

Chapter

3



Laws & Regulations

- 34 CFR 668, Subpart C



Laws & Regulations

- 34 CFR 668.32(a)(1)
- 34 CFR 600.2
- 34 CFR 600.54(a)



Take a Look

- See Chapter 2 for a description of an eligible program.



Laws & Regulations

- 34 CFR 668.32(e)

Establishing Borrower Eligibility

To receive assistance from the Federal Family Education Loan (FFEL) Program, a student (or parent for a Federal PLUS Loan) must meet certain eligibility requirements. A school cannot certify loans for or disburse aid directly or through a third party to a student who does not meet the eligibility requirements. Some of the eligibility requirements relate to the student's enrollment and can be verified by checking school records. The school may need, however, to turn to other resources to resolve other eligibility issues. The school must determine that the student (or parent for a Federal PLUS Loan) meets these eligibility requirements before certifying an FFEL Program loan.

Student Borrower Eligibility

This section discusses the requirements a student must meet in order to borrow from the FFEL Program.

Regular Student in an Eligible Program

To receive FFEL Program funds, an individual must be enrolled as a regular student in an eligible program. (See Chapter 2 for a description of an eligible program.)

- ◆ A regular student is someone who is enrolled (or accepted for enrollment) for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by the school.
- ◆ A school must determine separately for each individual student taking courses that are part of an eligible program whether that student is a regular student.

Exception: A student who is not enrolled in a degree or certificate program is eligible for FFEL Program loans for a period of up to 12 months 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, although the student does not have to be enrolled in the eligible program.

Academic Qualifications

To receive an FFEL Program loan, a student must be qualified to study at the postsecondary level.

- ◆ A student who has a high school diploma, a secondary school completion credential, or its recognized equivalent is considered qualified.

- ◆ Equivalents include General Education Development tests, state certificates, and high school diplomas from foreign schools.
- ◆ Students enrolled in foreign schools cannot qualify by taking an Ability-to-Benefit Test.

Enrollment Status

The FFEL Program requires a student to be enrolled at least half time in order to receive aid. To be enrolled half time, a student must be taking at least half of the workload of a full-time student. As specified in the regulations, schools define the full-time workload for an undergraduate student, subject to certain minimums pertaining to undergraduates. 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 FFEL-related purposes, including loan deferments.

Minimum Standard for Full-Time Status

A school may include any combination of courses, work, research, or special studies in its definition of workload. The regulations specify a minimum standard 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;
- ◆ for a program using both credit and clock hours and using a semester, trimester, and quarter system, any combination of credit and clock hours where the sum of the following fraction is equal to or greater than 1 (one):

$$\frac{\text{Number of credit hours per term}}{12} \text{ plus } \frac{\text{Number of clock hours per week}}{24}$$



Reference

- 2001-2002 Student Financial Aid Handbook, Volume 1: Student Eligibility



Reference

- 34 CFR 668.8(k)

- ◆ for a program using both credit and clock hours but not using a semester, trimester, or quarter system, any combination of credit and clock hours where the sum of the following fractions is equal to or greater than 1 (one):

Number of semester or trimester hours per academic year

24

plus

Number of quarter hours per academic year

36

plus

Number of clock hours per week

24

- ◆ 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 who is taking only correspondence courses is never considered to be enrolled more than half time.

If a student is enrolled in courses that do not count toward his or her degree, those hours cannot be used to determine his or her enrollment status, unless the coursework is noncredit remedial. In general, noncredit remedial work cannot exceed one academic year's worth.

A school is responsible for determining the minimum number of credit hours for a full-time graduate student.

Satisfactory Academic Progress

To be eligible for FFEL Program loans, a student must make satisfactory academic progress (SAP) in accordance with the school's SAP policy. This policy must contain the elements discussed in Chapter 2, "Institutional Eligibility and Participation."

A student who loses FFEL Program eligibility because he or she is determined not to be making SAP will regain eligibility beginning with the next grading period after the student has come into compliance with the school's requirements. A student who regains eligibility during a period of enrollment is eligible for a loan for the entire period of enrollment (usually an academic year) in which he or she met the SAP standards, unless school policy provides for reinstatement of eligibility at a later point.



Laws & Regulations

- 34 CFR 668.34
- 34 CFR 668.32(f)
- 34 CFR 668.16(e)



Take a Look

- See Chapter 2 for more information about satisfactory academic progress.



Laws & Regulations

- 34 CFR 682.301(a)(2)



Web site

- <http://www.fafsa.ed.gov>

Note: Only schools that are fully operational electronically will receive the ISIR. For more information on ISIRS, see *The ISIR Guide* at www.ifap.ed.gov/IFAPWebApp/currentSARMaterialsPag.jsp.



Take a Look

- See Appendix F for a copy of a SAR.

