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Introduction

This volume of the Federal Student Aid Handbook discusses the eligibility requirements for students and parent borrowers and your responsibilities to ensure that recipients qualify for their aid awards.

SOURCES OF INFORMATION

There are many factors that you must consider when reviewing a student's application for aid from the FSA programs, such as whether the student is a U.S. citizen or permanent resident, whether the student is making satisfactory academic progress, and whether the student has a defaulted FSA loan. To answer these questions you receive information about the student from several different sources, including the Department of Education's Central Processing System (CPS) for financial aid applications and the National Student Loan Data System (NSLDS).

Throughout the year the Department provides updates to schools in the form of Dear Partner/Colleague Letters. These letters and other information, such as Federal Register notices and announcements containing system updates and technical guidance, are available on the *Information for Financial Aid Professionals* (IFAP) website (**www.ifap.ed.gov**).

Schools using software from the Department also receive other materials that explain how the software operates, such as technical references, which are available on the FSA Download website (see the margin). The FSA Handbook doesn't cover the operation of specific pieces of software. Schools using third-party software should consult the vendor's reference materials for technical guidance.

RECENT CHANGES

Several definitions in the regulations were moved to the general provisions section, 34 CFR 668, and some of those were modified. For example, the definition of a half-time student no longer appears in the Pell regulations, and because it now falls under the general definitions, it applies to all the Title IV programs. See the margin note on p. 11. For a complete list of the definitions so affected, see the *Federal Register* dated November 1, 2007, on the IFAP website.

Program and systems information online

www.fsadownload.ed.gov

Software:
- Direct Loan Tools
- EDconnect
- EDExpress for Windows
- SSCR for Windows

Technical References and User Guides for:
- CPS (ISIR, Summary of Changes, Renewal FAFSA Process Guides, etc.)
- COD
- Electronic Data Exchange
- EDExpress Packaging

www.ifap.ed.gov
- Federal Registers
- Electronic Announcements
- Dear Partner/Colleague Letters
- FSA Assessment modules:
  Student Eligibility—
  www.ifap.ed.gov/qahome/qaassessments/studentelig.html

  Satisfactory Academic Progress—
  www.ifap.ed.gov/qahome/qaassessments/sap.html

Title IV policy questions

For questions about federal student aid policies, contact the Research and Customer Care Center: fsa.customer.support@ed.gov or 1-800-4ED-SFAP. When referring students to the Department of Education, please have them call 1-800-4-FED-AID.

New regulations codify and supplement the requirement that first-academic-year students must not have been previously enrolled in an ACG-eligible college program while yet in high school. On page 64 we note that now, in addition, students must not have been at or below the age of compulsory school attendance.

On page 65 we give guidance pertaining to regulations about getting documentation for students who do or do not self-identify as being potentially eligible for ACG funds.

There have been questions about what successful completion of a rigorous program means. Recent regulations clarify this, which is explained on page 66.

We added a margin note on page 66 about the new ability that schools have to suggest that a major be added to the list of those eligible for National SMART grants.

On page 67 we added a paragraph explaining the contents of Dear Colleague Letter GEN-07-07: to receive SMART grant funds, students must be enrolled in at least one course that advances the student toward the completion of her eligible major; enrollment in general education classes is not sufficient.

Also on that page, we give more details, based on new regulations, about the monitoring of a student's eligible major for a National SMART grant.

Recent regulations explain two topics related to ACG and National SMART grants: how to calculate GPA for transfer students and what equivalency policies are for schools that do not normally use a traditional 4.0 grading scale. These policies are necessary for determining whether students meet the GPA requirements of the two grant programs. See the amended text on pages 68 and 69.

We added the definition of a professional degree on page 71, and because the definition of graduate or professional student was moved in the regulations, we give the new location on the same page.

In 2007 the College Cost Reduction and Access Act (CCRAA) became law, and one of its provisions established a new Title IV grant: the Teacher Education Assistance for College and Higher education (TEACH) grant. This grant is introduced on pages 81 and 82, and Dear Colleague Letter GEN-08-01 discusses more of the CCRAA.

If you have any comments regarding the FSA Handbook, please contact Research and Publications via e-mail at fsaschoolspubs@ed.gov.

School-Determined Requirements

CHAPTER 1

In this chapter, we discuss student eligibility requirements that don't require information from the Department's systems. The school determines on its own whether the student meets these eligibility requirements. In some cases the financial aid office will need to get information from other school offices, such as the admissions office or the registrar, or from other organizations, such as high schools or testing agencies.

REGULAR STUDENT IN AN ELIGIBLE PROGRAM

A person must be enrolled as a *regular student* in an eligible program in order to receive FSA funds (some exceptions are discussed later). A regular student is someone who is enrolled or accepted for enrollment in an eligible institution for the purpose of obtaining a degree or certificate offered by the school. The definition of an eligible program is discussed in detail in the *School Eligibility and Operations* volume of the Handbook.

A school must document a student's enrollment in an eligible program at the time of admission, and it must have a system to notify the financial aid office if the student leaves the program. It must also document that an aid recipient is a regular student.

▼ *Conditional acceptance.* Some schools admit students under a conditional or provisional acceptance. For example, a student might be conditionally accepted until he provides further documentation, such as academic transcripts or test scores, or demonstrates an ability to succeed in the program (by receiving acceptable grades in program coursework). Typically the school will limit the student's enrollment, in terms of number of courses or enrollment status, until the student meets the necessary conditions.

Students admitted as conditional are regular students only if the school officially accepts them into the eligible degree program. The Department does not define official acceptance or admission. If the student is merely allowed to take some courses before being officially admitted to the program, she is not considered to be a regular student and is not eligible until she is officially admitted.

▼ *Continuing education.* Regular students may receive aid for classes they take in a school's continuing education department as long as the classes apply to their degree or certificate program.

Remedial coursework

Remedial coursework prepares a student for study at the postsecondary level (compare with preparatory coursework, which

Basic student eligibility issues:

➔ must be enrolled as a regular student in an eligible program
➔ cannot also be enrolled in elementary or secondary school
➔ must have a high school diploma or equivalent, pass an approved ability-to-benefit test, or have been homeschooled
➔ must make satisfactory progress
➔ must meet enrollment status requirements
➔ must have resolved any drug conviction issue

34 CFR 668.32
See Volume 2 for more on what is an eligible program.

Regular student citations and example

HEA Sec. 484(a)(1), (b)(3), (4);
34 CFR 668.32(a)(1)

Lem Community College allows anyone with a high school diploma or the equivalent to enroll in any course. Many of LCC's students do not intend to receive a degree or certificate. LCC requires students who want to receive a degree or certificate to complete a form stating which degree or certificate they are studying for and to meet regularly with an academic advisor. LCC considers them to be regular students, while others in the same classes are not regular students.

prepares a student for a given program), and a student enrolled solely in a remedial program is not considered to be in an eligible program. If acceptance into an eligible program is contingent on completing remedial work, a student cannot be considered enrolled in that program until she completes the remedial work.

However, if the student is admitted into an eligible program and takes remedial coursework within that program, he can be considered a regular student, even if he is taking all remedial courses before taking any regular courses. You may count up to one academic year's worth of these courses in his enrollment status for federal aid. For the purpose of this limit, that is 30 semester or trimester hours, 45 quarter hours, or 900 clock hours. If the remedial classes are non-credit or reduced-credit, you must determine how many credit hours they are worth to count in the student's enrollment (see "Enrollment Status" on page 11).

A remedial course cannot be below the educational level needed for a student to successfully pursue her program after one year in that course. Also, remedial courses must be at least at the high school level, as determined by the state legal authority, your school's accrediting agency, or the state agency recognized for approving public postsecondary vocational education. If that agency determines that a remedial class is at the elementary level, the school must abide by that determination, and the class cannot be included for Title IV aid. Nor can Title IV aid be used for a remedial course that uses direct assessment of student learning instead of credit or clock hours.

You can't use noncredit remedial hours to determine a student's enrollment status if the course is part of a program that leads to a high school diploma or its recognized equivalent. A student is never permitted to receive funds for GED training or for coursework prior to the completion of high school, even if the GED or high school training is offered at postsecondary schools or is required for the postsecondary program.

Similar to other remedial coursework, a student may receive FSA funds for ESL courses that are part of a larger eligible program. There are differences though: ESL courses don't count against the one-year limitation on remedial coursework mentioned above, and they need not be at the secondary school level.

If your school permits a student to enroll in ESL or other remedial courses that don't apply to his degree or certificate, be aware that awarding FSA loans over a series of semesters for such work can exhaust his eligibility for FSA loans before he completes his program.

Preparatory coursework

A student not enrolled in a degree or certificate program is eligible for Stafford and PLUS loans for up to one year if she is taking coursework necessary for enrollment in an eligible program. See the discussion under Stafford and PLUS loans on page 71.

Conditional acceptance examples

1. Guerrero University allows students to take graduate courses before they have taken the GRE, but it limits them to no more than three courses and does not admit them into its graduate programs until they have submitted acceptable GRE scores. They aren't regular students, and since the school hasn't admitted them, they aren't eligible for Title IV aid.

2. When Park University accepts students into its graduate programs, it requires that the students receive no grade lower than a "B" in the first three courses. During this time the school considers students to be admitted into the program, so they are eligible for FSA. If, however, students receive a grade lower than a B in any of the first three classes, their admittance will be withdrawn and they then will be ineligible for Title IV aid.

Continuing education examples

1. Park University has a continuing education department that offers many online (telecommunications) courses that students in other departments of the school may take and that apply to the degree or certificate program the students are enrolled in. These are regular students who are eligible for FSA funds.

2. Guerrero University has a continuing education department that offers many courses. Some students enroll in these courses without being admitted to the university. They are not regular students and are not eligible for FSA funds.

Remedial coursework
34 CFR 668.20

Teacher certification coursework
34 CFR 668.32(a)(1)(iii)

Teacher certification coursework

A student may receive Federal Work-Study and Stafford, Perkins, and PLUS loans if he is enrolled at least half time in required teacher certification coursework, even if it does not lead to a degree or certificate awarded by the school. To qualify, the coursework must be required for elementary or secondary teacher certification or recertification in the state where the student plans to teach and must be offered in credit or clock hours (courses using direct assessment in lieu of credit or clock hours are not eligible). Optional courses that the student elects to take for professional recognition or advancement, and courses recommended by your school but not required for certification, do not qualify. You should document that the courses are required by the state for teacher certification.

For Stafford loans, such students may borrow up to $5,500, with up to $7,000 more in unsubsidized funds for independent students and dependent students whose parents were denied a PLUS loan. The loan limit is not prorated if the coursework lasts less than an academic year. For Perkins loans, a school establishes in its policy whether a student enrolled in a teacher certification program is an undergraduate or graduate student. That determines which Perkins loan limits apply; refer to *Volume 3: Calculating Awards and Packaging*.

A student with a bachelor's degree who is enrolled in a postbaccalaureate teacher certification program can also receive a Pell grant in certain limited situations. See page 72.

ELEMENTARY OR SECONDARY ENROLLMENT

A student enrolled in elementary or secondary school is not eligible for aid from the FSA programs, even if she is simultaneously enrolled in an eligible postsecondary program. A student is considered to be enrolled in a secondary school if she is pursuing a high school diploma. A student who has completed the diploma requirements but has not yet received a diploma is still considered to be enrolled in secondary school if she is taking postsecondary coursework for which the high school gives credit. A student who has completed but not received a diploma is also considered to be enrolled in secondary school if the high school granting the diploma still considers the student to be enrolled at that high school.

An adult pursuing a GED (not a high school diploma) is not considered to be enrolled in secondary school. However, as stated earlier, a student can't get aid for GED training, though he can receive aid for other college courses if he meets ability-to-benefit, homeschool, or high school equivalent requirements. An adult can take a course offered by a high school, such as a driver's education course, without being considered enrolled there.

ACADEMIC QUALIFICATIONS

To receive FSA funds, a student must be qualified to study at the postsecondary level. A student qualifies if she:

Elementary/secondary enrollment
HEA Sec. 484(a)(1), 34 CFR 668.32(b)

Secondary school enrollment examples
Lida is a junior in high school and enrolls in an electronics technician program at Lem Community College (she is above the age of compulsory school attendance for her state and so can be admitted as a regular student at LCC). The coursework is offered evenings and weekends, so she can still attend her high school classes. The electronics technician program is an eligible postsecondary program, and Lida will receive a certificate from Lem when she completes the program. However, she is not eligible for aid because she is still enrolled in high school.

Owen, a regular student at Guerrero University, decides to take a driver's education course at the local high school during the summer. This does not mean he is enrolled in secondary school.

What's a valid high school diploma?
As we note at the top of page 6, students self-certify that they have a high school diploma, so a copy of one is not required for the financial aid office. But with the appearance of high school "diploma mills," you might have concerns about the validity of a diploma from a particular school. One resource to check is the department of education for the state in which the school is located. If the department has jurisdiction over the high school, they can tell you if a diploma from the school (which does not have to be accredited) is recognized by their state.

