has expired or when an item appears to be counterfeit or altered. Notify the student that unless corrective action is taken with INS, the case will be submitted to the Office of Inspector General (OIG). Additional communication with INS will allow any unfortunate mistakes in the status-verifier's review to be corrected. Until this discrepancy is resolved,

no further aid may be disbursed, awarded, or certified. If the student does not take corrective action in a timely manner, the case must be reported to the OIG.

The INS will initial and stamp the front of the G-845S in the signature block.

The comments block on the back of the G-845S provides further instructions. The intended meaning of each of the following blocks that may be checked follows:

13. **No determination can be made from the information submitted. Please obtain a copy of the original alien registration documentation and resubmit.** This is normally checked when the financial aid administrator has failed to provide copies of any of the INS documents. The statement is often accompanied by a listing of acceptable forms of documentation. The financial aid administrator should resubmit the G-845S with copies of the original alien documentation.
14. **No determination can be made without seeing both sides of the document submitted.** Resubmit the G-845S with copies of both sides of each document.
15. **Copy of document is not readable.** Resubmit the G-845S with higher quality copies of the original alien documentation.

The comments listed under “Permanently Residing Under Color of Law” (PRUCOL) reflect information about aliens who have applied for special treatment (for example, by virtue of having life-threatening medical situations) that may cause INS to refrain from seeking their expulsion. These blocks will be checked only if a request for evaluation for PRUCOL is made in Block 8 on the first page of the G-845S. Comments will rarely be made in this section because the financial aid administrator would not have asked for a PRUCOL evaluation when submitting the G-845S. However, in all cases, INS should check other responses on the form as well, and these other responses should be used in the determination of the student’s status. Therefore, any INS response to Items 16 and 17 indicates **inconclusive eligibility**.

When Secondary Confirmation results in an eligible status, the G-845S must be maintained by the school. If a discrepancy is discovered as a result of the INS response, the school must notify the student that he or she must correct the discrepancy with INS and that no certification of loans or further disbursement of funds can be made until the discrepancy is corrected. If the discrepancy is not reconciled with INS, the student

**Comments
on back of G-
845S**

**Reconciling
discrepancy**

must repay all aid except wages earned under FWS. Whenever the student is able to provide new information, it must be submitted to INS on a new G-845S form.

As long as the school has followed the procedures outlined here, including notifying the student of the discrepancy and withholding further payments and loan certifications as soon as a discrepancy is found, the school is not liable for aid disbursed prior to Secondary Confirmation. (This, of course, assumes that the school had no other conflicting information prior to making the disbursement and had reviewed the documentation and felt on that basis that the student was eligible.)

UPDATING ELIGIBLE NONCITIZEN STATUS IN LATER AWARD YEARS

There are several cases in which the school must verify a student's citizenship in a subsequent award year if that student again does not receive Primary Confirmation through the application process.

Updating the Temporary Form I-551

A student who presented a Temporary Form I-551 in a prior award year should have received a permanent I-551 by the next year and, thus, should not still be holding a temporary card. The school should refer the student to INS to obtain a permanent I-551 or an updated endorsement on the previous card. The documents should also be submitted to INS on a G-845S.

The school must also document the eligible noncitizen status each award year and obtain Secondary Confirmation if Primary Confirmation has not produced a match for a conditional permanent resident, a refugee, a Cuban-Haitian entrant, or a person granted asylum. Students in any of these categories may have been adjusted to permanent-resident status or may have had their statuses revoked.

The school does not have to perform Secondary Confirmation to document a student's eligible noncitizen status in subsequent award years if the school previously documented that the student is a U.S. citizen or national; is a citizen of the Republic of Palau, the Federated States of Micronesia or the Marshall Islands; or has a Form I-551 or I-151.

34 CFR 668.133 (b)

In addition, the school is not required to perform Secondary Confirmation if in a previous award year a school determined the student to be an eligible noncitizen through Secondary Confirmation and the documents used for that Secondary Confirmation have not expired. The school must also have no conflicting information or reason to doubt the student's claim of having eligible noncitizen status. Also note that the school must have **confirmed the status** in a previous award year. (The school may not disburse aid just because INS did not respond.)

REPLACING LOST INS DOCUMENTS

If a student cannot locate his or her official INS documentation, the student must request that the documents be replaced because immigrants are required to have—in their possession—documentation verifying their statuses. Requests for replacement documents should be made to the INS District Office that issued the original documents. (See the addresses at the end of this appendix.)

The student will be asked to complete a Form I-90, “Application to Replace Lost Documents.” A temporary I-94 may be issued while the replacement documents are pending.

In cases of the student’s undue hardship, in which the student urgently needs documentation of his or her status, the Freedom of Information (FOI) Act allows the student to obtain photocopies of the documents from the INS District Office that issued the original documents. The student may submit an INS Form G-639 to make this request or may simply send a letter to the district office. If the student is not sure which district office issued the original documents, he or she may submit the request to the FOI office in Washington, DC. (See addresses at the end of this appendix.)

ADDITIONAL INFORMATION

On the following pages, we have included several reference materials that may prove helpful:

1. A summary chart of the documentation requirements discussed in this appendix.
2. Examples of the principal types of documentation discussed in this appendix.
3. A copy of the G-845S. This may be photocopied and used for submission to INS.
4. A glossary of terms used in processing applications for noncitizens.
5. A list of INS offices and addresses.