Members of a Religious Order

Members of certain religious orders are not eligible to receive FFEL subsidized loans. The orders in question have as a primary objective the promotion of ideals and beliefs regarding a Supreme Being and direct the student's course of study or provide the student with subsistence support. Members of these orders, however, are eligible for FFEL unsubsidized loans.

Free Application for Federal Student Aid

To apply for an FFEL Program loan, a student must complete a Free Application for Federal Student Aid (FAFSA). The FAFSA collects information from the student and the student's spouse, if the student is married, for independent students. For dependent students, the information is collected from the student and his or her parent(s).

All students (undergraduate and graduate) can complete a paper or Web-based version of the FAFSA. Students who have previously applied for U.S. financial aid may use the condensed Renewal FAFSA to file at www.fafsa.ed.gov.

After the FAFSA or Renewal FAFSA is completed, it is sent to the designated processor. The FAFSA processor inputs data from paper FAFSAs and sends it to the Central Processing System (CPS). The CPS receives data both from the FAFSA processor and directly from the Web-based version of the FAFSA.

The CPS uses the data collected on the FAFSA to calculate a student's Expected Family Contribution (EFC) and to match the student's data against a number of databases maintained by U.S. agencies such as the U.S. Social Security Administration (SSA), the Immigration and Naturalization Service (INS), the National Student Loan Data System (NSLDS), the Selective Service System, and the Department of Veterans Affairs. The purpose of the database matches is to verify the student's eligibility.

After processing is complete, the CPS produces two types of output documents: the Institutional Student Information Record (ISIR), which is sent to the school electronically, and the Student Aid Report (SAR), which is sent to the student.

The SAR reports the information the student provided on the FAFSA, the EFC, the results of the eligibility matches, and any information about inconsistencies discovered through CPS edits. The student will need to provide the foreign school with a copy of his or her SAR (unless the school is receiving the data electronically.)

A "For Financial Aid Office Use Only" box appears on page 2 of the SAR. The results of the database matches appear under the heading of "Match Flags." The school will use this information to resolve questions of eligibility

Note: Students filing a FAFSA electronically will receive a two-page SAR Information Acknowledgement that provides less detailed eligibility information for the school administrator.



Web Site

- <http://www.fafsa.ed.gov>



Take a Look

- See Appendix F for a copy of a Student Aid Report (SAR).



Web Site

- www.ifap.ed.gov/IFAPWebApp/currentEFCInformationPag.jsp



Laws & Regulations

- 34 CFR 668.36

described in this chapter. In addition, page 3 of the SAR provides written comments to the student about the results of the database matches.

A table of database match flags is available at www.ifap.ed.gov/sarmaterials/attachments/appb.pdf.

Corrections, Updates, and Adjustments

The student's application information may be corrected or updated by making corrections to the SAR. A student may also make corrections online through the "FAFSA on the Web" site: www.fafsa.ed.gov.

To correct the paper SAR, the student must enter the correct information on pages 5 through 8 of the SAR and mail these pages back to the FAFSA processor at the address indicated. The student and spouse, if the student is married, must sign on page 8 when submitting corrections. At least one parent must sign if the student is a dependent student.

Most of the information, however, may not be updated to reflect changes after the application has been filed. There are three items that a student must update if the information changes for a reason other than a change in marital status:

- ◆ dependency status;
- ◆ household size; *and*
- ◆ number of college students.

A school administrator may recalculate the student's EFC for the FFEL Program without having the student submit the corrected or updated SAR to the CPS. Instructions for calculating the EFC are available at www.ifap.ed.gov/IFAPWebApp/currentEFCInformationPag.jsp.

Valid Social Security Number

In general, before an FFEL Program loan can be disbursed, a student must have provided a correct Social Security number (SSN) that matches the name and birth date associated with the SSN in the SSA records. If the SSN is not confirmed during the database match the CPS conducts with the SSA, the CPS prints a comment on the SAR giving the student instructions. A school must resolve any problems with the match before the loan application is certified.

Successful Match (Match Flag = 4)

If the CPS match with the SSA database confirms the student's SSN and SSA records have the same name and birth date as reported on the FAFSA, the student's SSN has been confirmed. No comment is provided on the SAR when the SSN match is successful.

However, if the school has any conflicting information about the SSN, it must resolve the conflict before disbursing FFEL funds to the student.

No Match on SSN (Match Flag = 1)

If the SSN is not found in the SSA database, the student's FAFSA will be rejected. The student will receive a comment that instructs him or her to correct his or her SSN or contact SSA if he or she believes the SSN reported is correct. The student must correct the application information with the CPS before he or she can receive aid.

If the student's FAFSA is rejected because he or she reported an incorrect SSN, the student must provide a correct SSN to the CPS. The student may submit a correction on the SAR. However, ED recommends that the student file a new FAFSA using the correct SSN, rather than correcting the original information.\

If a student provided the correct SSN on the FAFSA but the SSN on the SAR is wrong, the student can contact the Federal Student Aid Information Center (FSAIC) at 1-800-4-FED-AID or 319-337-5665. The FSAIC can confirm whether there was an error in entering the student's data into the CPS. The FSAIC will refer any such data errors to ED for correction; the student should not submit a correction. After the data entry error is corrected, the student will be mailed a new SAR.