Academic qualifications
HEA Sec. 484(d), 34 CFR 668.32(e)

Recognized equivalent of a high school diploma
34 CFR 600.2

*Exception: passing an ability-to-benefit test or having one of the diploma equivalents is not sufficient for establishing eligibility for an academic competitiveness grant (ACG). See Chapter 6.

**Exception: To be eligible for an ACG, a student must receive a high school diploma (or the homeschooling equivalent), which the college must document, whether by collecting a copy of the diploma or some other verifying document from the high school.

Diploma equivalent example
Kitty enrolls in the bachelor's degree program at Brandt College. She didn't graduate from high school and doesn't have a GED. Brandt looks at her high school records to see if she excelled academically in high school. Because she had a C average, she doesn't meet Brandt's standard for admitting students who excel academically and therefore doesn't have the equivalent of a high school diploma. If she were enrolled in a two-year program that counted as two years of her bachelor's degree, she'd have the equivalent of a high school diploma when she completed that program and would be eligible for FSA for the last two years of her degree program. However, since Kitty never went to college before, she'll need to pass an approved ability-to-benefit test if she wants to receive FSA.

Homeschooled students
HEA Sec. 484(d)(3),
34 CFR 668.32(e)(4)

- has a high school diploma (this can be from a foreign school if it is equivalent to a U.S. high school diploma);
- has the recognized equivalent* of a high school diploma, such as a general education development or GED certificate;
- has completed homeschooling at the secondary level; or
- has passed a Department-approved ability-to-benefit test*.

A student may self-certify that he has received a high school diploma or GED or that he has completed secondary school through homeschooling as defined by state law. If a student indicates on the FAFSA that he has a diploma or GED, your school isn't required to ask for a copy**, but if your school requires one for admission, then you must rely on that copy of the diploma or GED and not on the student's certification alone. Because the current FAFSA doesn't contain a self-certification for homeschoolers, such students may certify their homeschooling in writing, for example, on an admissions application, in a letter to your school, or in some other appropriate record.

Equivalents to a high school diploma

The Department recognizes several equivalents to a high school diploma:

- A GED;
- A certificate demonstrating that the student has passed a state-authorized examination that the state recognizes as the equivalent of a high school diploma;
- An academic transcript of a student who has successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree; or
- For a student who enrolls before completing high school, a high school transcript indicating the student has excelled in high school. The student must no longer be enrolled in high school, must satisfy your school's written policy for admitting such students, and must be starting a program that leads at least to an associate's degree or its equivalent.

Homeschooling

Though homeschooled students are not considered to have a high school diploma or equivalent, they are eligible to receive FSA funds if their secondary school education was in a homeschool that state law treats as a home or private school. Some states issue a secondary school completion credential to homeschoolers. If this is the case in the state where the student was homeschooled, she must obtain this credential in order to be eligible for FSA funds. She can include in her homeschooling self-certification (see above) that she received this state credential.

Some students finish homeschooling at an age younger than the age of compulsory school attendance for their state or your school's state. Another part of the federal law defines an eligible *institution* as one that admits as regular students only persons who have a high school diploma or equivalent or are beyond the compulsory attendance age for the school's state. The Department considers a homeschooled student to be beyond the age of compulsory attendance if your school's state would not require the student to further attend secondary school or continue to be homeschooled. See also *Volume 2: School Eligibility and Operations*.

ATB tests
34 CFR Part 668 Subpart J
(Sections 141–156)

Ability-To-Benefit (ATB) test

If the student does not have a high school diploma or equivalent and did not complete secondary school in a homeschool setting, she can still qualify for aid by passing a Department-approved "ability-to-benefit" test. You don't have to use the same test for all students; you can pick the one most suitable for each student. At the time of publishing, the May 19, 2006 *Federal Register* contained the most recent list of approved tests.

▼ *Arranging for ATB tests.* The regulations also specify testing procedures that your school must follow. You must make arrangements with one or more test administrators, who must be certified by the test publisher. You should contact the test publisher to locate a certified test administrator. Certified test administrators may include high school guidance counselors, test and measurement experts, human resource development professionals, qualified professional educators, or regional Armed Forces Command staff who are experts in education, training, and human resource development.

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

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

To be acceptable for FSA purposes, an approved test must be independently administered in accordance with the procedures

Factors for Test Selection
When selecting a test, the school should consider the following:

- **Relevance of the test to the educational program.** Are the skills and abilities assessed important for successful completion of the program of study?
- **Level of difficulty of the test.** Is the overall level of difficulty appropriate to the population of prospective students being assessed and to the coursework required in the program?
- **Native language.** If the student's program will be taught in a language other than English, the student should be permitted to take the test in the language of the program. See 34 CFR 668.149 and 153.
- **Tests for students with physical disabilities.** Students with physical disabilities should receive appropriate assistance in test taking, in accordance with the guidelines developed by the American Educational Research Association, the American Psychological Association, and the National Council of Measurement in Education.

Test approval

The Department evaluates submitted tests according to guidelines published in regulations. To apply for approval, the test publisher must submit its test and documentation specified in the regulations. After reviewing the application, the Department will notify the test publisher of approval or disapproval. If a test is approved, the Department will publish in the Federal Register the name of the test and the test publisher and the passing score required for students taking the test.

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

specified by the test publisher—such as time limits for completion, rules on how often and within what time frame the test may be readministered, whether the test may be given verbally, and so forth. If a test comprises multiple parts, all **relevant** parts, as listed in the approval notice, must be administered in order for the test to be valid. The approval notice published by the Department will show either the approved score for each subpart or an approved composite score.

▼ *Testing non-native English speakers.* Students who are enrolled solely in an ESL program, or who are enrolled in a program that is taught in English and that has an ESL component in which they are also enrolled, can take the CELSA test (see the January 12, 2001 *Federal Register* for more on CELSA) or the ESL Placement Test that was added to the ATB test list in the May 19, 2006 *Federal Register*. If the student is enrolled in a program that is taught in English without an ESL component or the student does not enroll in the ESL component if offered, the student must take an ATB test in English.

As an alternative, you may determine whether these students have the ability to benefit from your program by using the guidelines in the December 30, 1992 *Federal Register* and by using tests approved as of May 19, 2006.

Testing ESL and disabled students

34 CFR 668.153

▼ *Testing disabled students.* For students with disabilities, the Department adopted the use of the currently approved ability-to-benefit tests and passing scores (see the May 5, 1999 *Federal Register*) as long as those tests are given in a manner consistent with requirements of Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act. These requirements include giving the test in a manner that is accessible to disabled students and offering additional services such as a longer exam time for students with learning disabilities and Braille or large-print exams for visually impaired students. If your school can't give any of the approved ability-to-benefit tests in an accessible manner, it must use an alternate test as explained in the regulations (34 CFR 668.149).

Satisfactory Academic Progress

HEA Sec. 484(c),
34 CFR 668.16(e)
34 CFR 668.32(f)
34 CFR 668.34

▼ *Counting previous test results.* A student who has taken an approved, independently administered test must have the test publisher or the assessment center submit the official score to the school to demonstrate the student's ability to benefit. If you accept the results of a previously administered test, you must obtain documentation (usually through the previous school) that the test and its administration met federal requirements. Test scores are valid for ATB purposes indefinitely.

SATISFACTORY ACADEMIC PROGRESS (SAP)

To be eligible for FSA funds, a student must make satisfactory academic progress. Minimally you must check that progress at intervals of one year or half the length of the program, whichever is less. Your school must establish and publish its SAP policy, which explains when you check SAP as well as other details. See Chapter 10 in *Volume 2: School Eligibility and Operations* for complete guidance.

Approved Ability-to-Benefit Tests	Publishers
ASSET Program: Basic Skills Tests (Reading, Writing, and Numerical)—Forms B2, C2, D2, and E2 Passing Score: Reading (35), Writing (35), and Numerical (33)	ACT, Inc., 500 ACT Drive, Iowa City, Iowa 52243-0168, Contact: Dr. John Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790
Career Programs Assessment (CPAT) Basic Skills Subtests (Language Usage, Reading, and Numerical)—Forms B and C Passing Score: Language Usage (42), Reading (43), and Numerical (41)	ACT, Inc., 500 ACT Drive, Iowa City, Iowa 52243-0168, Contact: Dr. John Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790
Combined English Language Skills Assessment (CELSA): Forms 1 and 2 Passing Score: CELSA Form 1 (97) and CELSA Form 2 (97)	Association of Classroom Teacher Testers (ACTT), 1187 Coast Village Road, Suite 1 #378, Montecito, California 93108-2794, Contact: Pablo Buckelew, Telephone: (805) 965-5704, Fax: (805) 965-5807
COMPASS Subtests: Prealgebra/Numerical Skills Placement, Reading Placement, and Writing Placement Passing Score: Prealgebra/Numerical (25), Reading (62), and Writing (32)	ACT, Inc., 500 ACT Drive, Iowa City, Iowa 52243-0168, Contact: Dr. John Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790
Computerized Placement Tests (CPTs)/Accuplacer (Reading Comprehension, Sentence Skills, and Arithmetic) Passing Score: Reading Comprehension (55), Sentence Skills (60), and Arithmetic (34)	The College Board, 45 Columbus Avenue, New York, New York 10023-6992, Contact: Technical Support, Telephone: (800) 486-8497
Descriptive Tests of Language Skills (DTLS) (Reading Comprehension, Sentence Structure and Conventions of Written English)—Forms M-K-3KDT and M-K-3LDT; and Descriptive Tests of Mathematical Skills (DTMS) (Arithmetic)—Forms M-K-3KDT and M-K-3LDT Passing Score: Reading Comprehension (108), Sentence Structure (9), Conventions of Written English (309), and Arithmetic (506)	The College Board, 45 Columbus Avenue, New York, New York 10023-6992, Contact: Technical Support, Telephone: (800) 486-8497
ESL Placement Test (COMPASS/ESL) Passing Score: Grammar/Usage (64), Reading (70), and Listening (70)	ACT, Inc., 500 ACT Drive, Iowa City, Iowa 52243-0168, Contact: Dr. John Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790
Wonderlic Basic Skills Test (WBST)—Verbal Forms VS–1 & VS–2, Quantitative Forms QS–1 & QS–2 Passing Score: Verbal (200) and Quantitative (210)	Wonderlic Personnel Test, Inc., 1795 N. Butterfield Rd., Libertyville, IL 60048, Contact: Mr. David Teuber, Telephone: (877) 605-9499, Fax: (847) 680-9492
WorkKeys Program—Reading for Information Forms A01AA, A02AA, C01AA, and D10AA; Applied Mathematics Forms A01BB, A02BB, C01BB, and D01BB. Passing Score: Reading for Information—Forms A01AA (76), A02AA (75), C01AA (77), and D10AA (77); Applied Mathematics—Forms A01BB (73), A02BB (74), C01BB (73), and D01BB (73)	ACT, Inc., WorkKeys Development, Professional Development Services, 101 ACT Drive, P.O. Box 168, Iowa City, Iowa 52243-0168, Contact: Dr. A. Candace Noble, Telephone (319) 337-1296, Fax: (319) 337-1229

The discussion below will only address the qualitative and quantitative standards that a student must meet in order to be eligible for aid.

Qualitative standards

The law specifies that by the end of the second academic year (regardless of how many credits the student has accrued), the student must have a C average or its equivalent or have an academic standing consistent with the requirement for graduation from the program. If your school does not use letter grades, it should define the equivalent of a C average.

Having an academic standing consistent with the graduation requirement could mean you use an escalating grade point standard instead of a fixed one. For example, a school using a 4-point scale can require students to have a 2.0 average by graduation but allow their average to be lower earlier in their academic career. If your policy permits such a progression and a student falls below a C average, you must be able to document that her average is consistent with the academic standard required for graduation.

Example: satisfactory academic progress appeal

Steven is attending Brust Conservatory, and at the end of his second year, Brust determines that he isn't making satisfactory progress. He files an appeal in the fall, after he realizes he won't receive aid for the fall term. Brust finally approves his appeal in January, after the fall term is over. Therefore, Steven can't receive Pell or campus-based funds for the fall term but can receive aid for the winter term. Steven can receive a Direct loan or FFEL for the entire academic year because that is his period of enrollment.

Quantitative standards

To accurately measure a student's progress in a program, more than a qualitative standard is needed. A student who is maintaining a high GPA by withdrawing from every course he attempts after the first year would meet a qualitative standard but wouldn't be progressing towards graduation. Therefore, the SAP policy must also include a quantitative measure to determine the number or percentage of courses, credit hours, or clock hours completed.

