Summary of Changes to the
2003-04 Application Processing System

U.S. Department of Education

FEDERAL
STUDENT AID

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Summary of Changes to the 2003-04 Free Application for Federal Student Aid (FAFSA) and Renewal FAFSA

This section provides information about the 2003-04 Free Application for Federal Student Aid (FAFSA), including how to order quantities of the form from our Bulk Processing Ordering System. In addition, we describe the changes and improvements we are making to the 2003-04 FAFSA.

The following topics are covered in this section:

- Information about 2003-04 FAFSA Ordering and Distribution

- Description of Changes to the 2003-04 FAFSA

- Description of Changes to the 2003-04 Renewal FAFSA

- FAFSA Instructions for Pacific Islanders

2003-04 FAFSA Ordering and Distribution

When Can You Order FAFSAs?

You can order English and Spanish versions of the paper 2003-04 FAFSA now by going to our online Bulk Publication Ordering System (BPOS). You can access the system from our Schools Portal Web site at http://www.fsa4schools.ed.gov/ and selecting "Publications and How to Order" from the list of links on the left-hand side of the main page. Please note that you will need to provide your 8-digit OPEID number when placing your order.

Due to the dramatic increase in the number of students applying electronically for financial aid, we are again printing smaller quantities of paper FAFSAs for the upcoming year. Therefore, we are asking you to **voluntarily** reduce the number of 2003-04 FAFSAs you order. Unlike last year, however, we will not automatically reduce your order.

When placing your order of 2003-04 FAFSAs from BPOS, we will automatically compare your order to your initial 2002-03 order.

- If your 2003-04 order is less than last year's, we will process your request and send you the full number of FAFSAs you ordered.

- If your initial order is equal to or greater than last year, we will still send you the full amount you requested, but before your order is processed a message will appear on the Web ordering form asking you to consider reducing your order. At that time, you can either proceed with your order or you can reduce it.

FSA has posted information on the Schools Portal at http://fsa4schools.ed.gov/ and on IFAP about the number of paper and electronic 2002-03 FAFSAs processed for your school. To help you evaluate the demand at your school for paper FAFSAs for the upcoming year we encourage you to look at the most recent application processing statistics. The information is highlighted in the FSA News area of the Schools Portal and is on IFAP under "Electronic Announcements."

We expect to begin distributing 2003-04 FAFSAs in mid to late November 2002.

FAFSA on the Web Pre-Application Worksheet

FSA has developed a *2003-04 FAFSA on the Web Pre-Application Worksheet* for students who plan to use the Web to apply for financial aid. Some students like to complete a paper FAFSA to prepare for filling out the online FAFSA. However, because the 2003-04 version of FAFSA on the Web will allow some students who qualify for an automatic zero Expected Family Contribution or the Simplified Needs Test (SNT) the option of skipping certain questions, the order of questions on the online FAFSA will not follow the exact same order as the 2003-04 paper FAFSA. Therefore, it is very important to tell Web filers to complete the Pre-Application Worksheet instead of a paper FAFSA.

FSA has posted a printable version of the Pre-Application Worksheet on the Information for Financial Aid Professionals (IFAP) Web site at http://www.ifap.ed.gov/, on the Students Portal at http://www.studentaid.ed.gov/, and in this announcement as Enclosure E. We encourage you to print copies of the Worksheet from the IFAP Web site and distribute them to your students, or direct your students to the Student Portal where they can print a copy. Beginning on January 1, 2003, when the 2003-04 version of FAFSA on the Web becomes available, students will be able to print the Pre-Application Worksheet from Section 1 of the FAFSA on the Web home page at http://www.fafsa.ed.gov/

Watch for an upcoming announcement on IFAP, which will describe in more detail the changes we are making to the 2003-04 online FAFSA.

2003-04 Free Application for Federal Student Aid (FAFSA)

The 2003-04 FAFSA retains the core design of the 2002-03 FAFSA. To further increase the clarity and simplicity of the form, we have reworded some questions and instructions, and have added a few new questions. The FAFSA will once again include the one-page insert and return receipt postcard.

The chart below explains all of the items that have been changed or added to the 2003-04 FAFSA.

Changes to the 2003-04 FAFSA
-- Page 1 --
What we changed
Colors – The 2003-04 FAFSA colors are yellow for student information, and purple for parent information. The yellow will be PANTONE 100 CVU and the purple will be PANTONE 263 CVU. Yellow is the next color in our four-year color rotation of green → blue → yellow → pink. Purple has been our stable color for parent information since the 1999-2000 FAFSA redesign.
New FAFSA logo – To complement the new Federal Student Aid (FSA) logo, we have created a new FAFSA logo, which now appears on the form.
Deadline – In item 3, the last day for us to receive applications for 2003-04 is June 30, 2004.
State Deadlines – All state deadlines have been updated for 2003-04.