If the SSN is correct on the SAR but is not in the SSA database, the student must contact an SSA office in the United States to update the database. He or she must report the correct SSN to the SSA and provide documentation verifying the correct number. The student must contact an SSA office directly; he or she cannot ask ED to correct SSA records. The SSA database is updated daily with information from its local and regional offices. Once the SSA database is updated, the student can submit a corrected SAR, providing the SSN originally reported as if it is a correction. The CPS will then match again with SSA. The student cannot just simply verify the correction; the application will be rejected until the SSA database is updated.

Name or Birth Date Match (Match Flag = 2, 3)

The student's FAFSA will not be rejected if the SSN is in the SSA database but the name or birth date does not match those provided by the student. The school still needs to resolve the discrepancy before paying the student.

Problems in matching the name are less likely to occur if the student makes sure that the name he or she provides on the application matches the name on his or her Social Security card.

A student may not need to correct a name or birth date that was reported incorrectly on the FAFSA. The school can disburse aid if the student can explain the discrepancy and provide documentation showing that the SSN belongs to him or her. Although the student is not required to make a



Where to Call

- Federal Student Aid Information Center
800-433-3243 or
319-337-5665

correction, ED recommends that he or she do so. If a student reports the current (or later) year as his or her birth date, the FAFSA will be rejected, and the student must submit a correction.

If the name or birth date in SSA records does not match the correct name and birth date reported on the FAFSA, the student is not required to contact SSA to update its records. Instead, the student only needs to provide documentation to the school showing that the name and birth date on the FAFSA is correct. However, the student may wish to ask SSA to update its database, so that he or she does not need to provide documentation every time he or she applies for U.S. student financial aid.

Missing Information (Match Flag = 8)

No match is performed when the student does not provide the last name or birth date, and the student's FAFSA will be rejected. The student must submit a correction with the missing information. Although the CPS does not conduct the match, it will check to see whether the reported SSN falls within a valid range.

If the SSN is in a valid range, the student will receive a comment explaining that the match could not be conducted without the name or birth date. The student must submit a correction providing the missing information. When the correction is sent, the information is sent to SSA for matching, and the school should check the new SAR for match results.

Selective Service

In general, men between the ages 18 through 25 who are U.S. citizens or residents are required to register with the U.S. Selective Service System. Anyone required to register must have done so to receive aid from the FFEL Program. Men exempt from the requirement to register include:

- ◆ males currently in the armed services and on active duty (this does not apply to members of the Reserve and National Guard who are not on active duty);
- ◆ males born before 1960; *and*
- ◆ citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau.

Noncitizens who enter the United States after the age of 26 are not required to register. Only those immigrant men ages 18 through 25 who enter and live in the United States are required to be registered. If a male immigrant can show proof that he first entered the United States when he was past registration age, he is not required to have registered. The student's entry documentation is enough to show whether he was required to register.



Laws & Regulations

- 34 CFR 668.37

To check that students who must be registered actually are registered, the CPS performs a match with the Selective Service System.

Successful Match (Match Flag = Y, T)

If the match shows that the student is registered or exempt, a comment confirming this fact will be on the student's SAR. The student then meets the registration eligibility requirement for FFEL Program loans. The student is also eligible if the match shows the student is too young to register. If the student asked to be registered, Selective Service will hold that registration request until 30 days before the student's 18th birthday and will then register the student. The student also meets the registration eligibility requirement if the CPS successfully forwarded the student's name to Selective Service for registration.

Unsuccessful Match (Match Flag = N or Blank)

If the match did not confirm the student's registration or the student could not be registered, the SAR will have a comment about the problem. Until the student resolves the registration problem, the school cannot certify an FFEL Program loan.

If the match showed that the student was not registered, the student must either register or provide evidence that he is registered or is exempt from registration. The student's Selective Service Registration Acknowledgement or letter of registration shows that the student is registered. The school can also go to the Selective Service Web site at www.sss.gov and check on the student's registration status. The school can print the Web page as documentation that the student is registered. If the student does not have an acknowledgement or letter of registration, and the Web site does not confirm his registration, he must contact Selective Service to resolve the problem. If the conflict is resolved in the student's favor, he will receive a letter from the Selective Service documenting that he is registered or that he is exempt from registering.

The CPS will not be able to forward the student for registration if the first and last name and date of birth are missing from the FAFSA. The student should submit a correction with the required information; the school then looks at the match results from this correction to see if the student is eligible.

The registration forwarding will also fail if the student is 26 years or older. Such a student cannot register, and the school will have to determine whether the student is still eligible despite failing to register.