To quantify academic progress your school must set a maximum time frame in which a student is expected to finish a program. If your SAP review makes it clear that a student cannot mathematically finish the program within this period, she becomes ineligible for aid (though she may request an appeal; see Volume 2). For an undergraduate program the time frame cannot exceed 150% of the published length of the program measured in academic years or terms, credit hours attempted, or clock hours completed, as determined by your school. For instance, if the published length of an academic program is 120 credit hours, the maximum period must not exceed 180 (120 × 1.5) attempted credit hours.

Losing and regaining eligibility

A student who loses FSA eligibility because she is not meeting your school's satisfactory academic progress standards will regain eligibility when you determine that she is again meeting the standards. She may also regain eligibility by successfully appealing a determination that she wasn't making satisfactory progress. You must document each case.

Full-time student definition

34 CFR 668.2

Half-time enrollment

HEA Sec. 428(b)(1)(A),
34 CFR 668.32(a)(2), 674.2(b), 682.200, and 690.2(c)

A student may be paid Pell and Campus-based funds for the payment period in which she resumes satisfactory academic progress. For Stafford and PLUS loans, she regains eligibility for the entire period of enrollment in which she again meets SAP standards unless school policy provides for reinstatement of eligibility at a later point.

ENROLLMENT STATUS

A student must be enrolled full time to receive an Academic Competitiveness Grant (ACG) or National Science and Mathematics Access to Retain Talent (SMART) grant, and at least half time to receive aid from the Stafford and PLUS loan programs. The Pell and Campus-based programs (except for Perkins in the case of a student enrolled in a program for a teaching credential) don't require half-time enrollment, but the student's enrollment status does affect the amount of Pell a student receives. (Volume 3 explains how enrollment status affects a Pell award.)

Half-time enrollment

A school may choose to define half time as half of the minimum full-time standard established in the regulations even if this is less than half the full-time standard established by the school. For example, if a school sets 14 semester hours as full time, it could use 6 semester hours (one half of the regulatory full-time minimum of 12) as half time instead of 7.

To be enrolled half time, a student must be taking at least half of the course load of a full-time student. Your school defines a full-time workload, but it must meet the minimum standards in the FSA regulations. The definition of full time used for FSA purposes (below) can differ from the definition used for other purposes at your school, such as the definition used by the registrar's office.

Your definition of a full-time workload for a program must be used for all students in that program and must be the same for all FSA-related purposes, including loan deferments. You can't accommodate a student with a learning disability or other handicap by allowing her a full-time enrollment status lower than the minimum standard.

▼ *Minimum standards for full-time enrollment.* You may include any combination of courses, work, research, or special studies in your school's definition of workload. The regulations specify a minimum standard for undergraduate students but not for graduate students. For undergraduates, full-time status must be at least:

- 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;
- a series of courses or seminars equaling 12 semester or quarter hours over a maximum of 18 weeks;
- for a program that measures credit hours and uses nonstandard terms, the number of weeks of instruction in the term divided by the number of weeks of instruction in the academic year, multiplied by the number of credit hours in the academic year;
- 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; or

Drug convictions
HEA Section 484(r)
34 CFR 668.40

Counting non-credit or reduced-credit remedial work
A student can receive aid for a limited amount of remedial coursework that is included as part of a regular program. As long as the student qualifies for aid for remedial courses, you must include the remedial courses in the student's enrollment status.

Some schools give no credit or reduced credit for remedial classes. To determine enrollment status, credit hours for the remedial class should be the same as for the comparable full-credit class. If you're using credit hours, you can compare the number of classroom and homework hours of study that the remedial course requires with the hours required for similar courses offered for full credit. Clock-hour schools should use the number of classroom hours attended in the remedial program.
34 CFR 668.20

Drug abuse hold
The Anti-Drug Abuse Act of 1988 includes provisions that authorize federal and state judges to deny certain federal benefits, including student aid, to persons convicted of drug trafficking or possession. The CPS maintains a hold file of those who have received such a judgment, and it checks applicants against that file to determine if they should be denied aid. This is separate from the check for a drug conviction via question 31; confirmation of a student in the drug abuse hold file will produce a rejected application and a separate comment from those associated with responses to question 31. See the ISIR Guide for more information.

- for correspondence work, a courseload commensurate with the definitions listed above, and at least half of that load must be non-correspondence coursework that meets half of the school's requirement for full-time students.

Your school must have a written policy stating what enrollment status the work portion of a co-op program is equivalent to. If it equals a full-time academic load, the co-op student is considered full time regardless of how many credits are earned for the co-op work.

A student taking only correspondence courses is never considered to be enrolled more than half time. See Volume 3 for more on Pell and enrollment status and correspondence courses.

If a student is enrolled in courses that do not count toward his degree, they cannot be used to determine enrollment status unless they are noncredit or remedial courses as described in the sidebar. This means you cannot award the student aid for classes that do not count toward his degree or certificate.

STUDENTS CONVICTED OF POSSESSION OR SALE OF DRUGS

A federal or state drug conviction can disqualify a student for FSA funds. The student self-certifies in applying for aid that he is eligible; you're not required to confirm this unless you have conflicting information.

Convictions only count if they were for an offense that occurred during a period of enrollment for which the student was receiving Title IV aid—they do not count if the offense was not during such a period. Also, a conviction that was reversed, set aside, or removed from the student's record does not count, nor does one received when she was a juvenile, unless she was tried as an adult.

The chart below illustrates the period of ineligibility for FSA funds, depending on whether the conviction was for sale or possession and whether the student had previous offenses. (A conviction for sale of drugs includes convictions for conspiring to sell drugs.)

	Possession of illegal drugs	Sale of illegal drugs
1st offense	1 year from date of conviction	2 years from date of conviction
2nd offense	2 years from date of conviction	Indefinite period
3+ offenses	Indefinite period	

If the student was convicted of both possessing and selling illegal drugs, and the periods of ineligibility are different, the student will be ineligible for the longer period.

A student regains eligibility the day after the period of ineligibility ends or when he successfully completes a qualified drug rehabilitation program. Further drug convictions will make him ineligible again.

Students denied eligibility for an indefinite period can regain it only after successfully completing a rehabilitation program as described below or if a conviction is reversed, set aside, or removed from the student's record so that fewer than two convictions for sale or three convictions for possession remain on the record. In such cases, the nature and dates of the remaining convictions will determine when the student regains eligibility. It is the student's responsibility to certify to you that she has successfully completed the rehabilitation program; as with the conviction question on the FAFSA, you are not required to confirm the reported information unless you have conflicting information.

When a student regains eligibility during the award year, you may award Pell, ACG, National SMART, and Campus-based aid for the current payment period and Direct and FFEL loans for the period of enrollment.

Standards for a qualified drug rehabilitation program

A qualified drug rehabilitation program must include at least two unannounced drug tests and must satisfy at least one of the following requirements:

- Be qualified to receive funds directly or indirectly from a federal, state, or local government program.
- Be qualified to receive payment directly or indirectly from a federally or state-licensed insurance company.
- Be administered or recognized by a federal, state, or local government agency or court.
- Be administered or recognized by a federally or state-licensed hospital, health clinic, or medical doctor.

If you are counseling a student who will need to enter such a program, be sure to advise the student of these requirements. If a student certifies that he has successfully completed a drug rehabilitation program, but you have reason to believe that the program does not meet the requirements, you must find out if it does before paying the student any FSA funds.

Incarcerated students
HEA Sec. 401(b)(8)
HEA Sec. 484(b)(5)
34 CFR 668.32(c)(2)

Conflicting information
34 CFR 668.16(b)(3) and (f)

INCARCERATED STUDENTS

A student is considered to be incarcerated if she is serving a criminal sentence in a federal, state, or local penitentiary, prison, jail, reformatory, work farm, or similar correctional institution (whether it is operated by the government or a contractor). A student is not considered to be incarcerated if she is in a half-way house or home detention or is sentenced to serve only weekends.

Gaining eligibility examples

Allen enrolls in a one-year certificate program at Sarven Technical Institute. Sarven won't officially admit Allen before he provides an academic transcript from his previous school, but it lets him start classes in the fall. Sarven receives Allen's transcript after he's attended for a month and officially admits him. He's still in his first payment period when admitted, so he can receive Pell and campus-based funds for his entire period of enrollment. The school can also use the program length of one year as the period of enrollment for which Allen can receive a loan.

Chavo is finishing his senior year in high school; his classes end June 4. He decides to start classes in the winter at Sarven Technical Institute on January 11. The second payment period begins on May 17. Chavo isn't eligible for aid when he first starts classes at Sarven. However, when he becomes eligible after June 4, Sarven can disburse Pell and campus-based funds to Chavo retroactively for the current payment period that started on May 17 (but not for the payment period that started in January) and a Stafford loan for the current period of enrollment, which does include the payment period that began in January.

Losing eligibility example

George is a student at Guerrero University. At the end of September, after the start of the fall term, he is convicted in a state court for possession of drugs. It is his first offense, and he isn't incarcerated, but he is ineligible for aid. Guerrero gave George his first Direct subsidized loan disbursement at the beginning of the semester in September and was going to disburse a Perkins loan to him in October. Now Guerrero can't disburse the Perkins loan. George doesn't have to pay back the first disbursement of his Direct loan, but he can't receive any more Title IV aid until one year elapses or he successfully completes a qualified drug rehabilitation program.

Incarcerated students are not eligible for FSA loans but are eligible for FSEOGs and FWS. They are also eligible for Pell grants if not incarcerated in a federal or state penal institution (see Chapter 6 for more information).

You may accept the student's written self-certification that he is no longer incarcerated.

CONFLICTING INFORMATION

In addition to reviewing data provided by the Department's application system and NSLDS (as discussed in the rest of this volume), your school must have an internal system to share information relevant to the student's eligibility, such as his academic standing. The FSA program regulations require a school to develop an adequate system to ensure the consistency of any data related to a student's application for federal student aid regardless of the source of that data. Your school is responsible for reconciling all inconsistencies that it receives with one exception: if the student dies during the award year, you aren't required to resolve conflicting information.

If your school has conflicting information for a student or you have any reason to believe his application is incorrect, you **must** resolve such discrepancies before disbursing FSA funds. If you discover a discrepancy after disbursing FSA funds, you must reconcile the conflicting information and require the student to repay any aid for which he wasn't eligible, unless he is no longer enrolled for the award year and will not re-enroll. Refer to the *Application and Verification Guide* and the *School Eligibility and Operations* volume for more information.

CHANGE IN STATUS

The student's eligibility status can change during the award year, which almost always affects whether the student can be paid. The special rules for changes in satisfactory academic progress status were discussed earlier in the SAP section.

Gaining eligibility

A student who *applies for aid* by filling out a FAFSA is eligible for aid for the entire award year. A student who *gains eligibility* is one who was previously ineligible for some reason. In general, when a student gains eligibility, she may receive Pell, ACG, National SMART, and Campus-based funds for the entire payment period and Stafford and PLUS loans for the period of enrollment in which she became eligible.

A student is eligible for Pell, ACG, National SMART, and Campus-based aid for the entire award year—not just the payment period—in which he becomes eligible by meeting the requirements for citizenship, valid Social Security number, or Selective Service registration.

Losing eligibility

A student cannot receive any federal student aid after losing eligibility for it, unless he qualifies for a late disbursement.

Eligibility Requirements for Specific Educational Programs

See *Volume 2: School Eligibility and Operations* for more information on the topics below. Note that a school may not refuse to provide FSA funds to a student because he is enrolled in correspondence or telecommunications courses unless the courses are not part of an eligible program.

Correspondence courses

A correspondence or "home study" course is one for which the school provides instructional materials and exams for students who don't physically attend classes at the school and who are studying independently. When a student completes a portion of the materials, he takes the related exam and returns it to the school for grading. If the course uses video cassettes or discs, it is a correspondence course unless the school provides the same instruction to students who physically attend the school that year. Because of the HERA, telecommunications courses are no longer considered correspondence courses.

A student enrolled in a correspondence course can only receive FSA funds if the course is part of a program that leads to an associate's, bachelor's, or graduate degree; if the program leads to a certificate, the student is not eligible for aid for that course. There are also restrictions regarding cost of attendance for correspondence courses; see Volume 3.

HEA Sec. 484(k), 34 CFR 600.2, 34 CFR 668.38

Telecommunications courses

These are courses offered principally through television, audio, or computer transmission through open broadcast, closed circuit, cable, microwave, or satellite; audio conferencing; computer conferencing; or video cassettes or discs. The purpose is to deliver instruction to students separated from the instructor and to support regular and substantive interaction between them. The term does not include a course delivered using video cassettes or discs unless it is delivered to students physically attending classes at a school providing the course during the same award year. If a course does not qualify as a telecommunications course, it is considered to be a correspondence course.

Students can receive Title IV aid for telecommunications courses under these conditions: the courses must belong to an eligible program, and the school must have the capability to effectively deliver distance education programs as determined by an accrediting agency that is recognized by the Department and that has the evaluation of distance education programs within the scope of its recognition. Short-term certificate programs of less than one year offered via telecommunications are eligible for Title IV aid, and they are not considered correspondence programs.