SUMMARY CHART OF ACCEPTABLE DOCUMENTATION

As an alternative for a student who is having trouble obtaining replacement INS documents, the student may use a G-639 to request photocopies of the original documentation.

CITIZEN NOT BORN IN UNITED STATES	
Certificate of Citizenship	Must have student's name, certificate number, and the date the certificate was issued.
Certificate of Naturalization	Must have student's name, certificate number, Alien Registration Number, name of the court (and date) where naturalization occurred.
"Certification of Birth Abroad" Form FS-545, DS-1350, or FS-240, "Report of Birth Abroad"	Must have embossed seal "United States of America" and "State Department."
U.S. Passport	
NONCITIZEN NATIONAL	
U.S. Passport	Must be stamped "Noncitizen National."
PERMANENT RESIDENT	
"Alien Registration Receipt Card" Form I-151, I-551, or I-551C	The I-551C must have a currently valid expiration date.
Passport	Must be stamped "Processed for I-551" with expiration date.
I-94	Must be stamped "Processed for I-551" with expiration date, or "Temporary Form I-551," with appropriate information filled in.
OTHER ELIGIBLE NONCITIZEN	
"Temporary Resident Card" Form I-688	Must have expiration date.
"Arrival-Departure Record" Form I-94	Must be stamped as a Refugee, Asylum Status, Conditional Entrant (before April 1, 1980), Parolee, Cuban-Haitian Entrant.

CITIZEN NOT BORN IN U.S./NONCITIZEN NATIONAL

U.S. Passport

Can be used to document citizenship for citizen born abroad.

For noncitizen national — must be stamped “Noncitizen National”

(Note that a passport issued by another country may be used to document permanent resident status, if it has the endorsement “Processed for I-551” and has a currently valid expiration date.)

Sample documents not available in electronic copy

Certificate of Citizenship

The Certificate of Citizenship is issued to persons who were born abroad of U.S. parent(s); who became citizens when their parents were naturalized; or who were adopted by U.S. parents.

Certification of Birth Abroad

Issued to U.S. citizens born abroad.
Must have embossed seal of the State Department.

Certificate of Naturalization

The Certificate of Naturalization is issued to naturalized U.S. citizens.

Sample documents not available in electronic copy

A revised version of the Certificate of Naturalization is issued to citizens who file for naturalization after October 1, 1991.

PERMANENT RESIDENT/OTHER ELIGIBLE NONCITIZEN

I-94 Arrival-Departure Record

For permanent resident status—must be stamped “Processed for I-551” with expiration date, or “Temporary Form I-551,” with appropriate information filled in.

For other eligible noncitizens—must be stamped as Refugee, Asylum Status, Conditional Entrant (before April 1, 1980), Parolee, Cuban-Haitian Entrant.

***Alien Registration
Receipt Card I-151***

Sample documents not available
in electronic copy

Issued prior to June 1978 to
permanent residents. No longer
issued, but valid indefinitely.
Often referred to as a “green card,”
though it is not always green.

***Alien Registration
Receipt Card I-551
(Resident Alien Card)***

Issued to permanent
residents. The I-551 is a
revised version of the I-
151. Often referred to as a
“green card,” though it is
not always green.

The “Conditional Resident
Alien Card” is an I-551 that
is issued to conditional
permanent residents such
as alien spouses. This card
is identified by a “C” on the
front, and has an expiration
date on the back.

***Temporary Resident
Card I-688***

Issued to aliens who are granted temporary resident status under the Immigration and Reform Control Act of 1986. Note that a student with an "Employment Authorization Card" (I-688A) is *not eligible* for SFA funds.

Sample documents not available
in electronic copy

A student with an I-688B or I-766 may or may not be eligible for SFA funds. Request additional INS documentation to determine this student's eligibility.

G-845S page 1

Sample documents not available
in electronic copy

G845S page 2

Sample documents not available
in electronic copy

GLOSSARY

You may encounter several unfamiliar terms in processing applications from noncitizens. The definitions in this glossary are informational in nature and should not be used for any other purpose. They do not represent any formal source or policy of INS. Official definitions have been shortened or edited whenever possible.

Alien: Any person who is not a citizen or national of the United States.

Alien File (A-file): The history file containing all data and documentation pertaining to an individual alien. An A-file is created or amended when any one of several actions occurs: for example, when applications for permanent resident status or for a Certificate of Citizenship are submitted. Alien Registration Numbers (A-Numbers) are assigned at the local File Control Office (FCO) processing the initial action.

Alien Registration Number (A-Number): An eight- or nine-digit number assigned to an alien at the time the alien file is created.

Alien Status Verification Index (ASVI): A database designed for the use of entitlement benefit agencies in verifying alien immigration status in accordance with the Immigration Reform and Control Act of 1986 (IRCA). The database is commonly known as "SAVE."

Asylee: An alien, already in the United States or at a port of entry, who is granted asylum in the United States. Asylum may be granted to those persons who are unable or unwilling to return to their countries of nationality, or who to seek protection because of persecution or a well-founded fear of persecution upon returning to their countries. Asylum is covered by Section 212 of the Immigration and Nationality Act of 1952 (I&NA). (See also the definition for refugee.)

Central Index System (CIS): An automated system containing information about aliens. The CIS, from which SAVE is extracted, is INS' most complete database on aliens in the United States.

Certificate of Citizenship: An identity document proving U.S. citizenship.