Failure to Register

Some students have been denied aid because they failed to register with Selective Service before their 26th birthday. 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.



Web Site

- <http://www.sss.gov>

To receive aid, such students must demonstrate that they did not knowingly and willfully fail to register.

ED's regulations also allow students who did not register and are too old to register to receive FFEL Program loans if they served on active duty in the U.S. Armed Forces. The school should obtain the student's Certificate of Release or Discharge from Active Duty, showing:

- ◆ military service in the armed forces other than the reserve forces, the delayed entry pool, and the U.S. National Guard *and*
- ◆ release under a condition other than dishonorable.

The school must determine whether a student who has not served in active duty knowingly and willfully failed to register. That is, the school must determine whether the student knew of the registration requirement but chose not to register.

Determining Whether Nonregistration Was Knowing and Willful

Unless a school can document that a student meets one of the allowable exemptions regarding registration or can document that the student has served in active duty in the U.S. Armed Forces, the student must first write to Selective Service to request 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.

If the student receives a "general exemption letter" (Letter Codes E1-E7) or a "DOB before 1960" letter (Code NR), the student is exempt from registration and may receive FFEL Program 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 school makes the determination; *or*
- ◆ If the student received a "Military Service: Noncontinuous" letter (code NM), the school might reasonably determine that the student did not knowingly and willfully avoid registration.

Most of the Status Information Letters state that the final decision regarding the student eligibility rests with the agency awarding funds. For the purposes of the FFEL Program, the eligibility decision is made by the school. If the school determines that the student's failure to register was knowing and willful, the student loses FFEL Program eligibility.

The school's decision is final and therefore cannot be appealed to ED. However, ED will hear appeals from students who have provided their school with proof of compliance with the registration requirement but who are still being denied FFEL funds based on the registration requirement.

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

- ◆ Where the student lived when he was age 18 through 25. (If the 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 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.

Citizenship Status

A student must be a U.S. citizen or an eligible noncitizen to be eligible for FFEL Program funds. The term "U.S. citizen" includes citizens of the 50 U.S. states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands. The general requirement for eligible noncitizens is that they be in the United States for other than a temporary purpose with the intention of becoming a citizen or permanent resident. The specific eligible statuses are:

- ◆ a U.S. citizen or national;
- ◆ a U.S. permanent resident;
- ◆ a citizen of certain Pacific Islands (the Freely Associated States); *or*
- ◆ other eligible noncitizens.

SSA U.S. Citizenship Match

ED automatically performs a match with the SSA to verify a student's citizenship status.

Successful Match (Match Flag = A or blank)

If the match is successful, there is no comment on the SAR, and no further status documentation is required. If the student leaves the question blank on



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- 34 CFR 668.33

the FAFSA, and there is a complete match with the student's SSN, name, date of birth, and U.S. citizenship, the CPS will assume that the student is a citizen. Applications with insufficient information will be rejected if one of the items does not match or if the SSA shows that the student is not a citizen.

Unsuccessful Match (Match Flag = B, C, D, E, F, *, or N)

If the SSA cannot find a match in its database for the student's SSN, name, or date of birth, a comment on the SAR will state that the SSA could not confirm the student's citizenship. The student should make the necessary corrections to the SSN (see previous section, *Valid Social Security Number*), name, or date of birth, and CPS will perform the match again. The school should check the new results to see if the SSA confirmed the student's citizenship.

If the SSA does not confirm that a student is a citizen, a comment will appear on the SAR explaining that the student needs to either provide documents to the school proving citizenship or make a correction on the SAR to show that he or she is an eligible noncitizen. If the student is a citizen, he or she must give the school documentation of his or her status. If the student submits appropriate documents, the school is not precluded from certifying the loan or disbursing FFEL Program funds to the student. The school needs to keep a copy of the documents in the student's file. Examples of some types of permissible documentation are:

- ◆ a copy of the student's birth certificate showing that he or she was born in the United States;
- ◆ 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 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 U.S. State Department and include an embossed seal with the words "United States of America" and "State Department";
- ◆ a Certificate of Citizenship from the INS, which must include the student's name, certificate number (found in the upper right-hand corner), and the date the certificate was issued; *or*
- ◆ a Certificate of Naturalization from the INS, which must include the student's name, certificate number (found in the upper right-hand corner), the INS Alien Registration Number, the name of the court that granted the naturalization, and the date of naturalization.



Reference

- *2001-2002 Student Financial Aid Handbook, Volume One: Student Eligibility*

Neither a Social Security card nor a driver's license is acceptable for documenting citizenship.

U.S. citizens born abroad may fail the citizenship match unless they have updated their citizenship information with the SSA. These students can document citizenship by providing a "Certificate of Birth Abroad."

U.S. Permanent Residents and Other Eligible Noncitizens

A permanent resident is a noncitizen who is legally permitted to live and work in the United States permanently.