HEA Sec. 484(l), 34 CFR 600.2, 34 CFR 668.38

Students studying abroad

A student in a study-abroad program is eligible for aid if the program is approved for academic credit toward her degree by the eligible home school at which she is enrolled as a regular student. The home school must have a written agreement with the foreign school (or with another U.S. school that contracts with the foreign school) or a single written arrangement with a study-abroad organization to represent an agreement between the home school and the foreign school.

HEA Sec. 484(o), 34 CFR 668.39

Notes

Citizenship

CHAPTER 2

A student has to be a citizen or eligible noncitizen to receive FSA. In this chapter we describe how the student's FAFSA information is matched with citizenship records. We also describe immigration documents that you may have to collect to make sure that the student meets this requirement.

ELIGIBLE CATEGORIES

A student must be a citizen or eligible noncitizen to receive aid from the FSA programs. The general requirement for eligible noncitizens is that they be in the U.S. for other than a temporary purpose with the intention of becoming a citizen or lawful permanent resident, as evidenced by the United States Citizenship and Immigration Services (USCIS) in the Department of Homeland Security (DHS). The USCIS was briefly known as the Bureau of Citizenship and Immigration Services or BCIS, and before that it was the Immigration and Naturalization Service or INS. We use DHS throughout this chapter, and we also refer to USCIS since it is the actual agency that handles immigration matters and whose field offices you and your students might have to contact. The eligible statuses are:

- A U.S. citizen or national;
- A U.S. permanent resident;
- Citizens of the Freely Associated States: the Federated States of Micronesia and the Republics of Palau and the Marshall Islands;
- Other eligible noncitizens.

The Department of Education performs matches against the application to verify the student's citizenship status. In addition, there are procedures that you must follow to confirm a noncitizen's status through the DHS and SSA if the CPS matches don't confirm that status. A student's citizenship status only needs to be checked once during the award year; if the status is eligible at that time, it remains so for the rest of the award year.

Students who are eligible because they are citizens of certain Pacific Islands can only receive aid from some of the FSA programs (see "Citizens of the Freely Associated States" on p. 35). Students in the other categories may receive any federal student aid an eligible school

Citizenship issues

➔ U.S. citizens matched with Social Security Administration (SSA) database

➔ U.S. permanent residents matched against DHS records

➔ If the match fails after primary verification and automated secondary confirmation, the school must collect documentation and conduct manual secondary confirmation

Citizenship

HEA Sec. 484(a)(5),
34 CFR 668.32(d),
34 CFR 668.33,
and Subpart I of Part 668.

Documenting citizenship
34 CFR 668.33(c)

Data doesn't match example
Allen put in an incorrect number for his SSN when he completed his FAFSA. The number he used isn't in the SSA database. Therefore, his application fails both the SSN match and the SSA citizenship match. Allen will need to fix the problem before he can receive aid. Because the SSN is incorrect, Sarven Technical Institute asks Allen to complete a new FAFSA instead of making a correction (see Chapter 4 for more on fixing SSN problems).

in the United States offers. If they're attending foreign schools that participate in the FFEL Program, they may receive Stafford loans.

If a parent wants to take out a PLUS loan for a dependent undergraduate student, both the parent and the student must be U.S. citizens or nationals or eligible noncitizens.

U.S. CITIZEN OR NATIONAL

A person is a United States citizen by birth or by naturalization. Persons (except for the children of foreign diplomatic staff) born in the 50 states, the District of Columbia, and, in most cases, Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands are U.S. citizens, as are most persons born abroad to parents (or a parent) who are citizens. All U.S. citizens are considered to be U.S. nationals, but not all nationals are citizens: natives of American Samoa and Swain's Island are not U.S. citizens but are nationals and therefore may receive FSA funds (except ACG/National SMART grants).

Citizenship match with Social Security Administration (SSA)

All applications are automatically matched with Social Security records to verify name, date of birth, U.S. citizenship status, the Social Security number, and possible date of death (see Chapter 4). The result of this match is reported under SSA of the match flags on the ISIR and "SSA Citizenship Code" on the SAR.

If the student leaves the citizenship question on the FAFSA blank, the CPS will still attempt the citizenship match with the SSA. If there is a complete match with the student's Social Security number, name, date of birth, and U.S. citizenship, the CPS will determine the student to be a citizen. The CPS will reject the application for insufficient information if one or more of the items are not provided.

Note that U.S. citizens born abroad might fail the citizenship check with the SSA, unless they have updated their citizenship information (see "Updating status for citizens born abroad," page 20).

▼ *Successful match.* The SAR and ISIR won't have a comment if the match is successful, but a match flag will indicate that the student's status was confirmed.

▼ *Data doesn't match.* If the student's SSN, name, or date of birth, doesn't match Social Security records, the citizenship status can't be confirmed. A comment to this effect will be printed on the output document. The student should make the necessary corrections to the SSN, name, or date of birth (see Chapter 4 for a discussion of SSN match problems). When the corrections are sent to the CPS, the CPS performs the match again, and you must check the new results to see if the match confirmed the student's citizenship status.

If you have resolved the student's SSN problem but the match still doesn't confirm her citizenship, she can instead provide documentation of citizenship (see "Other documentation," page 19).

▼ *Citizenship not confirmed.* If the Social Security match doesn't confirm that the student is a citizen, the SAR and ISIR will include a comment explaining that the student either needs to provide documents proving citizenship or make a correction to show that she is an eligible noncitizen.

If the student is a citizen, he must give you documentation of his citizenship status. If it verifies that he is a citizen, you can disburse aid to him. Unlike the case of eligible noncitizens, you don't submit the documents to the DHS or any other agency for verification, but you do need to keep a copy in the student's file. The student should also contact the Social Security Administration to have it update its database—something all naturalized citizens should do—but he doesn't have to do this to receive aid. See "Other documentation" below.

If the student is an eligible noncitizen, she must submit a correction, which must include the Alien Registration Number or A-Number. When the correction is sent in, the CPS will attempt a match with DHS records to confirm the student's status.

Example: citizenship not confirmed

Chavo is a U.S. citizen, but SSA doesn't confirm his citizenship status. Sarven Technical Institute asks him to submit documentation of his status. Chavo first submits a Social Security card, but Sarven explains that the card doesn't document his status because noncitizens can have Social Security cards. Chavo then brings in his U.S. passport. Sarven makes a copy of the passport for its files, and tells Chavo his citizenship has been documented. Sarven also advises Chavo to have the SSA correct its database, so that he won't have this problem again.

Other documentation

If a student must prove his status as a citizen or national, you decide what documents are acceptable. The Department doesn't specify them, but here are documents you might choose to use:

- A copy of the student's birth certificate showing that she was born in the United States, which includes Puerto Rico (on or after January 13, 1941), Guam, the U.S. Virgin Islands (on or after January 17, 1917), American Samoa, Swain's Island, or the Northern Mariana Islands, unless the person was born to foreign diplomats residing in the U.S.

- A U.S. passport, current or expired, except limited passports (which are typically issued for short periods such as a year and which don't receive as much scrutiny as a regular passport when applying). In the case of nationals who are not citizens, the passport will be stamped "Noncitizen National."

- A copy of Form FS-240 (Consular Report of Birth Abroad), FS-545 (Certificate of birth issued by a foreign service post), or DS-1350 (Certification of Report of Birth). These are State Department documents.

- A Certificate of Citizenship (N-560 or N-561), issued by USCIS to individuals who derive U.S. citizenship through a parent.

- A Certificate of Naturalization (N-550 or N-570), issued by USCIS through a federal or state court, or through administrative naturalization after December 1990 to those who are individually naturalized.

Older versions of the Certificate of Citizenship and of the Certificate of Naturalization instruct the holder not to photocopy them. The

Social Security card and driver's license

A Social Security card or driver's license isn't acceptable for documenting citizenship or national status, since noncitizens and nonnationals can also have these forms of identification.

USCIS has advised the Department that these documents (and others) may be photocopied if done for lawful purposes (such as documenting eligibility for FSA funds).

Updating status for citizens born abroad

Students born abroad to U.S. citizens are also U.S. citizens, and their status is usually noted in the SSA's database when they receive an SSN. But rarely a student's citizenship might not be correct, and such a student (for example, one born on a military base abroad) will fail the citizenship match even if he has a Social Security number. He can contact the SSA to have its database corrected.

Such students can document citizenship by providing a "Consular Report of Birth Abroad" (Form FS-240, which is *proof* of U.S. citizenship) or a "Certification of Report of Birth" (Form DS-1350, which is *evidence* of U.S. citizenship and equivalent to a birth certificate). If the birth of the student was registered with the American consulate or embassy in a foreign country before he turned 18, he can receive a copy of one of these by sending a written, notarized request to the State Department at

Passport Services
Vital Records Section
1111 19th Street, NW, Suite 510
Washington, DC 20522-1705
(202) 955-0307

The student should provide his name given at birth, the date and location of birth, the parents' names, available passport information, a return address, and a daytime phone number. The signature and a copy of valid photo identification of the requester must be included. For form FS-240 the student also has to include the original form (to exchange it) or a signed, notarized affidavit that the original was destroyed or lost. The FS-240 is $30, and the DS-1350 is $30 plus $20 for each additional copy. This should be sent as a check or money order (no cash or foreign checks) payable to The Department of State. It will take four to eight weeks to receive the form.

If the student is over 18 and the birth wasn't registered, she can file a self-petition for a "Certificate of Citizenship" to any local USCIS office (Form N-600). Proof of the parents' U.S. citizenship at the time of the student's birth must be provided.

U.S. PERMANENT RESIDENTS AND OTHER ELIGIBLE NONCITIZENS

A lawful permanent resident (LPR) is a noncitizen who is legally permitted to live and work in the United States permanently. Other eligible noncitizens:

- **Refugees** are given indefinite employment authorization. Their status continues unless revoked by DHS or until lawful permanent resident status is granted, which refugees may apply for after one year.

- **Victims of human trafficking** have the same eligibility for federal benefits as refugees, though the Department of Health and Human Services (HHS), rather than the DHS, is responsible for certifying this status. Also, the spouse, child, or parent of such a victim may be eligible for Title IV aid. See DCL GEN-06-09.

- **Persons granted asylum** in the United States are also authorized for indefinite employment, and they can apply for permanent residence after one year. Asylee status continues unless revoked by DHS or until permanent resident status is granted.

- **Conditional entrants** are refugees who entered the United States under the seventh preference category of P.L. 89-236 or whose status was adjusted to lawful permanent resident alien under that category. Note that the DHS stopped using this category on March 31, 1980.

- **Persons paroled into the U.S. for at least one year** must provide evidence (such as having filed a valid permanent resident application) from the DHS that they are in the U.S. for other than a temporary purpose and intend to become a citizen or permanent resident.

- **Cuban-Haitian entrants** as defined by Section 501(e) of the Refugee Education Assistance Act (REAA) of 1980.

Some **non-eligible statuses** are:

- **Family unity status.** Such individuals have been granted relief from deportation under the Family Unity Program. Previously they were eligible for FSA funds.

- **Temporary residents** are allowed to live and work in the U.S. under the Legalization or Special Agricultural Worker program. Previously they were eligible for FSA funds.

- **Persons with non-immigrant visas,** who include those with work visas, students, visitors, and foreign government officials.

MATCH WITH DHS RECORDS

To verify the immigration status of U.S. permanent residents and other eligible noncitizens, the Department collects A-Numbers on the FAFSA. (The DHS assigns A-Numbers to all legal immigrants.) If the applicant indicates on the FAFSA that he is an eligible noncitizen and provides an A-Number, identifying information from the FAFSA is automatically sent to the DHS for "Primary Verification."

The results of the match are shown by a match flag in the FAA information section of the output document, under the heading "DHS" on the ISIR or "DHS Match Flag" on the SAR. There will also be a comment about the results on the output document.

The A-Number on the FAFSA and the DHS verification number
When the CPS matches with DHS records, a 15-digit verification number is assigned to the student and printed in the "FAA Information" section of the SAR and ISIR. This number is needed for paper secondary confirmation with the DHS (see "Secondary Confirmation") and is reported in box 5 of the G-845 form. **If the student does not provide an A-Number on the FAFSA, the match can't be made and the student won't receive a DHS verification number.** The student's information should be resubmitted with the A-Number so that a computer match may be attempted because the school won't be able to check the student's status through the secondary process unless it has a DHS verification number.

Because all applications are matched with SSA records, an application that is matched with DHS records will also be matched with citizenship information from the SSA. Results from the DHS match take precedence over any results from the SSA match, so the latter's citizenship match flags won't appear on the output document. You should follow the usual procedures for resolving any DHS match discrepancies.