Certificate of Naturalization: An identity document proving U.S. citizenship.

Change to Nonimmigrant Status: The act of changing a nonimmigrant's classification (for example, changing from visitor to student status).

Citizen: A person born in a country or who has become a naturalized citizen of that country.

Conditional Entrant: A refugee. (See definition for refugee.)

Conditional Resident Alien: An alien granted a two-year period of permanent resident status based on a “qualifying” marriage to a U.S. citizen, national, or permanent resident alien. Children of a U.S. citizen, national, or permanent resident alien also may have this status. The conditional status may be removed after two years if INS rules favorably on granting lawful permanent resident status to the alien.

Cuban-Haitian Entrant: The status afforded to (a) Cubans who entered the United States illegally between April 15, 1980 and October 10, 1980, and (b) Haitians who entered the country illegally before January 1, 1981. This status is covered by Section 502(e) of the Immigration and Nationality Act.

Document Verification Request (Form G-845S): A form designed to request secondary confirmation of alien status from INS under the Immigration Reform and Control Act of 1986.

Documented Alien: An alien who is in the United States and who is in possession of valid documents.

File Control Office (FCO): An INS field office where alien files are maintained.

Green Card: A slang term describing the Alien Registration Receipt Card (Form I-151 or Form I-551). Many versions of these forms are not green in color.

Illegal Alien: A foreign national (a) who entered the United States without inspection or with fraudulent documentation or (b) who, after entering legally as a nonimmigrant, violated status and remained in the United States without authorization. (See also definition for *undocumented alien*.)

Immigrant: An alien who has been lawfully afforded the privilege of residing permanently in the United States. His or her status allows authorization for work and entitlement benefits. (See also definitions for *lawful permanent resident alien* and *permanent resident alien*.)

Immigrant Visa: A document issued by a U.S. Consul abroad, which authorizes an alien to apply for admission as an immigrant to the United States.

Immigration and Nationality Act of 1952 (I&NA): Legislation that defined most immigration statuses now in use and that helped form the basis for U.S. immigration law and policies.

Immigration Reform and Control Act of 1986 (IRCA): Legislation that was passed to deter illegal immigration to the United States; the legislation uses employer sanctions and status verification and allows the legalization of specific groups of aliens.

Immigration Status: The legal status conferred on an alien by immigration law.

Immigration Status Verifier (ISV): An INS employee or contractor that performs secondary verification duties at local INS File Control Offices.

Lawful Permanent Resident Alien: An alien who has been lawfully afforded the privilege of residing permanently in the United States. (See also definitions for *immigrant* and *permanent resident alien*.)

Legalization: A program whereby an illegal alien could receive amnesty and adjustment of his or her immigration status to that of a temporary resident. The alien was required to establish proof of entry prior to January 1, 1982, and continuous unlawful residence since that time. This program is covered by section 245(A) (c)(5) of IRCA.

Nationality: The state or country to which a person owes allegiance. Note that the country of birth does not necessarily correspond to the nationality.

Naturalization: The conferring of nationality of a state or country upon a person who has been born under allegiance to another nation.

Nonimmigrant: An alien who seeks temporary entry to the United States for a specific purpose. This category includes foreign government officials, visitors for business and pleasure, and students. Some nonimmigrants have specialized employment privileges (for example, foreign nationals who are employees of the U.S. office of a foreign-owned company).

Nonimmigrant Information System (NIS): INS on-line files that store information on nonimmigrants in the United States, such as foreign visitors, government personnel, and ship and flight crews.

Parolee: An alien who appears to be inadmissible to the inspecting officer but who is allowed to enter the United States either under emergency conditions or under a determination that the alien's entry is determined to be in the public interest. Although parolees are required to leave when the conditions supporting their parole cease to exist, they may sometimes adjust immigration status to asylee. Parolee status is covered by Section 212 of the I&NA.

Passport: Any travel document issued by competent authority showing the bearer's origin, identity, and nationality which is valid for the entry of the bearer into a foreign country.

Permanent Resident Alien: A person who enters the country with an immigrant visa or adjusts his status after entering as a nonimmigrant, refugee, or asylee. Persons with this status are entitled to live and work in the United States and collect entitlement benefits, if qualified. (See also definitions for *immigrant* and *lawful permanent resident*.)

Primary Confirmation: A query to confirm alien documentation using the ASVI database.

PRUCOL: A person permanently residing in the United States under color of law. This is not a status as defined by the I&NA of 1952, and persons residing under this status are not eligible for SFA funds.

Refugee: Any person who is outside his country of nationality and who is unable or unwilling to return to that country because of persecution or a well-founded fear of persecution. Unlike asylees, refugees apply for and receive this status prior to entry into the United States. This status is covered by Section 207 (formerly Section 203(a)(7)) of the I&NA. (See also definition for *asylee*.)

Refugee Conditional Entrant: An alien who entered the United States or who adjusted his or her status to Lawful Permanent Resident under the seventh preference category of Public Law 89-236, which was enacted in 1965. This status was established by Section 203 (a)(7) of the I&NA, but was abolished by the Refugee Act of 1980 (Public Law 96-212).

Secondary Confirmation: A request to validate alien documentation, using Form G-845S, after Primary Confirmation has been attempted. Secondary Confirmation is performed by the immigration status verifier, using various automated and manual sources.