Other eligible noncitizens include:

- ◆ refugees;
- ◆ persons granted asylum;
- ◆ conditional entrants;
- ◆ persons paroled into the United States indefinitely for humanitarian reasons; *and*
- ◆ Cuban-Haitian entrants.

Some noneligible statuses are:

- ◆ family unity status;
- ◆ temporary residents; *and*
- ◆ individuals with nonimmigrant visas.

INS Match

To verify the citizenship statuses of U.S. permanent residents and other eligible noncitizens, students report Alien Registration Numbers (A-Numbers) on the FAFSA. The INS assigns A-Numbers to all legal immigrants. If an 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."

Because all FAFSAs are sent to the SSA match, an application that undergoes the INS match will also undergo the SSA citizenship match. Results from the INS match take precedence over any results from the SSA citizenship match. Therefore, in cases where the INS match is conducted, the SSA citizenship flags are not on the SAR, and the school should follow the usual procedures for resolving any INS match discrepancies.



Reference

- 2001-2002 Student Financial Aid Handbook, Volume One: Student Eligibility

**Take a Look**

- See Appendix F for a copy of the SAR.

When an INS match is conducted, a 13-digit INS verification number is assigned to the student and printed in the Financial Aid Office section on page 2 of the SAR. The school will need this number if it has to check the student's status through the secondary process with the INS (see "Secondary Confirmation").

Successful Match (Match Flag = Y)

If the INS confirms the student's citizenship status through the match, then the student meets the citizenship eligibility requirement for receiving FFEL Program funds. The SAR with the successful match results is documentation of the student's citizenship.

Unsuccessful Match (Match Flag = N or blank)

If the student said he or she was an eligible noncitizen but did not provide an A-Number or the A-Number was illegible or invalid, the match will not be attempted. The student will need to submit a correction with the correct A-Number so that the match can be conducted.

If the match was conducted, but the INS did not confirm the student's status, the school must resolve the discrepancy before certifying the loan or paying the student. Although the student is not automatically ineligible for FFEL Program funds, additional procedures may be necessary to document the student's eligibility. This subsequent process is called Secondary Confirmation.

Secondary Confirmation

The student is permitted at least 30 days from the time the school receives the SAR or ISIR to provide documentation of his or her citizenship status. During this period and until the results of the Secondary Confirmation are received, a school in general cannot deny, reduce, or terminate aid to the student. However, in this as in all other cases, a loan should not be certified if the information on file concerning eligibility contains unresolved conflicts. Disbursements can be made to an otherwise eligible student pending the INS response if at least 15 business days have passed since the date on which the documentation was submitted to the INS.

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 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 FFEL Program funds for the award period or period of enrollment; *and*

**Reference**

- *2001-2002 Student Financial Aid Handbook, Volume One: Student Eligibility*

- ◆ an acknowledgement that no determination of the student's eligibility will be made until an opportunity to submit immigration status documents is provided.

If the INS cannot confirm a student's claim to be an eligible noncitizen, or a school has conflicting information about a student's citizenship status, the school must use a secondary process to confirm the student's status. The student must give the school documentation showing that he or she is an eligible noncitizen. If the student provides documentation that appears to demonstrate that he or she is an eligible noncitizen, the school submits the documentation to the INS to confirm that the documentation is valid.

Acceptable Documents

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 as "green cards," although the newer 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 residents for the purpose of receiving FFEL Program funds. A passport or a Departure Record (Form I-94) is also acceptable if it has one of the following stamps:

- ◆ "Processed for I-551. Temporary Evidence of Lawful Admission for Permanent Residence. Valid until (date). Employment Authorized."
- ◆ "Temporary Form I-551. Admission for permanent residence at (port) on (date) verified. (signature of issuing officer), (title)." This I-94 will also contain the individual's photo and an INS seal over the photo and the stamp.

For other types of eligible noncitizens, evidence of their status is on Form I-94. The I-94 will contain one of the following:

- ◆ Refugees – A stamp reading 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 (date). Employment Authorized." Refugees may also have a Refugee Travel Document (Form I-571), which can be used for documentation if it has not expired.
- ◆ Asylees – A stamp reading "Asylum status granted pursuant to Section 208, INS. Valid to (date). Employment Authorized."

- ◆ Conditional entrants – A stamp indicating that the student has been admitted to the United States as a conditional entrant. Because INS stopped using this category on March 31, 1980, a school that does not hear from INS within the permissible time frame should not certify a loan or disburse funds to a student who shows an I-94 with conditional-entrant status granted after March 31, 1980.
- ◆ Parolees – 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.
- ◆ Cuban-Haitian entrants – A stamp across the face of the I-94 indicating that the student has been classified as a “Cuban-Haitian Entrant (Status Pending). Reviewable (date). Employment authorized until (date).” A document showing that the holder is a Cuban-Haitian entrant is valid even if the expiration date would make the document appear to be no longer valid.