-- Page 2 --
What we changed
Notes for Question 38 and 73 – The notes for responses to questions 38 and 73 were reworded. Applicants and parents are now instructed to answer "yes" to this question if they filed a 1040 only to claim Hope or Lifetime Learning credits and would otherwise have been eligible to file a 1040A or 1040EZ.
Notes for Questions 47-48 and 82-83 – The notes for these questions now tell applicants that by using FAFSA on the Web they may be able to skip questions if they qualify for an Automatic Zero Expected Family Contribution (EFC) or the Simplified Needs Test (SNT).

-- Page 4 --
What we changed
Step Two – All IRS line item references in Step Two have been updated to correspond with 2002 tax returns.
Question 51 – The monthly veteran's education benefits amount field has been increased to four characters to accommodate larger benefit amounts.

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What we changed
Questions 60 – In anticipation of a possible Internal Revenue Service (IRS) income verification match being implemented sometime during 2003-04, we have added a new question in Step Four. This question asks parents to report the month and year they were married, separated, divorced, or widowed. In cases where FAFSA and IRS data do not match, we plan to use the response to this question to determine if a recent change in marital status might explain the discrepancy.
Questions 59 - 70 – We reorganized the layout of these questions on the FAFSA to make room for new question 60.

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What we changed

Question 99 – One of the most exciting additions to the paper FAFSA this year is the new question 99, which gives paper filers the option to report their e-mail address. We will use this e-mail address to correspond with students about their application and to send them e-mails with links to their PIN and Student Aid Report (SAR) information on the Web in as quickly as 24 hours after processing their FAFSA!

This new question will be 35 characters in length and will have a pre-printed "@" symbol.

In order to reduce the possibility of an e-mail being sent to the wrong individual, we will blank out the e-mail address if any of the characters entered by the student are questionable or illegible.

-- Worksheet B --
What we changed

Money Received – We clarified the wording of the last item on this worksheet so that it would be clearer to students what amounts to report. Now, the worksheet asks the applicant to report "Money received, or paid on your behalf (e.g., bills), not reported elsewhere on this form."

-- Worksheet C --
What we changed

Child Support Paid – This question on Worksheet C has been expanded to include child support paid "as a result of a legal requirement." In past years the question was worded more narrowly to include "child support paid because of divorce or separation." However, because unmarried applicants may legally be required to pay child support, we have expanded the wording of this question to include those situations.

Taxable Earnings from Need-Based Employment – This question has been expanded to include "need-based employment fellowships and assistantships" as examples of the types of taxable earnings from need-based employment that should be included.

Student Grant and Scholarship Aid Reported to the IRS – This question has been reworded to further clarify which portions of AmeriCorps benefits should be reported.

Renewal FAFSA

The format of the 2003-04 paper Renewal FAFSA remains largely unchanged. As always, the form will be pre-populated with much of the data from the applicant's previous year's FAFSA. We added and reworded questions to correspond with changes made to the 2003-04 paper FAFSA, including the addition of new parent marital status date and student e-mail address questions. A copy of the Renewal FAFSA and instructions are included with this letter as Enclosure B.

Like last year, the Renewal FAFSA instructions tell students that they can use their PIN to access and file their 2003-04 Renewal FAFSA on the Web. As explained in an Electronic Announcement posted to IFAP on August 27, 2002, some students will automatically receive PINs that they can use to reapply for aid on the Web instead of receiving a paper Renewal FAFSAs. Please refer to this Announcement for complete details about the 2003-04 Renewal application process.

Changes and enhancements to the paper Renewal FAFSA are summarized below:

Changes to the 2003-04 Renewal FAFSA

1. **New Barcode Added –** To further increase processing accuracy, and to reduce system processing time, we have added barcodes with the student's name ID to the bottom of each page of the Renewal FAFSA.

2. **Federal School Codes Listed in Step Six –** Based on requests from the financial aid community to reduce the number of Institutional Student Information Records (ISIR) they receive each year, we are modifying the way school codes are selected for inclusion in Step Six of the Renewal FAFSA. When we create the Renewal Application File this fall, we will check the National Student Loan Data System (NSLDS) to determine if 2002-03 disbursement information has been reported yet for students in the file. Only school codes for those schools that have reported 2002-03 disbursement information to NSLDS for an applicant will be listed in Step Six of the Renewal FASFA. If no disbursement data exists for a student at the time we check NSLDS, all school codes listed on the 2002-03 applicant record used to create the Renewal FAFSA will be listed in Step Six. Once the list of schools has been established, we will send ISIRs to all schools listed in Step Six unless students indicate on their Renewal FAFSA that they do not want data sent to that school.