If a student leaves the citizenship question blank but provides an A-Number, the CPS will assume the applicant is an eligible noncitizen and will attempt to match the A-Number with DHS records. If the student leaves both the citizenship question and A-Number blank, the CPS won't match with DHS records and will reject the application. The student must submit a correction with the citizenship status and A-Number if he is an eligible noncitizen.

▼ *Successful match.* If the match confirms the student's immigration status, then he can receive aid if the other eligibility criteria are also met. The SAR and ISIR with the successful match results are documentation of the student's eligibility. Of course, if you have other information about his status that seems to contradict the successful match result, you must resolve the conflict before paying the student (see "Conflicting Information" in Chapter 1).

▼ *Not enough information.* If the student said she was an eligible noncitizen but provided either no A-Number or an illegible or invalid one, the match won't be attempted. Instead, the student will receive a C code and a comment stating that there's a question about the A-Number and directing her to provide the school with documentation of her eligibility. Compare the document with the SAR/ISIR; if appropriate, the student should correct the A-Number and resubmit it so that the match can be conducted.

Note that the same will apply to citizens of the Marshall Islands, the Federated States of Micronesia, and Palau because such students won't have A-Numbers to report. However, these students aren't required to provide proof of eligible noncitizen status.

▼ *Status not confirmed.* If the match was conducted but didn't confirm the student's status, the discrepancy must be resolved before you pay him. (First make sure that his alien registration number and date of birth are correct.) To confirm he is eligible for FSA funds, his record will have to pass through a subsequent process called secondary confirmation.

AUTOMATED SECONDARY CONFIRMATION

If the database match with immigration records doesn't confirm a student's claim to be an eligible noncitizen, the DHS will automatically check if it has documentation that determines the student's citizenship. If this automated process confirms a student's eligible noncitizen status, the process obviates the manual or paper secondary confirmation that uses the G-845 form.

The CPS will wait for up to three days to give the DHS time to conduct the automated secondary confirmation. If after three days the DHS has not been able to confirm the student's citizenship status, the CPS will process SARs and ISIRs with a secondary confirmation match flag value of "P," meaning that the procedure is still in progress. Once the DHS finishes the confirmation, the CPS will generate SARs and ISIRs reporting the results.

The school should wait at least five but no more than 15 business days for the result of automated secondary confirmation. If the result has not been received by that time, the school must begin the paper process.

A correction made while the DHS is conducting the automated secondary confirmation will start the process over, i.e., the correction will be sent through primary confirmation. Though unlikely, if the new primary confirmation match yields a "Y," the transaction can be used to award aid. A correction made to a transaction that contains secondary confirmation results of "Y" or "C" (or a transaction with a primary confirmation result of "Y") will not be sent through the DHS citizenship match again. Otherwise the record will be re-sent for matching.

Automated secondary confirmation comment codes

"Y": citizenship status confirmed. The student is eligible for aid.

"C": in continuance. The DHS has not yet been able to confirm that the student is an eligible noncitizen. The school is encouraged but not required to wait ten business days for another ISIR with an updated match result. If there is no update, the school begins the paper (G-845) secondary confirmation process.

"N": citizenship not confirmed. The DHS did not confirm the student's citizenship status as eligible. The school should begin paper secondary confirmation.

"X": DHS needs more information. The school should begin paper secondary confirmation.

PAPER SECONDARY CONFIRMATION

If the student didn't pass automated secondary confirmation or if you have conflicting information about his immigration status, you must use paper secondary confirmation. The student has to give you unexpired documentation showing that he is an eligible noncitizen. If you determine the evidence is not convincing, he isn't eligible for FSA funds. However, if the documentation appears to demonstrate that he is an eligible noncitizen, you must submit it to the USCIS (in the DHS) to confirm it is valid. One exception to this applies to victims of human trafficking, as noted below.

School policies on secondary confirmation

34 CFR 668.134

Documents that establish aid eligibility

The standard document for a **permanent resident** of the United States is the Permanent Resident Card (Form I-551 since 1997) or Resident Alien Card (Form I-551 before 1997). Both forms are referred to colloquially as "green cards," though they are not green. Permanent residents holding the older Alien Registration Receipt Card (Form I-151, issued prior to June 1978) should have replaced it with a newer card, but for receiving FSA funds it remains acceptable as evidence of permanent residence.

Permanent residents may also present an Arrival/Departure Record (CBP Form I-94) or the new Departure Record (Form I-94A, which is used at land border ports of entry) with the endorsement "Processed for I-551. Temporary Evidence of Lawful Admission for Permanent Residence. Valid until _____. Employment Authorized." The form will have an A-Number annotated on it and is acceptable if the expiration date has not passed.

Status not confirmed example
On his original application Hector didn't give his A-Number and reported that he was a citizen. When the SSA didn't confirm this, Hector told the FAA at Guerrero University that he was a permanent resident. He made a correction, but the USCIS didn't confirm his status as an eligible noncitizen. He explained to the FAA that he had applied for permanent resident status but didn't have documentation yet. The FAA told him that when he had documentation that his application was approved, he should bring it to Guerrero so that it could be submitted to the USCIS for confirmation.

Conditions requiring secondary confirmation
34 CFR 668.133(a)

Use of copy of I-94 or I-94A
Note that a refugee or an asylee may apply for permanent-resident status. During the period in which the application is being reviewed, the student may have a copy of the I-94 that includes the endorsement "209a (or 209b) pending. Employment Authorized." Students with this form of documentation are eligible for FSA funds as long as the I-94 has not expired.

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

The U.S. Department of State issues a machine readable immigrant visa (MRIV) in the holder's passport. The MRIV will have a U.S. Customs and Border Protection (CBP) inspector admission stamp, and the statement "UPON ENDORSEMENT SERVES AS TEMPORARY I-551 EVIDENCING PERMANENT RESIDENCE FOR 1 YEAR" will appear directly above the machine readable section. An MRIV with this statement, contained in an unexpired foreign passport and endorsed with the admission stamp, constitutes a temporary I-551, valid for one year from the date of endorsement on the stamp.

The USCIS now issues the United States Travel Document (mint green cover), which replaces the Reentry Permit (Form I-327) and the Refugee Travel Document (Form I-571). It is used by lawful permanent residents (as well as refugees and asylees) and is annotated with "Permit to Reenter Form I-327 (Rev. 9-2-03)."

For classes of eligible noncitizens other than permanent residents, evidence of their status typically is on the I-94, but other documents are also acceptable.

- **Refugees** may have a Form I-94 or I-94A annotated with a stamp showing admission under Section 207 of the Immigration and Nationality Act (INA). They may also have the old Refugee Travel Document (Form I-571) or the new U.S. Travel Document mentioned above annotated with "Refugee Travel Document Form I-571 (Rev. 9-2-03)."

- **Victims of human trafficking** are entitled to the same benefits as refugees under the Victims of Trafficking and Violence Protection Act (VTVPA). Because this status is certified by the HHS and not the DHS, these students will not pass the DHS match, and the normal paper secondary confirmation does not apply. You must instead review the student's certification or eligibility letter from the HHS and call the Office of Refugee Resettlement at 1-866-401-5510, as noted on the letter, to verify its validity and confirm that the eligibility has not expired. You must note the date, time, and results of the call and retain a copy of the letter. If the student applies for federal student aid in a subsequent year at your school, you must call again to ensure that the student's status is still in force.

  The spouse, child, or parent of a trafficking victim might be eligible for aid. He will not have a certification letter but will have a T-visa (e.g., T-2 or T-3). He will also fail the DHS match, so you must call the same office as above, verify the validity of his T-visa as well as the victim's certification letter, note the time and results, and save a copy of both documents.

- **Asylees** will have an I-94 or I-94A with a stamp showing admission under Section 208 of the INA. They may also have the same travel documents described under refugees above.

- **Conditional entrants** will have a stamp indicating the student has been admitted to the United States as a conditional entrant. Because the DHS stopped using this category after March 31, 1980, you should not disburse FSA funds if the student has an I-94 with conditional entrant status granted after that date.

- **Parolees** must have a stamp indicating that the student has been paroled into the United States for at least one year, with a date that has not expired. (Federal student aid cannot be disbursed after the document has expired.)

- **Cuban-Haitian entrants** will have a stamp across the face of the I-94 indicating that the student has been classified as a "Cuban-Haitian Entrant (Status Pending). Reviewable January 15, 1981. Employment authorized until January 15, 1981." Note that a document showing that the holder is a Cuban-Haitian entrant is valid even if the expiration date has passed.

As of January 2005, the above stamps use red and blue security ink: the date of admission is red, and the rest of the stamp is blue. The stamp contains three codes: the first is a two-digit code to the left of the date that designates the field office with jurisdiction over the port of entry. On most stamps this code will be two numbers and no letters. Letters are currently only used on HQ stamps. The three-letter code located under the word "ADMITTED" shows the port of entry. The third code, to the right of the date, is the stamp's unique four-digit number. When referring to a particular stamp, the port of entry code and the stamp's unique number should be used.

You must always examine and copy original documents, and you must keep in the student's file a copy of the immigration documentation he submits, along with the secondary confirmation results received from the USCIS. While copying immigration documents is generally not permitted, you may legally photocopy documents he uses as proof of his immigration status (such as Forms I-551 or I-94) for a lawful purpose such as applying for Federal Student Aid.

The endorsement or stamp can be placed anywhere on the I-94. If the original stamp does not copy well due to the ink color, you should replicate it by hand on the photocopy. Because DHS Customs and Border Protection (CBP) offices don't have uniform procedures or stamps, you should contact the local office with questions regarding acceptable immigration documents.

Special circumstances

If the student has an I-551 with a baby picture, she should update the I-551 with the USCIS. Permanent residents are expected to get a new picture and be fingerprinted at the age of 14. However, you can submit the documents to USCIS and ultimately pay a student who has an I-551 with a baby picture as long as you can confirm that the I-551 belongs to the student. You can confirm this by comparing the I-551 to a current photo ID that has the student's name, date of birth, and signature. The current photo ID must also be consistent with any

Jay Treaty

There is one unusual circumstance where you will need to collect documentation from the student without requiring secondary confirmation. The Jay Treaty of 1794 (as well as subsequent treaties and U.S. immigration law) gives Canadian-born Native Americans with "50% Indian blood" the legal right to live and work in the United States. Such individuals are not subject to the legal restrictions typically imposed on aliens by the DHS, are not required to obtain documentation from the DHS, and are considered "lawfully admitted for permanent residence." They also are permitted to have an SSN, which they must enter on the FAFSA.

Because few FSA applicants are eligible under the Jay Treaty, the FAFSA does not include a separate response for such students. Therefore, any student eligible for FSA funds through the Jay Treaty should report that he or she is an "eligible noncitizen" and fill in "A999999999" for the A-Number. The student will fail the match and a comment 144 will be printed on the output document. The school must obtain proof that the student has 50% Native American blood and was born in Canada. To do so, the student should provide one or more of the following documents:

- A "band card" issued by the Band Council of a Canadian Reserve, or by the Department of Indian Affairs in Ottawa;

- Birth or baptism records;

- An affidavit from a tribal official or other person knowledgeable about the applicant's or recipient's family history;

- Identification from a recognized Native American provincial or territorial organization.

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

identifying information that you keep in the student's file.

A student who has an approved application for permanent residence on file with the USCIS and who is waiting for a permanent resident card may not have proof of her permanent resident status. She should contact her local USCIS office for the passport stamp or I-94 stamp described at the end of this chapter, as these are available to a student before the normal permanent resident documentation is issued. Note that an **application** for permanent resident status is not sufficient for determining eligibility for FSA funds.

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

An alien who is granted conditional permanent resident status will be given a Form I-551. This is the same I-551 that is issued to regular permanent residents, except that the card for a conditional permanent resident expires in two years, as opposed to ten years for the regular card. A conditional permanent resident must file a petition for removal of this restriction in the 90 days before the end of the two years. The USCIS will review the petition and, if the result of the review is satisfactory, drop the restriction and issue new documents. Conditional permanent residents holding a valid I-551 are eligible to receive FSA funds until the expiration date.

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

Documents showing ineligible statuses

If the document a student submits is for a noneligible status, you shouldn't submit the documentation for secondary confirmation. The USCIS can only confirm whether or not the documentation is genuine; it doesn't determine whether the student is eligible for FSA funds. Unless the student can submit documentation for an eligible status, as described above, the student can't receive aid.

An approved "Application for Voluntary Departure Under the Family Unity Program," indicates that the student has been granted relief from deportation under the Family Unity Program. Students with this status are no longer eligible for aid.

The Immigration Reform and Control Act of 1986 (IRCA) established a legalization program (also called the amnesty program) for certain illegal aliens. The alien might eventually be granted perma-

nent resident status. Although these individuals were given documentation that allowed them to work while their application was being processed, they aren't eligible for aid until their application for permanent resident status is approved. Documents such an individual might have in the interim are the Employment Authorization Card (Form I-688A), Employment Authorization Documents (Form I-688B or the I-766), or the Temporary Resident Card (Form I-688). None of these documents qualifies the student for FSA eligibility.