Each of the documents described above will be stamped in rust-colored ink. It will normally contain a validation indicating the office of issuance and a code that indicates which 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 Secondary Confirmation results received from the INS. Documentation provided as proof of the student’s citizenship status (such as the I-551 and I-94) may legally be photocopied by the student, as long as the photocopies are made for this lawful purpose. A school must always examine and copy original documents.

Documents Showing Noneligible Statuses

If the document a student submits is for a noneligible status, the school should not submit the documentation for Secondary Confirmation. Some examples of documents for noneligible statuses include:

- ◆ Form I-797, “Application for Voluntary Departure Under the Family Unity Program”;
- ◆ Employment Authorization Card (Form I-688A);
- ◆ Employment Authorization Documents (Form I-688B or Form I-766);
- ◆ Temporary Resident Card (Form I-688);
- ◆ Nonimmigrant Visa:

- B-1 or B-2 Visitor Visa
- F-1, F-2, or M-1 Student Visa
- J-1 or J-2 Exchange Visa
- H, L, or G series Visa;
- ◆ Notice of Approval to Apply for Permanent Residence (Form I-171 or Form I-464); *and*
- ◆ Form I-94 stamped “Temporary Protected Status.”

A student with any of these statuses is not eligible for an FFEL Program loan.

Initiating Secondary Confirmation

To initiate Secondary Confirmation, a school must complete the Document Verification Request, Form G-845S. The G-845S is a standard INS form used to ask the File Control Office at INS to confirm that a noncitizen’s documentation is valid.

To complete the G-845S, the school fills in each item on the top half of the form.

- ◆ The student’s A-Number is provided in the first item.
- ◆ “Education Grant/Loans/Work Study” must be marked in Box 8, “Benefits.”
- ◆ The school official must include his or her 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 on page 2 of the SAR in the Financial Aid Office section under the match flags. Secondary Confirmation requests sent to INS without verification numbers will be returned unprocessed.
- ◆ Photocopies of the front and back sides of the student’s citizenship document must be attached to the G-845S.
- ◆ Each pertinent visa and document must be submitted along with the form. The G-845S is used only to certify the authenticity and identity of immigration documents attached to it; the G-845S cannot be submitted to INS by itself for determining a student’s eligibility for FFEL Program funds.



Take a Look

- See a copy of the G-845S in Appendix F.

- ◆ The school must send the completed G-845S and attachments to the File Control Office serving its locale no more than 10 business days after receiving the documentation from the student.
- ◆ If the school does not receive a determination from INS within 15 working days (10 working days plus five days mail time) of the date the school sent the G-845S, the school official 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 chapter.
- ◆ If the school official believes that the student meets the requirements, he or she can make any disbursement for which the student is otherwise eligible; the school official, 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.
- ◆ When Secondary Confirmation results in an eligible status, the school must keep the G-845S.

**Take a Look**

- See a copy of the G-845S in Appendix F.

Interpreting the INS Response

The G-845S has a number of checkboxes for the INS response. Use the following explanation of INS responses to determine student eligibility.

1. This document appears valid and relates to a lawful permanent resident alien of the United States. A student with this status meets the citizenship requirement for FFEL Program funds.
2. This document appears valid and relates to a conditional resident alien of the United States. A student with this status meets the citizenship requirement for FFEL Program funds.
3. This document appears valid and relates to an alien authorized employment as indicated below. Unless some other eligible status is also checked, or the student can provide other documentation that can be confirmed by the INS, the student is **not** eligible for FFEL Program funds.
4. This document appears valid and relates to an alien who has an application pending for... Unless some other eligible status is also checked, or the student can provide other documentation that can be confirmed by the INS, the student is **not** eligible for FFEL Program funds.
5. This document relates to an alien having been granted asylum/refugee status in the United States. A student with this status meets the citizenship requirement for FFEL Program funds.
6. This document appears valid and relates to an alien paroled into the United States pursuant to Section 212 of the I & N Act. A student with this status meets the citizenship requirement for FFEL Program funds.
7. This document appears valid and relates to an alien who is a Cuban-Haitian entrant. A student with this status meets the citizenship requirement for FFEL Program funds.
8. This document appears valid and relates to an alien who is a conditional entrant. A student with this status meets the citizenship requirement for FFEL Program funds.
9. This document appears valid and relates to an alien who is a nonimmigrant. A student with this status is **not** eligible for FFEL Program funds.

Interpreting the INS Response (Cont'd)

10. This document appears valid and relates to an alien not authorized employment in the United States. A student with this status is **not** eligible for FFEL Program funds
11. Continue to process as legal alien. INS is searching indices for further information. 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 FFEL Program 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 will not be liable for the payments already made.
12. This document is not valid because it appears to be ... Notify the student to contact the INS. Until this discrepancy is resolved, no further loans may be disbursed or certified. If the student does not take corrective action in a timely manner, the case must be reported to the OIG at 1-800-MIS-USED.