Changes to the 2003-04 Renewal FAFSA

3. **Students Who Qualify for an Automatic Zero EFC** – In order to further simplify the Renewal FAFSA for the neediest students, we will pre-print answers to income questions for applicants who qualified for an Automatic Zero Expected Family Contribution (EFC) in 2002-03.

4. **Student's Housing Plans --** The wording in Step Six about the applicant's housing plans for 2003-04 has been strengthened so that it is clearer to students that they need to provide this information on their Renewal FAFSA.

FAFSA Instructions for Pacific Islanders

We will no longer use a separate P.O. Box and zip code for applicants from the Pacific Islands who do not have Social Security Numbers. Beginning in 2003-04, Pacific Islanders without SSNs must send their FAFSAs to the address printed on the paper FAFSA, which is:

Federal Student Aid Programs
P.O. Box 7001
Mt. Vernon, IL 62864-0071

The CPS will assign an identification number for students who indicate on their 2003-04 FAFSA that their State of Legal Residence is one of the Pacific Islands, but do not provide a Social Security Number. As in previous years, these types of applicants are exempt from the Social Security Number (SSN) match with the Social Security Administration (SSA).

We Value Your Comments and Suggestions!

Many of the changes we have made to the 2003-04 FAFSA and Renewal FAFSA were the result of feedback and comments we received from you. As always, we appreciate your contributions to improving the FAFSA and encourage you to continue to share your suggestions with us. We are particularly interested in ways to simplify the form by eliminating unnecessary data collection.

Please direct your comments and suggestions to:

U.S. Department of Education
FAFSA Coordinator
Application Processing, Students Channel
Union Center Plaza
830 First Street, NE
Room 31C2
Washington, DC 20202

Or send a fax to: 1-202-275-0492.

We also encourage you to watch IFAP this winter when we will post *Federal Register Notices* requesting public comments on the 2004-05 FAFSA.

Summary of Changes to the 2003-04 Application Processing System (CPS)

The following is a schedule and a summary of the changes we are making to the 2003-04 application processing system.

Schedule for the 2003-04 Application Processing System	
Date	**Event**
July 2002	Draft 2003-04 ISIR record layout posted on IFAP and FSAdownload.
August 2002	Electronic announcement posted on IFAP describing changes to the 2003-04 Renewal Application Process (RAPP); Renewal Application Data Process Guide posted on FSAdownload.
August 2002	In preparation for the Renewal Application Process, FSA sent a network message to schools asking them to remind students to update their mailing and e-mail addresses in the CPS.
October 2002	Electronic announcement posted on IFAP describing changes to the 2003-04 EDExpress/EDESuite of software.
October 2002	Schools can begin ordering 2003-04 FAFSAs from FSA's online Bulk Publications Ordering System at http://www.edpubs.org/bpos.
October 7 – 31, 2002	Time period for schools to submit requests to have CPS send PINs with Renewal Application Reminders to eligible Renewal applicants instead of paper Renewal FAFSAs (see 8/27/02 Renewal Application Process Electronic Announcement on IPAP for more details).

Schedule for the 2003-04 Application Processing System	
November 7 – December 20, 2002	(1) CPS sends PINs to students who are eligible to participate in the Renewal Application Process if: − The student's school requested that we send PINs instead of paper Renewal FAFSAs; − The student indicated on the 2002-03 financial aid application that he or she was a graduate or 5th year undergraduate student; or − The student used the Web in 2002-03 to apply for aid or correct application data. CPS mails paper Renewal FAFSAs to all other students eligible to participate in the 2003-04 Renewal Application Process who did not receive PINs as noted above.
November 2002	Distribution of paper 2003-04 FAFSAs to schools begins.
November 2002	Revised ISIR layout in 2003-04 EDE Technical Reference.
November 2002	Federal School Code List mailed.
November 2002	*Guide to 2003-04 ISIRs* posted to IFAP.
December 2002	2003-04 EDExpress for Windows software, version 9.0, with Global, Application Processing, and Packaging modules available on FSAdownload Web site.
January 1, 2003	2003-043 FAFSA on the Web, Renewal FAFSA on the Web, Corrections on the Web, and Student Access on the Web available to students.
January 1, 2003	2003-04 FAA Access to the CPS Online available to financial aid administrators.
January 2, 2003	2003-04 Central Processing System (CPS) starts up.
April 2003	2003-04 EDExpress for Windows software, version 9.1, with Direct Loan and Pell modules available on FSAdownload Web site.

Central Processing System (CPS)

Schedule for the Central Processing System (CPS)

The Central Processing System (CPS) will start up on January 2, 2003. This start-up date allows us to begin processing both paper and electronic applications as soon as they are received and enables us to send application results to you sooner.