A student with a nonimmigrant visa isn't eligible for FSA funds unless he or she has a Form I-94 with one of the endorsements listed earlier. Nonimmigrant visas include the F-1, F-2 or M-1 Student Visa, B-1 or B-2 Visitor Visa, J-1 or J-2 Exchange Visitors Visa, H series or L series Visa (which allow temporary employment in the U.S.), or a G series Visa (pertaining to international organizations). Also, someone who has only a "Notice of Approval to Apply for Permanent Residence (I-171 or I-464)" cannot receive FSA funds.

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

Using the G-845 for secondary confirmation

To initiate paper secondary confirmation, you must complete a Form G-845 and send it to the USCIS field office for your area within ten business days of receiving the student's documentation. The G-845 ("Immigration Status/Document Verification Request") is a standard form that asks the USCIS to confirm a noncitizen's immigration status. Because the form was revised recently, the order of the responses below has changed, but the categories of eligible noncitizens have not changed. See the electronic announcement dated 12/28/06 on the **www.ifap.ed.gov** website for more information about the differences between the old and new forms and to download a copy of the new form. The guidance below is for the new version.

To complete the G-845, fill in each item on the top half of the form. You must enter the A-Number in box 1. **For box 5 you must provide the 15-digit DHS verification number that is printed on the SAR and ISIR. Secondary confirmation requests without this number will be returned unprocessed.** "Education Grant/Loans/Workstudy" must be marked in box 8, "Benefit." Also, at the bottom of box 8 write "SSN" in the space marked "Other" and the student's SSN in the space next to it. You must write your name as the submitting official and your school's name as the submitting agency.

Photocopies of the front and back sides of the student's immigration document must be attached to the G-845. Be sure to submit each pertinent visa and immigration document along with the form; the G-845 submitted by itself can't be used to determine FSA eligibility. A student who lost documents or surrendered them when entering prison is responsible for getting copies of them before the G-845 is

Contacting the USCIS/DHS

Send the G-845 to the USCIS field office that serves your area. Because the USCIS is consolidating its offices that process the form, the one you send the form to will not necessarily be the closest. It will depend on the state or territory, and sometimes the county, in which your school is located. The USCIS will provide a list at **www.uscis.gov** of the field offices that are processing the G-845 and the states (and occasionally counties) that they serve. As of this publishing, however, the information is not available on that website but is available on the Department's site at **www.ifap.ed.gov**. See the electronic announcement of April 11, 2007, for complete instructions and for a copy of the new G-845 form.

Purpose of the G-845 form

The status verifier at the USCIS field office will note on the G-845 form you submit on behalf of your student what immigration status the student's documentation suggests. **The form does not directly state whether the student is eligible for Title IV aid.** To determine that, you must check the result of the status check as it appears on the G-845 against the information on eligible noncitizen statuses provided in this chapter.

School policies and procedures on secondary confirmation
34 CFR 668.134–135

submitted. (See "Replacing Lost DHS Documents" on p. 36.) You can request copies of immigration documents directly from penal institutions at the request of the student. Send the completed G-845 and attachments to the field office serving the prison's locale.

Determining eligibility if USCIS response is late
34 CFR 668.136(b)

Noncitizens may also present other pertinent documents, such as marriage records or court orders, that indicate the identity or United States residency of the holder. Although these documents may not serve as adequate proof of immigration status, copies of them should be submitted with the G-845, as they may be useful to the status verifier.

A status verifier at the district USCIS office will search the student's record to confirm his immigration status, complete the "USCIS Response" section, and send the G-845 back to your office, generally within ten working days of receipt. We recommend that you document any mailings to the USCIS and, if you haven't heard back, that you call its office to make sure the G-845 was received. If you don't receive a response from the USCIS after at least 15 business days from the date you sent the G-845, if you have sufficient documentation to make a decision, and if you have no information that conflicts with the student's documents or claimed status, you shall review his file and determine whether he meets the eligible noncitizen requirements. If he does meet the requirements, make any disbursement for which he is eligible and note in his file that USCIS exceeded the time allotment and that noncitizen eligibility was determined without their verification.

When secondary confirmation results in an eligible status, you must keep the G-845. If the confirmation process indicates a discrepancy, you must ask the student to correct the discrepancy with the USCIS. No certification of loans or further disbursement of funds can be made until the discrepancy is corrected. If the discrepancy isn't reconciled, the student must repay all aid except wages earned under FWS. Whenever the student is able to provide new information, it must be submitted to the USCIS on a new G-845.

As long as you have followed the procedures outlined here, including notifying the student of the discrepancy and withholding further payments and loan certifications as soon as a discrepancy is found, your school isn't liable for aid disbursed prior to secondary confirmation. This assumes that you had no other conflicting information prior to making the disbursement and had reviewed the available documentation and concluded that the student was otherwise eligible.

Interpreting the USCIS response

The status verifier will mark one or more of the checkboxes on the G-845. The following list explains whether checking a box means the student is eligible. In reviewing the completed G-845, bear in mind that it reflects the student's most recent status with the USCIS and may show a different status than the documentation presented by the student. In this case, you should verify that both documents identify the same person. If they do, the status on the G-845 should be used since it is more current.

1. "**Lawful Permanent Resident alien** of the United States." Block #1 is checked when the document submitted is determined to be a valid I-551, I-151, I-94, I-94A, U.S. Travel Document annotated with "Permit to Reenter Form I-327 (Rev. 9-2-03)," or a passport with an MRIV bearing the statement "Upon endorsement serves as temporary I-551 evidencing permanent residence for 1 year." A student with this status is eligible for FSA.

2. "**Conditional Resident alien** of the United States." The document is determined to be a valid I-551, I-94, I-94A, or a passport with an MRIV bearing the statement "Upon endorsement serves as temporary I-551 evidencing permanent residence for 1 year." A student with this status is eligible for FSA.

3. "**Refugee** under Section 207 of the INA." This is checked when an alien has been granted refuge in the United States. Documentation presented may include a Form I-94 or I-94A stamped with "Section 207-Refugee," a Refugee Travel Document (Form I-571), or the new U.S. Travel Document annotated with "Refugee Travel Document Form I-571 (Rev. 9-2-03)." A student with this status is eligible for aid.

4. "**Asylee** under Section 208 of the INA." This is checked when an alien has been granted asylum in the United States. Documentation presented may include a Form I-94 or I-94A stamped with "Section 208-Asylee," a Refugee Travel Document (Form I-571), or the new U.S. Travel Document annotated with "Refugee Travel Document Form I-571 (Rev. 9-2-03)." A student with this status is eligible for aid.

5. "Alien **paroled** into the United States pursuant to Section 212(d)(5) of the INA ..." This is checked for parolees, of which there are a few eligible classes. Documentation may include Form I-94 or I-94A stamped with "Section 212(d)(5)—Parolee." The student is eligible for aid if paroled into the U.S. for one year or more (the corresponding subsidiary box must be checked) and if he has evidence from the DHS (such as having filed a valid permanent resident application) that he is in the U.S. for other than a temporary purpose and intends to become a citizen or permanent resident.

6. "Alien who is a **Cuban/Haitian** entrant as defined by Section 501(e) of the REAA of 1980." This is checked for Cubans who entered the United States illegally between April 15, 1980 and October 10, 1980 and Haitians who entered the country illegally before January 1, 1981. A student with this status is eligible for aid.

7. "Alien who is a **conditional entrant**." This is checked for conditional entrants under the old provisions of P.L. 89-236.

Documents may include Form I-94 stamped with "Section 203(a)(7)." Persons who fall into this category had to have entered the U.S. prior to the enactment of the Refugee Act of 1980. A student with this status is eligible for aid.

8. "Alien who is a **nonimmigrant**." This is checked to indicate an alien who is temporarily in the United States for a specific purpose. This category includes students, visitors, and foreign government officials. Documents presented may include the I-94 or I-94A. Students with this status aren't eligible for aid.

9. "Alien who has an **application pending** for:" This is checked when an alien is waiting for a new immigration status or a change of immigration status. If a change of status is pending, the appropriate block indicating the current status will also be checked elsewhere on the G-845. A pending application for an immigration status doesn't by itself make the student eligible for FSA funds; he must have an eligible status checked on the form or provide other documentation of an eligible status.

10. "**U.S. citizen.**" This is new to the G-845 form. Because the verification request is used to check the status of immigrants, this box should be infrequently checked, and you should not see this in the financial aid office because, as explained earlier in the chapter, you would have reviewed the student's documentation, and if it showed him to be a U.S. citizen, you would not have submitted it to the USCIS.

11. "Alien **authorized employment** as indicated below:" This indicates the expiration date or that there is no expiration. Employment authorization by itself doesn't mean that the student is eligible for FSA funds. Unless some other eligible status is also checked or the student can provide other documentation that can be confirmed by the USCIS, the student isn't eligible for aid.

12. "Alien not authorized employment in the United States." This block is checked when an alien's status prohibits employment in the United States. Students with this status aren't eligible for aid.

Citizenship and Immigration Services will initial and stamp the front of the G-845 in the signature block.

The comments block on the back of the G-845 provides further instructions for boxes that are checked:

13. "The document is not valid because it appears to be ..." This and the appropriate subsidiary box are checked when the document has expired, been revoked, or when it appears to be counterfeit or altered. Notify the student that unless

OMB No. 1653-0032; Expires 06/30/08

Department of Homeland Security
U.S. Citizenship and Immigration Services

G-845, Immigration Status/ Document Verification Request

Section A. -*To be completed by the submitting agency.*

To: U.S. Citizenship and Immigration Services (USCIS)

Attn: Status Verifier

From: Typed or Stamped Name and Address of submitting Agency

(USCIS may use above address with a No. 20 window envelope.)

1. Alien Registration Number or I-94 Number

2. Applicant's Name (Last, First, Middle)

3. Citizenship/Nationality

4. Date of Birth (mm/dd/yyyy)

5. Verification Number

6. ☐ Photocopy of Document Attached.
(If printed on both sides, attach a copy of the **front and back** .)

7. ☐ Other Information Attached *(Specify documents.)*

8. *(Benefit)*	(Your Case Number)
☐ Education Grant/Loans/Workstudy	
☐ Food Stamps	
☐ Housing Assistance	
☐ Medicaid/Medical Assistance	
☐ TANF	
☐ Unemployment Insurance	
☐ **Other** *(specify)*	

9. Name of Submitting Official

10. Title of Submitting Official

11. Date (mm/dd/yyyy)

12. Telephone Number ( )

For U.S. Department of Labor Use Only: ☐ Provide 18-months of employment authorization document history data under **No. 19,** "Other" on **Page 2**.

Section B. -*To be completed by USCIS.*

USCIS RESPONSES: From the documents or information submitted and/or a review of our records, we find that:

The person identified is a/an:

1. ☐ **Lawful Permanent Resident alien** of the United States.

2. ☐ **Conditional Resident alien** of the United States.

3. ☐ **Refugee** under Section 207 of the INA.

4. ☐ **Asylee** under Section 208 of the INA.

5. ☐ Alien **paroled** into the United States pursuant to Section 212(d)(5) of the INA as indicated below:

a. ☐ For a period of one year or more.

b. ☐ For a period of less than one year.

6. ☐ Alien who is a **Cuban/Haitian** entrant as defined by Section 501(e) of the REAA of 1980.

7. ☐ Alien who is a **conditional entrant**.

8. ☐ Alien who is a **nonimmigrant.**
(Specify type or class and admitted to date.)

9. ☐ Alien who has an **application pending** for:
(Specify USCIS benefit below.)

10. ☐ **U. S. citizen.**

11. ☐ Alien **authorized employment** as indicated below:

a. ☐ No Expiration (Indefinite).

b. ☐ Expires on: _____ (mm/dd/yyyy)

12. ☐ Alien not authorized employment in the United States.

☐ **See Page 2 for additional comments.**

USCIS Stamp

Form G-845 (Rev. 01/06/06) Y

Section B. *(Continued.)*

USCIS Comments

13. ☐ The document is not valid because it appears to be *(Check all that apply.)*:

- ☐ **a.** Expired *(Provide expiration date - mm/dd/yyyy.)* _____
- ☐ **b.** Altered.
- ☐ **c.** Counterfeit.
- ☐ **d.** Revoked *(Provide revocation date - mm/dd/yyyy.)* _____

14. ☐ The attached Form I-551, Permanent Resident Card or Resident Alien Card, has expired. The card does not indicate that the alien's status has expired. The expiration date on the Form I-551 indicates the card has expired and must be renewed. Please refer the applicant to their local USCIS Application Support Center for a replacement card.

15. ☐ Continue to process as legal alien. USCIS is searching indices for further information.