Special Agricultural Worker (SAW): This was part of the legalization program in which an alien who had resided in the United States and performed agricultural labor for at least 90 person-days during the one year period prior to May 1, 1986 could apply for temporary lawful resident alien status. The SAW status was limited to the first 350,000 aliens that applied. Although most successful applicants have now been converted to permanent resident status, there are a limited number of pending cases, who may have I-688, I-688a or I-688b status. See the description in the text for the eligibility of these statuses.

Student/Schools System (STSC): INS's on-line file that contains information on foreign students in U.S. academic and vocational educational institutions.

Systematic Alien Verification for Entitlements (SAVE): An automated or manual information sharing program whereby institutions can certify the immigration status of alien applicants for federal student financial aid. (See also *Alien Status Verification Index*.)

Temporary Lawful Resident Alien: An alien granted a one-year period of lawful resident status based on his or her qualifications under the legalization or SAW programs. The temporary status may be removed after one year, when INS rules favorably or unfavorably on granting permanent resident status to the alien.

Undocumented Alien: An alien in the United States without proper documentation. He or she is in violation of U.S. immigration law. (See also definition for *illegal alien*.)

United States: Defined in a geographic sense as the continental United States, Alaska, Hawaii, Puerto Rico, Guam, United States Virgin Islands, and Northern Mariana Islands.

Verification Number: An INS tracking number which is assigned to each noncitizen application if a match is attempted. It is 13 digits in length and can be found in the Financial Aid Administrator section of the SAR, along with the match flags. With one exception, it must be provided when the G-845S is submitted (see text).

INS FIELD OFFICES DIRECTORY

ALASKA

Anchorage

INS: Immigration Status Verifier
Suite 102
620 East 10th Avenue
Anchorage, AK 99513

Phone: 907-271-4953
Fax: 907-271-3112

ARIZONA

Phoenix

INS: Immigration Status Verifier
2035 North Central Avenue
Phoenix, AZ 85004

Phone: 602-379-3255
Fax: 602-379-4009

CALIFORNIA

Los Angeles

INS: Immigration Status Verifier
300 N. Los Angeles Street, Rm. 1001
Los Angeles, CA 90012

Phone: 213-526-7647

San Francisco

INS: Immigration Status Verifier
Appraisers Building
630 Sansome Street, Room 300
San Francisco, CA 94111

Phone: 415-705-4206/7
Fax: 415-705-4568

San Diego

INS: Immigration Status Verifier
880 Front Street
San Diego, CA 92101

Phone: 619-557-6727
Fax: 619-557-6565

California Service Center

INS: Immigration Status Verifier
P.O. Box 30080
Laguna Niguel, CA 92607

Phone: 714-360-2800

COLORADO

Denver

INS: Immigration Status Verifier
4730 Paris Street
Denver, CO 80239

Phone: 303-371-4415
Fax: 303-361-0748

CONNECTICUT

Hartford

INS: Immigration Status Verifier
450 Main Street, Rm. 456
Ribicoff Federal Building
Hartford, CT 06103-3060

Phone: 860-240-3171

FLORIDA

Miami

INS: Immigration Status Verifier
7880 Biscayne Boulevard, Room 620
Miami, FL 33138

Phone: 305-536-5703/5704
Fax: 305-350-5708

GEORGIA

Atlanta

INS: Immigration Status Verifier
77 Forsyth Street, S.W.
Atlanta, GA 30303

Phone: 404-331-3251
Fax: 404-331-1146

GUAM

Agana

INS: Immigration Status Verifier
Pacific Daily News Building, Suite 801
238 Archbishop Flores Street
Agana, Guam 96910

Phone: 671-472-7349
Fax: 671-472-7491

HAWAII

Honolulu

INS: Immigration Status Verifier
595 Ala Moana Boulevard
P.O. Box 461
Honolulu, HI 96813

Phone: 808-532-3721

Appendix A 2 - 106

ILLINOIS

Chicago

INS: Immigration Status Verifier
10 West Jackson Boulevard, Room 222
Chicago, IL 60604

Phone: 312-886-0909
Fax: 312-353-7260

INDIANA

Indianapolis

INS: Immigration Status Verifier
Gateway Plaza, Room 400
950 North Meridian Street
Indianapolis, IN 46204

Phone: 317-226-6009

LOUISIANA

New Orleans

INS: Immigration Status Verifier
Postal Office Building
Room T-8005
701 Loyola Avenue
New Orleans, LA 70113

Phone: 504-589-6614/6615
Fax: 504-589-4451

MAINE

Portland

INS: Immigration Status Verifier
739 Warren Avenue
Portland, ME 04103

Phone: 207-780-3443/3266
Fax: 207-780-3481

MARYLAND

Baltimore

INS: Immigration Status Verifier
NationsBank Tower 1, 12th Floor
100 South Charles Street
Baltimore, MD 21201

Phone: 410-962-2292
Fax: 410-962-9229

MASSACHUSETTS

Boston

INS: Immigration Status Verifier
JFK Federal Building
Government Center
Boston, MA 02203

Phone: 617-565-3879

MICHIGAN

Detroit

INS: Immigration Status Verifier
Federal Building
333 Mt. Elliott Street
Detroit, MI 48207

Phone: 313-568-6012
Fax: 313-568-6014

MINNESOTA

St. Paul

INS: Immigration Status Verifier
2901 Metro Drive, Suite 100
Bloomington, MN 55425