Institutional Student Information Record (ISIR) Layout

We posted a draft 2003-04 ISIR record layout on IFAP in July 2002. An updated ISIR record layout will also be included in the *2003-04 Electronic Data Exchange (EDE) Technical Reference,* which was posted to FSAdownload in late October and to IFAP in early November 2002. The final ISIR record layout will be posted to IFAP shortly after the system starts up on January 2, 2003; however, we do not anticipate that the final layout will differ from the layout included in the *2003-04 EDE Technical Reference*.

CPS Edits

We have added and modified several edits in the 2003-04 Central Processing System. The changes we are making are as follows:

- **Paper FAFSAs Signed Before January 1, 2003.** Paper FAFSAs, including Renewal FAFSAs, that are signed before January 1st will no longer be returned to students unprocessed. Instead, we will accept the applications, but will send students a rejected SAR (reject 14, which is the same reject used for students who do not sign paper FAFSAs and Renewal FAFSAs) asking them to re-sign and date the SAR, and return it to us for processing.

- **FAFSA Question 9: Student's Date of Birth.** We are adding a new reject and modifying an existing edit for the Student's Date of Birth question:

  - We are adding a new reject (reject R) for applicants whose name and SSN match with the Social Security Administration's (SSA) records, but their date of birth does not. SARs and ISIRs for students who hit this reject will contain comment 60. Reject R will be verifiable, which means that if the student's date of birth is actually correct as reported on

- the FAFSA, the student can re-enter that date as a correction (either on their SAR or on the Web) and the CPS will accept the response the second time around. Please encourage students who appear to have an incorrect date of birth in the SSA's records to correct this information with the Social Security Administration as soon as possible.

- We are modifying current reject A, which applies to applicants whose FAFSA-reported date of birth makes them 75 years old or older, and reject B, which applies to independent applicants whose reported date of birth makes them 16 years of age or younger.

  Beginning in 2003-04, applicants who meet either of these conditions will no longer be rejected if:

  - the date of birth they reported on their FAFSA matches the date of birth in the Social Security Administration's (SSA) records, *and*

  - the applicant's Social Security Number (SSN) and name match SSA as well.

  Rejects A and B will continue to be "verifiable rejects," which means that applicants who hit the edit for reject A or B (and are rejected because their date of birth does not match SSA's records), can re-enter their date of birth as a correction and the CPS will accept the response. SARs and ISIRs for applicants who hit reject A will contain comment 69. SARs and ISIRs for applicants who hit reject B will contain comment 72.

- **FAFSA Questions 40 and 75: Taxes Paid.** We have made two changes to the edits for taxes paid amounts.

  - We have modified current verifiable reject C to be non-verifiable and have renamed it reject 12. Reject 12 will apply to students and parents who report that their taxes paid amount is greater than zero and is equal to or greater than their Adjusted Gross Income (AGI). In order to eliminate reject 12, applicants (or their parents) must correct their taxes paid to an amount that is less than AGI, or change their AGI to an amount that it is greater than taxes paid. SARs and ISIRs for dependent applicants whose parents' taxes paid and income amounts trigger reject 12 will contain comment 111. SARs and ISIRs for independent students whose taxes paid and income amounts trigger reject 12 will contain comment 114.

  - A 2002-03 warning edit that applies when applicants or parents report that their taxes paid amount is more than 35% of their AGI will become a verifiable reject (reject C) in 2003-04. In 2003-04, Reject C will apply when the reported taxes paid amount is greater than zero, is not equal to AGI, and is greater than or equal to 40% of AGI. SARs and ISIRs for dependent applicants whose parents' taxes paid and income amounts trigger reject C will contain comment 154. SARs and ISIRs for dependent and independent students whose taxes paid and income amounts trigger reject C will contain comment 155.

- **FAFSA Questions 61 and 63: Parent Social Security Number.** In anticipation of a possible IRS match some time during the 2003-04 application processing year, all dependent applicants will be required to provide SSNs for parent(s) reporting information on their 2003-04 FAFSA. In addition, the parent's SSN must fall within the valid SSN range.

  - Applications for dependent students where both parent SSNs are left blank will be rejected (non-verifiable reject 9). The applicant must provide at least one parent SSN in order to eliminate the reject. If the student's parent does not have an SSN, the applicant must enter "000-00-0000" in the relevant parent SSN field(s). Doing so will either prevent or eliminate reject 9.

  - If a parent SSN is provided, but does not fall within the valid SSN range, the applicant will receive reject D or E. Reject D applies to the applicant's father's SSN and Reject E applies to the applicant's mother's SSN. Rejects D and E will be verifiable, which means if the parent's SSN is correct as reported, the applicant can re-enter it as a correction and the CPS will accept the response.