16. ☐ Copy of document is not readable. *(Resubmit request.)*

17. ☐ No determination can be made without seeing a copy of both sides of the document submitted. *(Resubmit request.)*

18. ☐ Unable to process request without an original consent of disclosure statement signed by the applicant. *(Resubmit request.)*

19. ☐ Other (Provide comments. *Attach additional sheet of paper, if necessary.)*

Instructions

- **Submit a copy of the *front and back* of the alien's original immigration documentation.**
- **Make certain a *complete return address* has been entered in the "From" portion of the form.**
- The Alien Registration Number ("A" Number) is the letter "A" followed by a series of seven, eight or nine digits. The number found on Form I-94 may also be recorded in the block. (Check the front and back of the Form I-94 document. If the "A" Number appears, record that number when requesting information, instead of the longer admission number, because the "A" Number refers to the most integral record available.)
- If Form G-845 is submitted without a copy of the applicant's original immigration documentation, it will be returned to the submitting agency without any action taken.
- Address this verification request to the local office of the U.S. Citizenship and Immigration Services.

corrective action is taken with the USCIS, the case will be submitted to the Office of Inspector General (OIG). Until this is resolved, no further aid may be disbursed, awarded, or certified. If the student does not take corrective action in a timely manner, you must report the case to the OIG.

Procedures when ineligibility is determined after disbursement
34 CFR 668.136(c)

14. "The attached Form I-551, Permanent Resident Card or Resident Alien Card, has expired. The card does not indicate that the alien's status has expired. The expiration date on the Form I-551 indicates the card has expired and must be renewed. Please refer the applicant to their local USCIS Application Support Center for a replacement card." Students whose LPR card has expired are still lawful permanent residents, and if there are no other problems, they remain eligible for aid and should not be reported to the OIG.

Lack of response example
Mikko is a refugee and received aid from Guerrero University for the 2007–08 school year. His status wasn't confirmed through the DHS match, so Guerrero had to perform secondary confirmation. The DHS didn't respond in time, so Guerrero paid Mikko without any response. When Mikko applies for 2008–09, the CPS still doesn't confirm his status. Even though Guerrero began secondary confirmation for Mikko last year and his documents haven't expired, because the school never received a DHS response, it must perform secondary confirmation again.

15. "Continue to process as legal alien. USCIS is searching indices for further information." This block is checked if the USCIS is withholding judgment, pending further investigation on the status or validity of documentation. This statement doesn't imply that the applicant is an illegal alien or the holder of fraudulent documentation. Benefits shouldn't be denied on the basis of this statement.

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

16. "Copy of document is not readable." Resubmit the G-845 with higher quality copies of the original documentation.

17. "No determination can be made without seeing a copy of both sides of the document submitted." Resubmit the G-845 with copies of both sides of each document.

18. "Unable to process request without an original consent of disclosure statement signed by the applicant." Ignore this comment; it does not apply to federal student aid applicants.

Student rights

You must allow the student at least 30 days from the time you receive the output document to provide documentation of his immigration status. During this period and until the results of the secondary confirmation are received, you can't deny, reduce, or terminate aid to him. If the documentation supports the student's status as an eligible noncitizen, and if at least 15 business days passed since the date on which the documentation was submitted to the USCIS, you can

disburse aid to an otherwise eligible student pending the USCIS response.

Your school isn't liable if you erroneously conclude that a student is an eligible noncitizen, provided that you had no conflicting data on file and you relied on:

- a SAR or ISIR indicating that the student meets the requirements for federal student aid,
- a USCIS determination of an eligible immigration status in response to a request for secondary confirmation, or
- immigration status documents submitted by the student, if the USCIS did not respond in a timely fashion.

The student (or parent borrower of a PLUS loan) is liable for any FSA funds received if he is ineligible. If you made your decision without having one of these types of documents, your school is held responsible for repaying FSA funds to the Department.

Your school should establish procedures to ensure due process for the student if FSA funds are disbursed but the aid office later determines (using secondary confirmation) that the student isn't an eligible noncitizen. The student must be notified of his ineligibility and given an opportunity to contest the decision by submitting to your school any additional documents that support his claim to be an eligible noncitizen. If the documents appear to support the student's claim, you should submit them to USCIS using paper secondary confirmation. You must notify the student of your office's final decision, based on the secondary confirmation results.

For every student required to undergo secondary confirmation, you must furnish written instructions providing:

- an explanation of the documentation the student must submit as evidence of eligible noncitizen status;
- your school's deadline for submitting documentation (which must be at least 30 days from the date your office receives the results of the primary confirmation);
- notification that if the student misses the deadline, he may not receive FSA funds for the award period or period of enrollment; and
- a statement that you won't decide the student's eligibility until he has a chance to submit immigration status documents.

CITIZENS OF THE FREELY ASSOCIATED STATES

Students who are citizens of the Freely Associated States—the Federated States of Micronesia and the republics of Palau and the Marshall Islands—are eligible for Pell grants (citizens of Palau are also eligible for FWS and FSEOG under conditions described in the margin note) but are not eligible for FSA loans. They should indicate on the FAFSA that they are eligible noncitizens and leave the A-Number item blank. If the student doesn't have an SSN, he enters 888 and ED will give him a number to use, or if he was given a number in the previous year, he should use that. Because he isn't giving an A-Number, his application won't go through the DHS match. As long as his file contains consistent information on his citizenship, you aren't required to collect documentation.

The Freely Associated States
The Compact of Free Association (P.L. 99-239) created three political entities from the former Trust Territory of the Pacific Islands. Two of these entities, the Marshall Islands and the Federated States of Micronesia, voted in 1986 to end political ties with the United States. The third entity, Palau, voted to ratify the compact in 1994; its independence was effective October 1, 1994. These three entities are the Freely Associated States. 34 CFR 600.2

Citizens of the Freely Associated States whose application was sent through FAA Access to CPS Online may indicate that they are eligible noncitizens, and their state of legal residence will be confirmed. If they are determined to be residents of the Freely Associated States, they won't be required to provide an A-Number.

No FSEOG and FWS
The Compact of Free Association Amendments Act of 2003, or the Compact Act, eliminates eligibility for citizens of the Republic of the Marshall Islands (RMI) and the Federated States of Micronesia (FSM) for FSEOG and FWS funds. To mitigate this loss, the Compact Act authorizes Supplemental Education Grants (SEGs) that may be awarded to the FSM and RMI. For more information, students of the FSM and RMI should contact their local education authority. Also under the Compact Act, students who are citizens of the Republic of Palau will continue to be eligible for FWS and FSEOG through the 2009–10 year.

DOCUMENTING IMMIGRATION STATUS IN LATER AWARD YEARS

There are several cases in which you must document a student's immigration status in a subsequent award year if that student again is not confirmed through the application process.

For example, a student who presented a Temporary Form I-551 in a prior award year should have received a permanent I-551 by the next year and shouldn't still have a temporary card. You should refer the student to USCIS to obtain a permanent I-551 or an updated endorsement on the previous card. The documents should also be submitted to USCIS on a G-845.

You must also document the eligible noncitizen status each award year for a conditional permanent resident, a refugee, a Cuban-Haitian entrant, or a person granted asylum. Students in any of these categories may have been redesignated to permanent-resident status or may have had their statuses revoked. You will have to send the documents for secondary confirmation if the student's status isn't confirmed through the USCIS match.

You don't have to document a student's eligible noncitizen status in subsequent award years if you've documented that the student is a U.S. citizen or national, is a citizen of the Freely Associated States, or has a Form I-551 or I-151.

Exclusion from subsequent secondary confirmation
34 CFR 668.133(b)

In addition, you aren't required to perform secondary confirmation if for a previous award year it showed that the student was an eligible noncitizen and the documents used for that secondary confirmation haven't expired. You must also have no conflicting information or reason to doubt the student's claim of having eligible noncitizen status. Also note that you must have **confirmed the status** in a previous

award year. (Although you can disburse aid without the USCIS response if the USCIS doesn't respond in time, you can't count that lack of response as confirmation for the following year.)

REPLACING LOST DHS DOCUMENTS

If a student can't locate his official USCIS documentation, the student must request that the documents be replaced because noncitizens who are 18 years and older must have immigration documentation in their possession at all times while in the United States. Requests for replacement documents should be made to the USCIS District Office that issued the original documents.

The student will be asked to complete a Form I-90, "Application to Replace Alien Registration Card" or a Form I-102, "Application for Replacement/Initial Nonimmigrant Arrival-Departure Document." PDF versions of these forms can be downloaded from the USCIS web site at **www.uscis.gov**. A temporary I-94 may be issued while the replacement documents are pending.

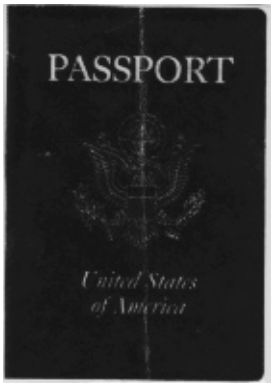
In cases of undue hardship, where the student urgently needs documentation of his status, the Freedom of Information Act (FOIA) allows him to obtain photocopies of the documents from the USCIS District Office that issued the original documents. The student can submit a Form G-639 to make this request or can simply send a letter to the district office. If he is not sure which district office issued the original documents, he can submit the request to the field office nearest to his place of residence.

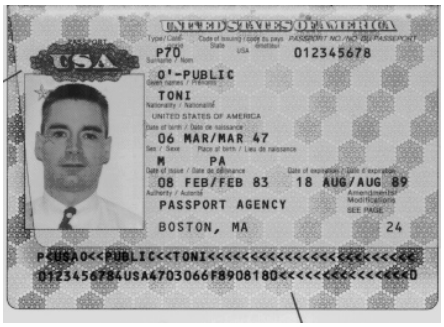
CITIZEN NOT BORN IN U.S./NONCITIZEN NATIONAL

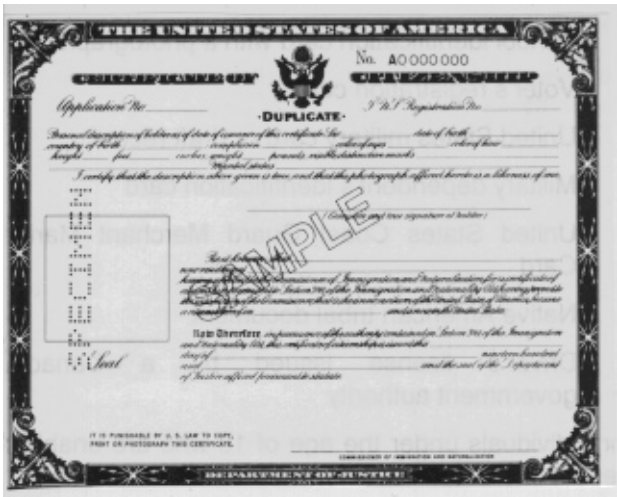
U.S. Passport

Can be used to document citizenship for citizen born abroad.

For a noncitizen national, must be stamped "Noncitizen National." (Note that a passport issued by another country may be used to document permanent resident status if it has the endorsement "Processed for I-551" and has a currently valid expiration date.)







Certificate of Citizenship

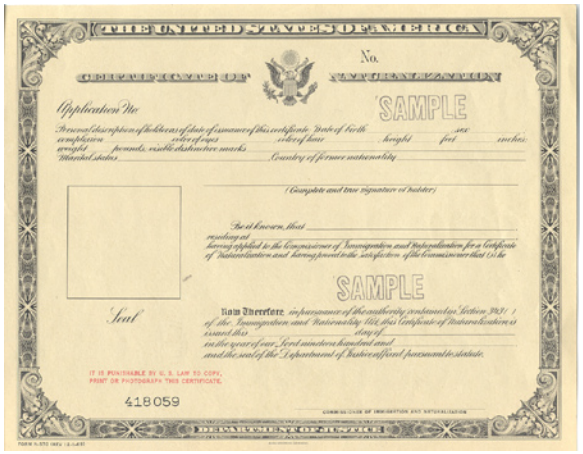
The Certificate of Citizenship is issued to persons who were born abroad of U.S. parent(s), who became citizens when their parents were naturalized, or who were adopted by U.S. parents.

Certification of Birth Abroad

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

Certificate of Naturalization

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


THE UNITED STATES OF AMERICA

No.

CERTIFICATE OF NATURALIZATION

SAMPLE

Application No.

Seal

Now Therefore, in pursuance of the authority contained in Section 338 of the Immigration and Nationality Act, this Certificate of Naturalization is issued this day of in the year of our Lord nineteen hundred and and the seal of the Department of Justice affixed pursuant to statute.

IT IS PUNISHABLE BY U. S. LAW TO COPY, PRINT OR PHOTOGRAPH THIS CERTIFICATE.