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

Financial Aid History

To help schools determine whether a student has problems such as defaulted loans, overpayments, or exceeded loan limits, the CPS matches the student's FAFSA with the National Student Loan Data System (NSLDS). The results of this match are provided on the NSLDS Financial Aid History page (page 4 of the SAR) and in the Financial Aid Office section on page 2 of the SAR. The SAR 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.

If the student has no defaults or overpayments or has made satisfactory repayment arrangements on a defaulted loan, the NSLDS match flag will be 1. A match flag of 2, 3, or 4 indicates that the student has defaulted loans or owes an overpayment. The school will then need to resolve the problem before certifying the loan or disbursing aid.

Default

A student who is in default on a U.S. student loan cannot receive FFEL Program loans until he or she resolves the default. The student can resolve the default by repaying the loan in full and is then eligible again for FFEL funds. If the student has paid a defaulted loan in full but receives a SAR with

a comment showing that he or she is ineligible because of the default, the student must give the school documentation proving that the loan has been paid in full.

A student in default on a loan can be eligible for additional FFEL funds if he or she has made satisfactory repayment arrangements with his or her loan holder. After the student makes six consecutive, full, voluntary payments on time, he or she regains eligibility. Before a school can pay the student, it must have documentation that the student has made satisfactory repayment arrangements. The school may use a written statement from the loan holder indicating that the student has made satisfactory repayment arrangements as documentation of the arrangement.

Loan Limits Exceeded

A student is ineligible for an FFEL Program loan if he or she has exceeded the annual or aggregate loan limits. The student who inadvertently exceeded the limits can repay the excess amount in full or make satisfactory payment arrangements with the loan holder and then regain eligibility for an FFEL Program loan. A school should verify compliance before a loan is disbursed to the student.

Overpayment

A student is ineligible to receive an FFEL Program loan if he or she will not agree to repay an overpayment of U.S. student financial aid (Federal Pell Grant Program, Federal Supplemental Educational Opportunity Grant Program, Leveraging Educational Assistance Partnership Program, or Perkins Loan Program) or make satisfactory payment arrangements, and it was the student's error that caused the overpayment.

No Data from Match

There are several reasons why page 4 of a student's SAR will not have financial aid history information:

- ◆ The financial aid history is not provided on a rejected application.
- ◆ Partial match – If the student's SSN is in the NSLDS database but the first name and date of birth do not match what the student reported, then no financial aid history will be reported. The SAR 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. A partial match requires resolution.
 - 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. If the school discovers the discrepancy is due to the



Laws & Regulations

- 34 CFR 668.35(c)



Take a Look

- See Appendix F for a copy of the SAR.

student misreporting the name or date of birth on the application, it should have the student make a correction.

- If the school determines that the financial aid history associated with the student's SSN does not belong to the student, it should assume that the student has no relevant financial aid information.
- ◆ Student not in the database – If a match with NSLDS is completed but there is no information on the student in the database, then no financial aid history information can be provided. The SAR will have a comment explaining that the student's SSN is not associated with any previous financial aid history. The school can thus assume that the student has no financial aid history unless it has conflicting information.
- ◆ No relevant history – If a student's SSN matches a record in the NSLDS database but there is no relevant financial aid history information to report, then no information will be on the SAR. 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.
- ◆ Processing problem – If there is a problem conducting the match, no financial aid history information will be on the SAR. The SAR will also have a comment explaining that the CPS could not determine whether the student has loans in default and will direct the student to contact the school. The school must get the student's financial aid history before disbursing aid. If the student has to make corrections, the application will go through the match again when the corrections are submitted, and the school can use the results of that match to determine the student's eligibility. The student or school can also request a duplicate SAR. The application will go through the match again when the duplicate is requested.

Judgment Lien

A student is ineligible to receive an FFEL Program loan if he or she owns property on which there is a judgment lien for a debt owed to the United States. Eligibility is restored upon repayment of the debt or performance of satisfactory payment arrangements.

Credit History

An adverse credit history can affect a student's and a parent's ability to borrow an FFEL Program loan. Parents are ineligible to borrow a Federal PLUS Loan if either the student or parent is in default on a Title IV loan or if



Laws & Regulations

- 34 CFR 682.201(b)

the parent is more than 90 days delinquent on any debt or if in the past five years he or she has defaulted on any debt.

Parent Borrower Eligibility

A parent may borrow a Federal PLUS Loan to help pay for the postsecondary education of his or her children who are dependent students. To be an eligible parent borrower for a Federal PLUS Loan, a parent must:

- ◆ be the natural mother or father or adoptive parent of the student for whom the Federal PLUS Loan is being borrowed;
- ◆ be a U.S. citizen, U.S. national, or permanent resident of the United States;
- ◆ provide the parent's and student's SSNs;
- ◆ not be in default on a U.S. education loan or owe an overpayment on U.S. education funds;
- ◆ be requesting the loan for the education costs of a child who is an eligible dependent student enrolled in a postsecondary school; *and*
- ◆ not have an adverse credit history.