Database Matches

Again this year, we will not send any transactions resulting from an unsigned FAFSA or SAR (reject 14 or 16) to any of the databases for matching. Once we receive a signed signature page, or an electronic signature for the student, we will send the applicant's record to the appropriate database matches and notify the applicant and schools of the results.

INS Secondary Confirmation Match

In August 2001, we implemented an automated Secondary Confirmation Match with the Immigration and Naturalization Service (INS). Applicants who apply as eligible non-citizens and provide alien registration numbers, and who are not verified by the INS primary verification match, are automatically processed at the INS for secondary confirmation.

In 2003-04, when the INS is unable to confirm eligible noncitizenship status during primary verification, the CPS will wait up to three computes (3 days) to give the INS additional time to complete automated secondary confirmation before processing the student's record. When the CPS receives the results of secondary confirmation from the INS, which for most students occurs before the three-day period has elapsed, it will process the transaction and send SARs and ISIRs to students and schools with the match results.

If the INS is unable to confirm the applicant's eligible noncitizenship status within 3 computes, the CPS will process SARs and ISIRs with an INS Secondary Confirmation Match Flag value of "P," meaning that automated Secondary Confirmation is still in progress. When the INS eventually provides secondary confirmation results for such students, the CPS will send system-generated SARs and ISIRs to students and schools showing the match results from secondary confirmation.

Note that this change can affect the applicant's "Processed Date," which could be delayed by up to 3 days while we await the results of automated secondary confirmation from the INS. This is especially important for schools and other agencies that use "processed date" as their application priority deadline.

Match with Social Security Administration's (SSA) Prisoner's File

We no longer plan to implement a database match with SSA's Prisoner's File.

NSLDS Postscreening Match

For the 2003-04 application processing year, we will begin conducting the postscreening match with the National Student Loan Data System (NSLDS) on January 13, 2003, which is considerably earlier than we have been able to start the match in the past. Making this adjustment in the schedule means that we can get information about changes in student eligibility out to schools more quickly. In addition, we will conduct the postscreening match weekly, instead of bi-weekly.

We have also made two significant changes to the postscreening reason codes:

1. It is possible for a student to meet more than one postscreening reason code. Therefore, we have increased the postscreening reason code field length to 6 bytes to accommodate two more reason codes of 2 bytes each. This change allows us to report up to three reason codes for a student.

2. We have added three new reason code values:

   11 = No longer exceeds subsidized loan limit

   12 = No longer exceeds combined loan limit

   13 = Change in loan discharge status.

In 2003-04, the warning comments for students who have exceeded subsidized and combined loan limits, and corresponding SAR C Codes, will be triggered by NSLDS postscreening reason codes 09 and 10. NSLDS will not begin calculating and passing information along to the CPS about whether students have exceeded loan limits until postscreening begins on January 13, 2003 and will only be for transactions after the first transaction. So, on the first transaction only warning comments about approaching loan limits (which may possibly already be exceeding) will be provided, if applicable. Therefore, if there are warning comments on the first transaction, financial aid administrators must check the amounts that students have borrowed against the appropriate aggregate loan limits to see if they have already exceeded loan limits.

The warning edits when students are approaching their loan limits will continue to be set on all transactions, if applicable, by the CPS using dependency status, grade level, and aggregate loan amounts.

Need Analysis

The need analysis offsets and Income Protection Allowances (IPA) have been updated for 2003-04. See Federal Register Notice on IFAP, dated May 31, 2002, for details about all changes to the 2003-04 need analysis tables.

Maximum Income for Automatic Zero EFC

In 2003-04, the maximum adjusted gross income, or income earned from work, to qualify for the Automatic Zero EFC is $15,000, which is the maximum amount of income that may be earned in 2002 to claim the Internal Revenue Service's "maximum federal earned income credit."

Income Protection Allowances

Student Income Protection Allowance

In 2003-04, the student Income Protection Allowances (IPA) are as follows:

Student Income Protection Allowance (IPA)	
Type of Student	**Income Protection Allowance**
Dependent students	$2,380
Single independent students without dependents other than a spouse	$5,400

Student Income Protection Allowance (IPA)	
Type of Student	**Income Protection Allowance**
Married independent students without dependents other than a spouse, and both spouses are enrolled in postsecondary school	$5,400
Married independent students without dependents other than a spouse, and only the applicant is enrolled in postsecondary school	$8,640
Independent students with dependents other than a spouse	Use the 2003-04 Income Protection Allowance table to determine the student's IPA (the IPA for independent students with dependents other than a spouse is based on household size and the number of college students in the household).