Phone: 612-335-2235/2236
Fax: 612-335-2262

MISSOURI

Kansas City

INS: Immigration Status Verifier
9747 N. Conant Avenue
Kansas City, MO 64153

Phone: 816-891-0640
Fax: 816-891-8745

St. Louis

INS: Immigration Status Verifier
Robert A. Young Federal Building
1222 Spruce Street, Room 1100
St. Louis, MO 63103-2815

Phone: 314-539-2534/2535
Fax: 314-539-2539

MONTANA

Helena

INS: Immigration Status Verifier
2800 Skyway Drive
Helena, MT 59601

Phone: 406-449-5428
Fax: 406-449-5752

NEBRASKA

Lincoln

INS: Immigration Status Verifier
850 S Street
Lincoln, NE 68501-2521

Phone: 402-437-5769
Fax: 402-437-5475

Omaha

INS: Immigration Status Verifier
3736 S. 132nd Street
Omaha, NE 68144

Phone: 402-697-9302/9305
Fax: 402-697-9064

NEVADA

Las Vegas

INS: Immigration Status Verifier
3373 Pepper Lane
Las Vegas, NV 89120

Phone: 702-388-6626
Fax: 702-388-6627

Reno

INS: Immigration Status Verifier
1351 Corporate Boulevard
Reno, NV 89502

Phone: 702-784-5186
Fax: 702-784-5899

NEW JERSEY

Newark

INS: Immigration Status Verifier
Federal Building, Room 304
970 Broad Street
Newark, NJ 07102

Phone: 201-645-4537/4538/4539
Fax: 201-645-3543

NEW YORK

Albany

INS: Immigration Status Verifier
James T. Foley Courthouse
445 Broadway
Room 227
Albany, NY 12207

Phone: 518-431-0320
Fax: 518-472-0329

Buffalo

INS: Immigration Status Verifier
130 Delaware Avenue
Buffalo, NY 14202

Phone: 716-551-4741, ext. 4218/4627/
4207

New York

INS: Immigration Status Verifier
26 Federal Plaza, Room 7-130
New York, NY 10278

Phone: 212-264-5872
Fax: 212-264-2189

NORTH CAROLINA

Charlotte

INS: Immigration Status Verifier
6 Woodlawn Green, Suite 138
Charlotte, NC 28217

Phone: 704-523-1704

OHIO

Cleveland

INS: Immigration Status Verifier
1240 E. 9th Street, Room 1917
Cleveland, OH 44199

Phone: 216-522-2268/2612
Fax: 216-522-7039

OKLAHOMA

Oklahoma City

Contact the Dallas, TX office:

INS: Immigration Status Verifier
8101 North Stemmons Freeway
Dallas, TX 75247

Phone: 214-655-5384
Fax: 214-655-3052

OREGON

Portland

INS: Immigration Status Verifier
Federal Office Building
511 Northwest Broadway
Portland, OR 97209

Phone: 503-326-7186
Fax: 503-326-7182

PENNSYLVANIA

Philadelphia

INS: Immigration Status Verifier
1600 Callowhill Street
Philadelphia, PA 19130

Phone: 215-656-7184/7185
Fax: 215-656-7200

Pittsburgh

INS: Immigration Status Verifier
2130 Federal Building, Rm. 314
1000 Liberty Avenue
Pittsburgh, PA 15222

Phone: 412-644-4552
Fax: 412-644-6375

PUERTO RICO

San Juan

INS: Immigration Status Verifier
GPO Box 365068
San Juan, PR 00936

Phone: 787-766-5021
Fax: 787-766-5838

RHODE ISLAND

Providence

INS: Immigration Status Verifier
200 Dyer Street
Providence, RI 02903

Phone: 401-454-2865

TENNESSEE

Memphis

INS: Immigration Status Verifier
1341 Sycamore View Rd., Suite 100
Memphis, TN 38134

Phone: 901-544-0264
Fax: 901-544-4123

TEXAS

Dallas

INS: Immigration Status Verifier
8101 North Stemmons Freeway
Dallas, TX 75247

Phone: 214-655-5384
Fax: 214-655-3052

El Paso

INS: Immigration Status Verifier
1545 Hawkins Boulevard
El Paso, TX 79925

Phone: 915-540-1842

Harlingen

INS: Immigration Status Verifier
2102 Teege Avenue
Harlingen, TX 78550

Phone: 210-427-8922
Fax: 210-423-7147

Houston

INS: Immigration Status Verifier
509 North Belt
Houston, TX 77060

Phone: 713-847-7964

San Antonio

INS: Immigration Status Verifier
8940 Fourwinds Drive
Suite 2020
San Antonio, TX 78239

Phone: 210-967-7065

UTAH

Salt Lake City

INS: Immigration Status Verifier
5272 South College Drive, Suite 100
Salt Lake City, UT 84123

Phone: 801-265-8678

VERMONT

St. Albans

INS: Immigration Status Verifier
Federal Building
P.O. Box 328
St. Albans, VT 05478

Phone: 802-951-6658

Eastern Service Center

INS: Immigration Status Verifier
75 Lower Welden Street
St. Albans, VT 05479-0001