To apply for a Federal PLUS Loan, a parent fills out the Federal PLUS Loan application/promissory note.

- ◆ Only one parent needs to sign the application/promissory note.
- ◆ A student does not currently have to fill out the FAFSA to receive a Federal PLUS Loan.

Checking Credit History

Because Federal PLUS Loans are not available to parents with an adverse credit history, an applicant's credit history is checked. In general, a parent is considered to have adverse credit if:

- ◆ he or she is 90 days or more delinquent on any debt;
- ◆ during the five years preceding the date of the credit report, he or she has been determined to be in default on a debt;
- ◆ his or her debts have been discharged in bankruptcy; *or*
- ◆ he or she has been the subject of foreclosure, repossession, tax lien, wage garnishment, or write-off of a U.S. student financial aid debt.

A lender is permitted to establish a more stringent definition of adverse credit history than the regulations require. A parent cannot be denied a Federal PLUS Loan on the basis of not having a credit history. The absence of a credit history cannot be construed as an adverse credit history.

When a parent does not pass the credit check, the lender sends a letter notifying the parent that he or she is not eligible for a Federal PLUS Loan. The dependent student is then eligible for additional unsubsidized Stafford Loan funds, up to the loan limits for an independent student.

Student and Parent Eligibility Checklists

The checklists on the following pages provide at-a-glance lists of the FFEL Program eligibility requirements for students and parents. Schools will find these lists helpful for discussing requirements with students and parents. The checklists can also serve as a training tool for school staff members who are unfamiliar with the FFEL Program.

FFEL Program Student Eligibility Checklist

Eligibility Requirements	Reference
<p>The school determines the student's:</p> <ul style="list-style-type: none"> ❑ dependency status ❑ financial need. 	<p>34 CFR 668.2(b) 34 CFR 682.201(a)(2)(i)</p>
<p>The student meets general eligibility requirements, such as:</p> <ul style="list-style-type: none"> ❑ citizenship status ❑ valid Social Security number (SSN) ❑ satisfactory academic progress ❑ Selective Service registration. 	<p>34 CFR 668.33 34 CFR 668.36 34 CFR 668.34 34 CFR 668.37</p>
<p>The student is enrolled:</p> <ul style="list-style-type: none"> ❑ at least half time as a regular student ❑ in an eligible program. 	<p>34 CFR 682.201(a) 34 CFR 668.32(a)(1)(i) & (ii) 34 CFR 668.32(a)(2)</p>
<p>The student may:</p> <ul style="list-style-type: none"> ❑ not be in default on a U.S. education loan ❑ not owe an overpayment on U.S. student aid funds ❑ not have borrowed in excess of annual or aggregate loan limits ❑ not have property subject to a judgment lien for a debt owed to the United States. 	<p>34 CFR 668.32(g) and 668.35</p>
<ul style="list-style-type: none"> ❑ Students can regain eligibility for FFEL Program loans by paying what they owe in full or making satisfactory repayment arrangements. 	<p>34 CFR 668.35</p>
<ul style="list-style-type: none"> ❑ If the student has a bankruptcy discharge, the student does not need to reaffirm student loans or overpayments discharged in bankruptcy. 	<p>34 CFR 668.35(f) The Bankruptcy Reform Act of 1994</p>
<ul style="list-style-type: none"> ❑ If the student previously canceled U.S. education loans due to total and permanent disability, the student can reestablish eligibility for FFEL Program loans if the school receives a physician's statement that the student is now able to attend school. The student must be counseled that, generally, new loans will not be cancelled for the same condition. 	<p>34 CFR 682.201(a)(5)</p>
<ul style="list-style-type: none"> ❑ Under certain circumstances, the student (if a dependent student) may borrow additional unsubsidized loan amounts above the dependent student annual limits. 	<p>34 CFR 682.201(a)(3)</p>

FFEL Program Parent Eligibility Checklist	
PLUS Loan Eligibility Requirements	Reference
<ul style="list-style-type: none"> ❑ The parent is borrowing to help pay for the postsecondary expenses of his or her child. 	34 CFR 682.201(b)(1)(i)
<ul style="list-style-type: none"> ❑ The parent's child is a dependent student who meets student eligibility requirements. 	34 CFR 668, Subpart C 34 CFR 682.201(b)(1)(i)
<p>The parent must:</p> <ul style="list-style-type: none"> ❑ provide the parent's and student's Social Security numbers (SSNs) ❑ be a U.S. citizen, U.S. national, or U.S. permanent resident ❑ not be in default on a U.S. education loan ❑ not have an adverse credit history. 	34 CFR 682.201(b)(1)(ii) 34 CFR 682.201(b)(1)(iii) 34 CFR 682.201(b)(1)(iv) 34 CFR 682.201(b)(1)(vii)(A)