Parent Income Protection Allowance

To determine the Income Protection Allowance for parents, use the 2003-04 Income Protection Allowance table, which is based on household size and the number of college students in the parents' household.

Improvements to Application Output Sent to Students

Beginning in 2003-04, students will have the option of providing their e-mail address on both the paper and the online versions of the FAFSA. Students who provide a valid and legible e-mail address, and who provide all appropriate signatures on their FAFSA, will be sent separate e-mails that include personal and secure URLs linking them to their PIN or their SAR information on the Web.

Students who do not have an e-mail address, or who do not provide one, will continue to receive paper communications from us.

Also, applicants who provide their e-mail address on their application, but do not provide all required signatures, will receive full paper SARs so that we can collect signatures.

PIN E-mails

By clicking on the encrypted URL imbedded in the e-mail, and then providing their Social Security Number, date of birth, and first two letters of their last name (and pass-phrase, if they applied for a PIN from http://www.pin.ed.gov/), students will be able to view their PIN on the Web.

For security reasons, students can access their PIN on the Web one time only. E-mails with links to PINs will be sent only to those students who have not received a PIN from us already, either in response to a previous year's application or because they applied for a PIN from our PIN Web site. Students who have received a PIN from us previously, but have forgotten what it is, can request that we resend them their PIN by going to our PIN Web site at pin.ed.gov.

SAR E-mails

Applicants who provide their e-mail address on their FAFSA will also be sent e-mails that contain a secure link to their SAR information on the Web. By clicking on the URL imbedded in the message, and providing their Social Security Number, date of birth, and first two letters of their last name, students can see all of their application processing results, including their EFC, income and asset information, NSLDS History Information, database match results, and all SAR comments associated with the transaction. Students can access their SAR information on the Web an unlimited number of times.

PINs and SARs

The following chart summarizes the types of PINs and SARs applicants will receive depending on whether or not they provided an e-mail address on their application. Note that this chart assumes that students have provided all required signatures and have successfully matched with the Social Security Administration's information (SSN match flag is 4).

Type of Application Filed	E-mail Address Provided?	Type of PIN Received	Type of SAR Received
Paper FAFSA or Renewal FAFSA	No	PIN Mailer	Paper SAR
	Yes	E-mail with link to PIN on the Web	E-mail with link to SAR information on the Web

Type of Application Filed	E-mail Address Provided?	Type of PIN Received	Type of SAR Received
FAFSA on the Web, Renewal FAFSA on the Web	No	PIN Mailer	Paper SAR Acknowledgement
	Yes	E-mail with link to PIN on the Web	E-mail with link to SAR information on the Web
EDExpress FAA Access to the CPS Online	No	PIN Mailer	Paper SAR Acknowledgement
	Yes	E-mail with link to PIN on the Web	E-mail with link to SAR information on the Web
Paper SAR Corrections	No	N/A	Paper SAR
	Yes	N/A	E-mail with link to SAR information on the Web
Corrections on the Web	No	N/A	Paper SAR Acknowledgement
	Yes	N/A	E-mail with link to SAR information on the Web

Improvements to the Paper Student Aid Report (SAR)

A copy of the 2003-04 SAR is included with this action letter as Enclosure D. The SAR will follow the order of the questions as they are presented on the FAFSA. In addition, to match the color scheme of the paper FAFSA, the 2003-04 SAR will be printed on yellow paper.

Improvements to the 2003-04 SAR are as follows:

- We have simplified some of the SAR comment text so that students more easily understand the results of their application and what they need to do next to complete the application process.

- The student's e-mail address will be a numbered and correctable field on the paper SAR.

- To further decrease processing time, and to improve processing accuracy for corrections, we are adding barcodes to the correctable pages of the SAR.

- To eliminate confusion with the EFC, we will move the student's Data Release Number (DRN) to the bottom left hand corner of the first few pages on the SAR (the DRN will remain in the upper right hand corner of the correctable pages of the SAR).

- A statement has been added to page 2 of the SAR that students must notify their financial aid administrator if their drug conviction status changes.

- We are changing the title of the second section of the NSLDS History Information from 'Defaulted Loan Detail Information' to 'Defaulted/Discharged Loan Detail Information' because this section of the SAR can contain both types of loans.

- The SAR will state more prominently that students can use the Web to correct their application information instead of making corrections on the paper SAR.

Improvements to 2003-04 SAR Information on the Web

Students who go to Student Access on the Web (from the FAFSA on the Web Home Page, Section 3) to view their SAR information will see numerous improvements as well. These improvements are as follows:

- Student Access on the Web will display full SAR comment text for all comments that apply to the student for that transaction.

- The HTML and PDF printed versions of the student's SAR data will display the same information. The printouts will include all fields found on paper SARs, including the EFC.