Phone: 802-527-3160

VIRGINIA

Norfolk

INS: Immigration Status Verifier
5280 Hannamon Drive
Norfolk, VA 23513

Phone: 757-858-6292

Washington, DC Processing Center

INS: Immigration Status Verifier
4420 North Fairfax Drive
Arlington, VA 22203

Phone: 202-307-1501

VIRGIN ISLANDS

Charlotte Amalie

INS: Immigration Status Verifier
P.O. Box 610
St. Thomas, VI 00804

Phone: 809-774-1390

Fax: 809-776-4981

WASHINGTON

Seattle

INS: Immigration Status Verifier
815 Airport Way South
Seattle, WA 98134

Phone: 206-553-7928 / 2319

Fax: 206-553-2730

WISCONSIN

Milwaukee

INS: Immigration Status Verifier
Federal Building, Room 186
517 E. Wisconsin Avenue
Milwaukee, WI 53202

Phone: 414-297-3565

Appendix B:

***Selective Service
Status Information
Letters***

Sample documents not available
in electronic copy

Appendix C:
Eligibility Match
Results

This appendix provides charts of results that will be seen on output documents for the matches described in this chapter. Included in the charts are the comment numbers and text, the match flags, and whether the match result causes the application to be rejected or flagged with a “C” next to the EFC. A summary of procedures for resolving problems is also provided, although schools may want to refer to the main text for details. Please note that this appendix does not cover all the CPS eligibility matches, nor does it list every comment that may be printed on an output document. Schools should refer to *A Guide to 1997-98 SARS and ISIRs* for a complete listing of comments. Schools are responsible for resolving problems indicated by any output document comments, not just those discussed in this chapter.

SSA Citizenship Match				
Result	Match flag	“C” code or rejected application	Comment number and text	Action needed
SSA confirmed citizenship status	A or blank		No comment	None
SSA did not confirm citizenship status	B, C, D, E, F, or *	C code	146 We sent your application to Social Security Administration (SSA) to verify your citizenship status. The SSA did not confirm that you are a U.S. citizen. You need to provide your school with documentation of your citizenship status before you can receive Federal student aid. If you are an eligible non-citizen, you must correct item 15 on this SAR and provide your Alien Registration Number if necessary.	If the student is a U.S. citizen, he or she should provide documentation (see Appendix A). If the student is an eligible noncitizen, he or she should correct Item 15 and provide a valid A-Number. If the student is then successfully matched with INS as an eligible noncitizen, no further resolution is necessary.
SSA could not confirm citizenship status because there was no match on SSN, name, or date of birth	N	C code	062 In addition, the Social Security Administration could not confirm your claim of citizenship because of their question about your social security number, name, or date of birth.	Make any necessary corrections to SSN, name, or date of birth so record can be sent back for matching. Review subsequent transactions for the updated match results. If the student believes the information originally reported is correct, he or she should contact SSA so that it may update its database. The school may pay the student if it receives documentation of the student’s citizenship status (see Appendix A).

Social Security Number Match

Result	Match flag	“C” code or rejected application	Comment number and text	Action needed
Successful match	4		No comment	None
Date of birth inconsistent with SSA records	2	C code	060 The date of birth you reported on your application is inconsistent with the Social Security Administration’s records.	The student may receive payment after providing documentation that explains the discrepancy. If the reported date of birth was incorrect, the student can also submit a correction; the application will then be rematched, and the school should check for changes to the match results. If the reported date of birth was correct, the student may want to contact SSA to have it correct its records.
Name inconsistent with SSA records	3	C code	061 According to the Social Security Administration (SSA) records, the name you reported on your application does not correspond with the social security number you provided in Item 8. You should review Items 1, 2, 3, and 8 on this SAR. If all of these items are correct, you must contact an SSA office to resolve this problem. If you find that Items 1, 2, or 3 are incorrect, you should make corrections on your SAR where appropriate. If you determine that Item 8 is incorrect, you should contact your FAA to determine if you should correct your social security number on your SAR or file a new application.	The student may receive payment after providing documentation that explains the discrepancy and showing that the submitted SSN is correct. If the reported name was incorrect, the student should submit a correction to the CPS. If the reported SSN was incorrect, the student must submit a correction. If both the reported SSN and name are correct, the student may want to contact SSA so it can correct its records.
Match conducted, but no match on SSN (SSN invalid)	1	Reject 18	024 The Social Security Administration (SSA) did not confirm that the social security number you reported on your aid application is valid. If you believe that the number you reported is correct, you must contact an SSA office to resolve this problem. If you determine that the social security number you reported on your aid application is not correct, you should contact your FAA to determine if you should correct your social security number in Item 8 on your SAR or file a new application.	If the student’s SSN is correct, the student should contact SSA to have it correct its database. Once the database is updated, the student can reenter the SSN and submit the change as a correction. If the SSN is incorrect, the student can correct the SSN on the output document, or file a new FAFSA with the correct SSN.