- Students who are reviewing their Financial Aid History Information in Student Access on the Web can click on a link to the National Student Loan Data System (NSLDS) Web site to see their most current financial aid history information.

- SAR comment text that asks students to review certain fields on the SAR for accuracy will include a "Make Correction" button. Students who wish to correct an item can click on this button and go directly to Corrections on the Web.

Improvements to the Institutional Student Information Record (ISIR)

The ISIR contains all information reported on the FAFSA as well as key processing results and NSLDS Financial Aid History information. As it has for the past few years, the ISIR record layout will follow the order of the paper FAFSA questions, with one exception in 2003-04. Because the new question 60, which asks for parents' marital status date, was added late in the development cycle, this question will appear in field 274, positions 1689-1694, in the ISIR record layout.

As noted earlier in this letter, we posted a draft 2003-04 ISIR record layout on IFAP and on the FSAdownload Web site in July 2002. In addition, the ISIR record layout will be included in the *2003-04 Electronic Data Exchange (EDE) Technical Reference,* which will be posted to FSAdownload in November 2002. The final ISIR record layout will be posted to IFAP and FSAdownload shortly after the CPS starts up on January 2, 2003; however, we do not expect this layout to differ from the version in the *2003-04 Technical Reference.*

To get to the ISIR record layout, go to http://ifap.ed.gov, Current SFA Publications, SAR/ISIR Reference Materials, By 2003-04 Award Year. Or, go to FSAdownload at: http://www.sfadownload.ed.gov/docsStudentAidGateway.htmand select *2003-04 Electronic Data Exchange Technical Reference.*

Changes to the 2003-04 ISIR

The changes we are making to the 2003-04 ISIR are summarized below:

- **Verification Tracking Flag**

  We have modified the Verification Tracking Flag on the ISIR so that only numeric values will appear in this two-character field. A value will appear in this field for all students with an EFC, whether they were selected for verification or not.

  The purpose of this field is to identify for financial aid administrators the priority of the criteria used to select applicants for verification based on the likelihood of error. In 2003-04, the higher the score value in this field, the higher the priority for verifying. We strongly recommend to financial aid administrators who use the 30% verification limit to use this field to prioritize the applicants you choose to verify. Doing so ensures that you are verifying applicants who have potentially made the most significant errors on their FAFSA.

- **New Value in Application and Transaction Data Source/Type Codes**

  We added a new value to the FAFSA source code (ISIR fields 163 and 164, positions 683-684) for paper Spanish FAFSAs (value 55). This new value will help you keep track of the number of applicants at your school who used a paper Spanish language FAFSA to apply for aid.

- **New FAFSA Data Verify Flags**

  Based on requests that we have received from Third Party Servicers, we have added new 'FAFSA Data Verify' flags to the ISIR. These new flags will indicate whether the CPS questioned a value reported on the FAFSA and, if so, whether it was re-entered as the same value on a correction. Flags will appear in field 168, positions 702-821.

- **Financial Aid History Information**

  In the Financial Aid History Information section of the ISIR, we have made several changes. They are as follows:

Changes to ISIR Financial Aid History Information

1. **New Values for Discharged Loan Flag** – We are changing the current "Y/N" values of the Discharged Loan Flag to include multiple values that provide more information to schools. The new values are:
 	
    D = Death (applicant is deceased)
    R = Reaffirmed (applicant has reaffirmed loan)
    C = Conditional (applicant approved for conditional loan discharge)
    P = Permanent (applicant approved for permanent loan discharge)
    M = Multiple (applicant meets more than one of the conditions above)
    N = None
 	
Except for a value of 'N' in this field, a SAR 'C' Code will be set for all values and one generic comment will be used for all conditions (comment 115).

2. **NSLDS Results Flag** – We are adding a new value of "5" to the NSLDS Results Flag. This value indicates that the record was processed as a "real-time" correction.

Changes to ISIR Financial Aid History Information
3. **NSLDS Section Title Changed** – On the printed ISIR, we are changing the title of the second section of the NSLDS History Information from 'Defaulted Loan Detail Information' to 'Defaulted/Discharged Loan Detail Information' because this section of the ISIR can contain both types of loans.
4. **New Direct Loan PLUS MPN Flag** – We are adding a new Direct Loan PLUS Master Promissory Note (MPN) Flag to the ISIR. The flag values will be the same as student MPN values, and are as follows: A = Active C = Closed I = Inactive N = No MPN on file U = Unavailable Blank = No data from NSLDS
5. **NSLDS Postscreening Reason Code** – We increased the Reason Code field length from 2 bytes to 6 bytes to accommodate up to three reason codes (see NSLDS Postscreening Match information on page 12 of this summary).
6. **School Code Listed in Pell Grant Data Section** – In the Pell Grant Data section of the Financial Aid History Information on the ISIR, we have changed the school code that will be reported. In 2003-04, we will list the school code for the school the student attended instead of the school that reported the disbursement. This change will make it easier for transfer schools to identify the school the student attended so that the schools can work together to resolve any Pell Grant disbursement issues.
7. **Pell Remaining Amount to Be Paid:** We will delete the Pell Grant "Remaining Amount to be Paid" field.