Social Security Number Match (continued)

Result	Match flag	“C” code or rejected application	Comment number and text	Action needed
No match because last name or date of birth was missing, but SSN is within valid range	8	Rejects N, 13, and/or 5	059 We could not determine from the Social Security Administration if the social security number you reported belongs to you because you did not give us your last name or date of birth. Correct Items 1 and 9 on your SAR.	The student must make corrections to provide the name and date of birth. When the corrections are submitted, the application will be rematched with SSA. The school should check the new output documents for the match results.
No match because last name or date of birth was missing, and SSN is not within valid range	8	Rejects N, 13, and/or 5	023 It appears that the social security number you reported on your application is not a valid social security number. See your FAA for assistance.	The student must make corrections to provide the name and date of birth. In addition, if the student's SSN is correct, the student should contact SSA to have it correct its database. Once the database is updated, the student can reenter the SSN and submit the change as a correction. If the SSN is incorrect, the student can correct the SSN on the output document, or file a new FAFSA with the correct SSN.
No match due to processing problems, but SSN is within valid range	0 or 9	C code	058 Because of processing problems, we were unable to determine from the Social Security Administration if the social security number you reported on your application belongs to you. To receive Federal student aid, you must provide current proof to your FAA that the social security number in Item 8 is yours.	If the SSN is correct, the student may receive aid after providing clear and convincing proof to the school that the SSN is correct. Otherwise, the student must correct the SSN. If any corrections are made, the application will be rematched with SSA, and the school should check the new output document for results.
No match due to processing problems, and SSN is not within valid range	0 or 9	Reject P	023 It appears that the social security number you reported on your application is not a valid social security number. See your FAA for assistance.	If the student's SSN is correct, the student should contact SSA to have it correct its database. Once the database is updated, the student can reenter the SSN and submit the change as a correction. If the SSN is incorrect, the student can correct the SSN on the output document, or file a new FAFSA with the correct SSN.
Student tried to change SSN previously confirmed by SSA.	4		013 You tried to change your social security number. The Social Security Administration already verified that this social security number belongs to you. If you need assistance, see your FAA.	If the student used a wrong SSN, but it was confirmed by SSA, the student can only change it by filing a new application, not by making a correction. In certain rare cases, the student may need a correction application (see “Valid Social Security Number” in Section 1).

Selective Service Match

Result	Match flag	“C” code or rejected application	Comment number and text	Action needed
Registration or exemption confirmed by Selective Service	Y		029 Your registration or your exemption status has been confirmed by Selective Service.	None
Applicant not in Selective Service database	N	C code	030 The Selective Service reported that you have not registered with them. If you are female or were born before 1960, disregard this comment. Otherwise, a male who is required to register with Selective Service must be registered before aid can be disbursed. If you have not yet registered, are male, and are 18 through 25 years of age, you must either check the “Yes” box for Item 105 on Part 2 of your SAR, or obtain and complete a Selective Service Registration form, available at your local post office. If you believe you have already registered or are exempt, please contact the Selective Service at 847-688-6888 to resolve any problems regarding your registration status.	Before the school can pay the student, the school must have proof that the student is exempt or the student must provide confirmation that he is registered (that is, his Selective Service Registration Acknowledgement or letter of registration).
No match due to processing problems	L or Z	C code	032 Because of processing problems we were unable to conduct a match to verify your registration status with Selective Service. If you are female or were born before 1960, disregard this comment. Otherwise, a male who is required to register with Selective Service must verify he is registered before aid can be disbursed. If you are registered, you will receive a letter of confirmation from the Selective Service within two weeks. If you are not registered, are male, and are 18 through 25 years of age, you must either check the “Yes” box for Item 105 on Part 2 of your SAR, or obtain and complete a Selective Service Registration form, available at your local post office. If you believe you are registered and do not receive a letter of confirmation, or are exempt, contact Selective Service at 847-688-6888.	If the student makes a correction, the match will be conducted again. The school should check the new output document for match results. Otherwise, the school can pay the student if it has documentation the student is exempt or the student provides confirmation of registration (his Selective Service Registration Acknowledgement or letter of registration).

Selective Service Registration

Result	Match flag	"C" code or rejected application	Comment number and text	Action needed
Name forwarded to Selective Service for registration	Y		031 We have forwarded your name to Selective Service for registration as you requested.	None
Name forwarded to Selective Service for registration, student not old enough to register	T		028 We have forwarded your name to Selective Service for registration, as you requested. They will process your registration request 30 days prior to your 18th birthday.	None
Student asked to be registered, but either is too old or did not provide enough information	blank	C code	033 We could not send your name to Selective Service as you requested because you did not give us enough information, or because you are past the age limit for registration. If you are at least 18 but not yet 26, you may register by checking the "Yes" box for Item 105 on your SAR. You must also provide information for Items 1, 2, and 9. You may also register by obtaining and completing a Selective Service Registration form, available at your local post office. If you are a male who has reached age 26, you cannot use the SAR to register. You must contact Selective Service at 847-688-6888 to resolve your registration status before you can receive Federal student aid. You are exempt from registering if born before 1960.	<p>If the student is younger than 26, the student should make corrections and provide the missing information (first name, last name, or date of birth). The school should check the new output document for registration results.</p> <p>If the student is 26 or older, he can receive aid if the school has proof that he is exempt, or if he can provide evidence of registration. If the student is not registered or exempt, he can only receive aid if the school determines that he did not knowingly and willfully fail to register. (See "Registration with Selective Service" in Section 1.)</p>
Registration not conducted due to processing problems	blank, L, or Z	C code	037 We were unable to complete your registration with Selective Service. If you wish to register and you have not yet reached age 26, you must either check the "Yes" box for Item 105 on your SAR, or complete a Selective Service Registration form, available at your local post office.	If the student submits a correction, the registration will be attempted again. The school should check the new output document for results. Otherwise, the school can pay the student if it has documentation that the student is exempt or if the student provides evidence of registration.

NSLDS Match

Result	Results flag	Match flag	“C” code or rejected application	Comment number and text	Action needed
Student not in default, does not owe overpayment	1 NSLDS data sent	1		No comment	None
SSN is in database, but neither the first name nor date of birth matched	2	7	C code	138 We matched your social security number (SSN) with the National Student Loan Data System (NSLDS), but the name and date of birth on the NSLDS record did not match the information on your student aid application. Therefore this SAR does not contain the financial aid history that is associated with your reported SSN. You should review your name, SSN, and date of birth and work with your FAA to resolve discrepancies.	<p>If the student originally reported incorrect information, he or she should make a correction. The application will be sent through the match again, and the school should check the new output document for the results.</p> <p>Otherwise, the school can access the NSLDS directly to determine if the record belongs to the student (see “NSLDS Match” in Section 2). If the record does belong to the student, the school must use the NSLDS data in determining the student’s eligibility. If the record is not the student’s, the school should assume the student has no relevant financial aid history; it may also want to contact the agency that provided the information.</p>
Student is not in the NSLDS data file	3	1		140 Your application record was matched successfully with the National Student Loan Data System (NSLDS). The NSLDS confirmed that your social security number is not associated with any previous financial aid history.	None
Student is in the NSLDS data file, but there is no relevant data to print	4	1		137 Your application record was matched successfully with the National Student Loan Data System (NSLDS). However, no financial aid history information was found for printing on your SAR.	None

NSLDS Match (continued)

Result	Results flag	Match flag	"C" code or rejected application	Comment number and text	Action needed
Student has at least one loan in default	1 NSLDS data sent	2	C code	132 Our records indicate that you are in DEFAULT on a Federal student loan. You are not eligible to receive any Federal student aid until your account has been resolved.	The output document will also have comments indicating who holds the loan, unless the loan is a Perkins Loan. The school code of the school holding a defaulted Perkins Loan will be on the NSLDS Information page. The student must resolve the default before he or she can receive aid (see "Loan Defaults and Overpayments" in Section 1.)
Student owes at least one overpayment	1 NSLDS data sent	3	C code	133 Our records indicate that you received at least one overpayment of Federal student aid funds. You are required by law to repay any funds received from the Federal student aid programs to which you were not entitled. Until your overpayment has been repaid in full, you are ineligible to receive any Federal student assistance. If your overpayment is on a Pell Grant, contact the Department of Education on (202) 708-4766. Otherwise, contact your FAA.	If the Department holds the overpayment, the output document will also have a comment identifying the appropriate regional office. The school can access NSLDS directly to determine the holder of a Perkins overpayment. The student must resolve the overpayment before he or she can receive aid (see "Loan Defaults and Overpayments" in Section 1.)
Student has at least one defaulted loan and owes at least one overpayment	1 NSLDS data sent	4	C code	134 Our records indicate that you are in DEFAULT on at least one Federal student loan and that you received at least one overpayment of Federal student aid funds. You are not eligible to receive any Federal student aid until your account has been resolved. If your overpayment is on a Pell Grant, contact the Department of Education on (202) 708-4766. Otherwise, contact your FAA.	See the required actions for default and overpayment above.

NSLDS Match (continued)

Result	Results flag	Match flag	“C” code or rejected application	Comment number and text	Action needed
Match not conducted due to processing problems		0, 8, 9	C code	131 To receive Federal student aid, you cannot be in default on any U.S. Department of Education student loan. Because of processing problems we were unable to determine whether you are in default on a loan. Contact your FAA for more information.	If any corrections are made, the student’s information will be rematched with NSLDS. In addition, if the student or school requests a duplicate output document, the application information will be rematched with NSLDS. In either case, the school should check the new output document for match results. Otherwise, the school must get a paper FAT from any previous schools.

INS Match

Result	Match flag	“C” code or rejected application	Comment number and text	Action needed
Student's eligible noncitizen status confirmed by INS	Y		143 Your citizenship status has been confirmed by the Immigration and Naturalization Service (INS), and you meet the citizenship requirements for Federal student aid.	None
Match not conducted because student did not provide enough information (including a valid A-Number)	blank	C code	142 The Immigration and Naturalization Service (INS) could not confirm your statement that you are an eligible noncitizen because there is a question about your alien registration number. You must submit proof of your noncitizen eligibility to your school within 30 days after you give this SAR to your school. If you fail to submit proof within 30 days, you may be found ineligible for Federal student aid.	The student should make corrections to provide the missing information. When the corrections are submitted, the application will be rematched with the database; the school should check the new output document for match results. This comment will also appear for certain noncitizens not required to have A-Numbers (see “Citizens of the Pacific Islands” in Appendix A).
INS did not confirm student's eligible noncitizen status	N	C code	144 The Immigration and Naturalization Service (INS) did not confirm your statement that you are an eligible noncitizen. You must submit proof of your noncitizen eligibility to your school within 30 days after you give this SAR to your school. If you fail to submit proof within 30 days, you may be found ineligible for Federal student aid.	Secondary Confirmation required (see “Using the G-845S for Secondary Confirmation” in Appendix A).
No match due to processing problems	L or Z	C code	145 Because of processing problems, the Immigration and Naturalization Service (INS) was not able to confirm your statement that you are an eligible noncitizen. You must submit proof of your eligible noncitizen status to your school before you may receive Federal student aid.	If the student makes a correction, the match will be conducted again. The school should check the new output document for match results. Otherwise, the school must conduct Secondary Confirmation (see “Using the G-845S for Secondary Confirmation” in Appendix A).