Other Noteworthy Updates

Federal School Codes

In November 2002, a 2003-04 Federal School Code List will be distributed to postsecondary institutions, high schools, and libraries. Schools can also search for a specific school's Federal School Code on FAFSA on the Web at http://www.fafsa.ed.gov/ or on IFAP at http://ifap.ed.gov/.

2003-04 CPS Mainframe Test System

Once again, the U.S. Department of Education will provide a CPS Test System for 2003-04. The test system will be available in mid-November 2002 through the end of August 2004.

The CPS Test System is designed so you can test electronic application and correction data from your system with the CPS, outside the normal CPS production environment. The CPS will provide test files of application records and matching ISIRs for you to use. As an alternative, you can submit and test application and correction records that you have created. To submit test correction records you have created, you will need to call CPS/WAN Technical Support for record IDs that will process successfully in the CPS Test System.

You may be interested in testing with CPS if you develop your own software or are a software development company supplying schools with software that sends data to, and receives data from, the CPS.

The User Guide, along with CPS-provided input and ISIR data, for the CPS Test System is available at the following URL:

http://fsadownload.ed.gov/CPSTestSys0304.htm

For questions regarding the CPS Test System, please contact CPS/WAN Technical Support at 1-(800)-330-5947, or via e-mail at **cpswan@ncs.com**

Customer Service

CPS/WAN Technical Support

Maintained by ED to address questions about CPS processing, EDExpress and EDconnect software, SAIG enrollment, and data transmissions.

1-(800)-330-5947; TDD/TTY 1-(800)-511-5806

Representatives are available Monday-Friday, 7 a.m. to 7 p.m. Central Time.

E-mail: cpswan@ncs.com

Federal Student Aid Information Center

1-(800)-4-FED-AID (1-(800)-433-3243); TDD/TTY 1-800-730-8913

FSATECH Listserv

Maintained by ED to address technical questions and issues about ED's Student Financial Aid systems and software.

For more information, see: http://www.ed.gov/offices/OSFAP/services/fsatechsubscribe.html

FSAP Customer Service Call Center (CSCC)

For Title IV program questions, application processing questions, and for assistance contacting other ED staff.

1-(800)-433-7327

Representatives are available Monday through Friday, 9 a.m. to 5 p.m. Eastern Time.

E-mail address: fsa.customer.support@ed.gov

Other Helpful Documents

We encourage you to review other documents on IFAP for more information about changes to the 2003-04 application processing system.

- Electronic Announcement, August and September 2002: Describes changes to the 2003-04 Renewal Application Process.

- Electronic Announcement, November 2002: Describes changes and enhancements to the 2002-2003 EDExpress software

- Electronic Announcement, November 2002: Describes changes and enhancements to student and financial aid administration Web application products.

- *2003-04 ISIR Guide*, available November 2002.

- *2003-04 EDE Technical Reference*, available November 2002.

FSA Web Sites

- For information about the Department of Education's 2002 Electronic Access Conferences, http://edeworkshop.ncspearson.com

- IFAP Web site, http://ifap.ed.gov

- FSA Technical Support Web site, http://ed.gov/offices/OSFAP/fsatech

- FSATECH e-mail listserv, http:/ed.gov/offices/OSFAP/fsatech/listserv.html

- FSAdownload Web site, http://FSAdownload.ed.gov

Enclosures (Links)

Enclosure A – 2003-04 FAFSA and FAFSA Instructions

< http://ifap.ed.gov/fafsa/0304FinalFAFSA.html >

Enclosure B – 2003-04 Renewal FAFSA and Renewal FAFSA Instructions

< http://ifap.ed.gov/fafsa/0304RenFAFSAMockup.html >

Enclosure C – 2003-04 Question 35 Worksheet (Drug Worksheet)

< http://ifap.ed.gov/fafsa/0304DrugWorksheets.html >

Enclosure D – Draft 2003-04 Student Aid Report (SAR), SAR Acknowledgement, and ISIR
Record Layout

< http://ifap.ed.gov/IFAPWebApp/currentSARMaterialsYearPag.jsp?p1=2003-2004&p2=c >

Enclosure E – 2003-04 FAFSA on the Web Pre-Application Worksheet

< http://ifap.ed.gov/fafsa/0304FAFSAWebPreApp.html >