418059

SAMPLE

DEPARTMENT OF JUSTICE

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

THE UNITED STATES OF AMERICA

No. 00000000

CERTIFICATE OF NATURALIZATION

Personal description of holder as of date of naturalization:

Date of birth:

Sex:

Height: feet inches

Marital status:

Country of former nationality:

I.N.S. Registration No.

I certify that the description given is true, and that the photograph affixed hereto is a likeness of me.

(Complete and true signature of holder)

Be it known that, pursuant to an application filed with the Attorney General

at:

The Attorney General having found that:

SPECIMEN

then residing in the United States, intends to reside in the United States when so required by the Naturalization Laws of the United States, and had in all other respects complied with the applicable provisions of such naturalization laws and was entitled to be admitted to citizenship, such person having taken the oath of allegiance in a ceremony conducted by the

(SECURELY AND PERMANENTLY AFFIX PHOTOGRAPH HERE)

(A SEAL WILL BE IMPRESSED TO AT TO COVER A PORTION OF THE LOWER EDGE OF THE PHOTOGRAPH)

at: on:

that such person is admitted as a citizen of the United States of America.

IT IS PUNISHABLE BY U. S. LAW TO COPY, PRINT OR PHOTOGRAPH THIS CERTIFICATE, WITHOUT LAWFUL AUTHORITY.

Commissioner of Immigration and Naturalization

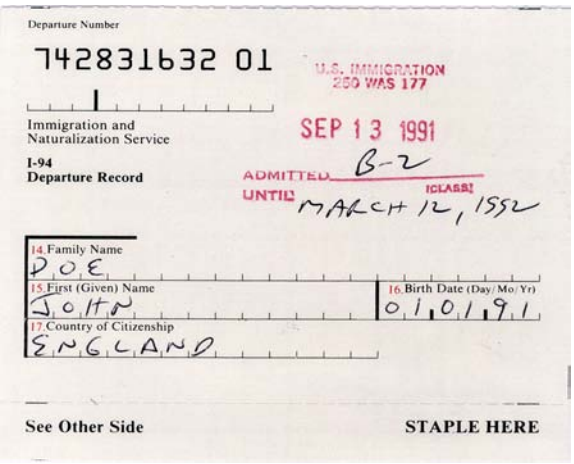
DEPARTMENT OF JUSTICE

PERMANENT RESIDENT/OTHER ELIGIBLE NONCITIZEN

I-94 Arrival-Departure Record

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

For other eligible noncitizens, must be stamped as Refugee, Asylum Status, Conditional Entrant (before April 1, 1980), Parolee, or Cuban-Haitian Entrant. *See pp. 23–25.*


Departure Number

742831632 01

U.S. IMMIGRATION
250 WAS 177

Immigration and Naturalization Service

SEP 13 1991

I-94
Departure Record

ADMITTED B-2
(CLASS)
UNTIL MARCH 12, 1992

14. Family Name
DOE

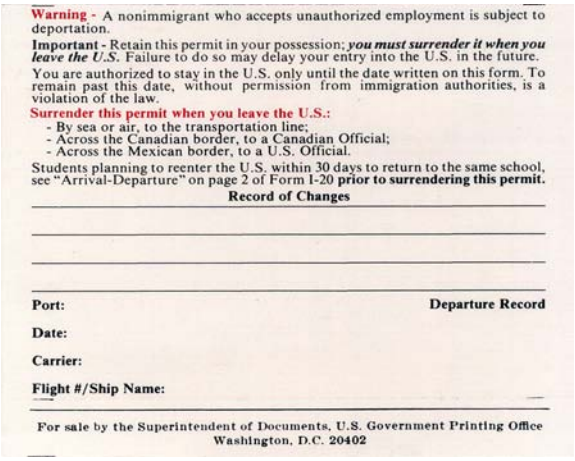
15. First (Given) Name
JOHN

16. Birth Date (Day/Mo/Yr)
01 01 91

17. Country of Citizenship
ENGLAND

See Other Side

STAPLE HERE


Warning - A nonimmigrant who accepts unauthorized employment is subject to deportation.

Important - Retain this permit in your possession; ***you must surrender it when you leave the U.S.*** Failure to do so may delay your entry into the U.S. in the future.

You are authorized to stay in the U.S. only until the date written on this form. To remain past this date, without permission from immigration authorities, is a violation of the law.

Surrender this permit when you leave the U.S.:
- By sea or air, to the transportation line;
- Across the Canadian border, to a Canadian Official;
- Across the Mexican border, to a U.S. Official.

Students planning to reenter the U.S. within 30 days to return to the same school, see "Arrival-Departure" on page 2 of Form I-20 **prior to surrendering this permit.**

Record of Changes

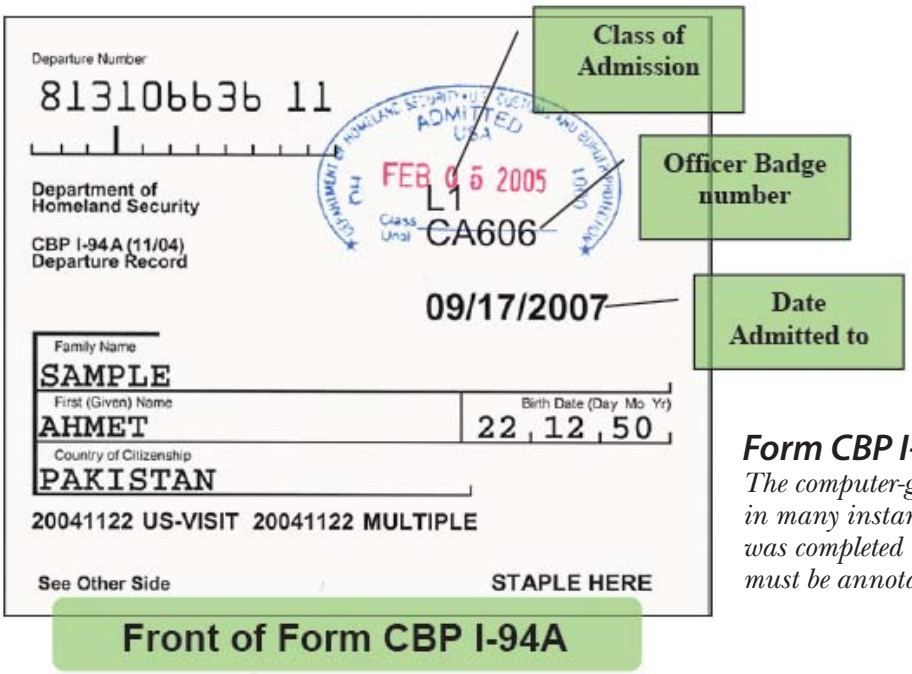
Port: **Departure Record**

Date:

Carrier:

Flight #/Ship Name:

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402



Front of Form CBP I-94A

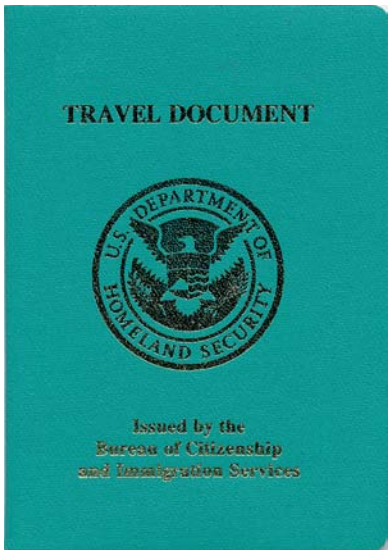
Form CBP I-94A

The computer-generated Form CBP I-94A replaces—in many instances, but not all—the Form I-94 that was completed manually. For eligible noncitizens, it must be annotated as described on pages 23 and 24.

United States Travel Document

(front cover)

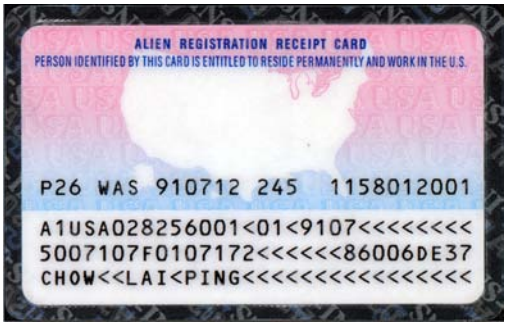
This replaces the Reentry Permit (Form I-327) and the Refugee Travel Document (Form I-571). It is used by lawful permanent residents, refugees, and asylees and will be annotated as described earlier in the chapter.

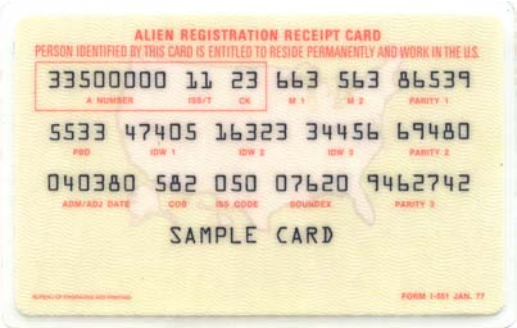


Machine Readable Immigrant Visa (MRIV)

The MRIV will appear in the holder's (foreign) passport. If the passport is unexpired and endorsed with an admission stamp and the statement "Upon endorsement serves as temporary I-551 evidencing permanent residence for 1 year," it serves as a temporary I-551 and as valid documentation for establishing aid eligibility.

PERMANENT RESIDENT

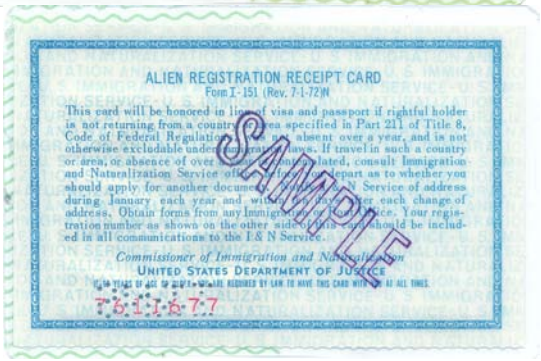




Alien Registration Receipt Card I-151

(two versions, front and back)

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

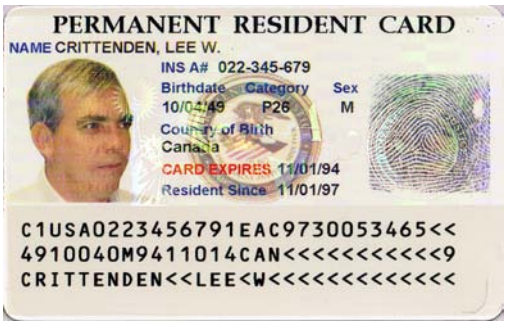


Resident Alien Card I-551

(three versions, front only)

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

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



NSLDS Financial Aid History

CHAPTER 3

Students who have previously attended other colleges may have a financial aid history that affects their eligibility for FSA funds at your school. You can review a student's financial aid history by using the National Student Loan Data System (NSLDS, online at ***www.nsldsfap.ed.gov****; for questions call 1-800-999-8219). NSLDS will also help you track changes to the student's financial aid history through the postscreening and transfer student monitoring processes.*

A person generally isn't eligible for FSA funds if he is in default on an FSA loan or he owes an overpayment on an FSA grant or loan and he has not made a repayment arrangement for the default or overpayment. Also, for a parent to receive a PLUS Loan, neither the parent nor the student may be in default or owe an overpayment on an FSA loan or grant (though a parent in default on a PLUS loan does not make a student ineligible for aid). Exceptions to these general rules are noted in the discussion below.

Any student applying for FSA funds must certify that he isn't in default on any FSA loan and doesn't owe an overpayment on any FSA grant, or that he has made satisfactory arrangements to repay the overpayment or default. This certification statement is printed on the *Free Application for Federal Student Aid* (FAFSA).

A student is also ineligible if she inadvertently exceeded annual or aggregate loan limits. She can regain eligibility by repaying the extra amount borrowed or making arrangements, satisfactory to the loan holder, to repay it. See Volume 5.

A student who has been convicted of, or has pled no contest or guilty to, a crime involving fraud in obtaining Title IV aid must have completely repaid the fraudulently obtained funds to the Department or the loan holder before regaining aid eligibility. Any Perkins, FFEL, or Direct loan so obtained is not eligible for rehabilitation. You can handle this requirement as you would a judgment lien below: you don't need to collect certification from each student but can deal with the situation when you become aware of it.

Finally, a student is ineligible if his property is subject to a judgment lien for a debt owed to the United States, and a parent can't receive a PLUS loan if either the student or parent is subject to such a lien. For example, if the Internal Revenue Service (IRS) had placed a lien on a student's property for failure to pay a federal tax debt or make satisfactory arrangements for repayment, the student would be ineligible for federal student aid.

FSA loans

- ➔ FFEL and Direct Stafford loans, subsidized and unsubsidized
- ➔ FFEL and Direct PLUS loans (for parents)
- ➔ FFEL and Direct graduate/professional student PLUS loans
- ➔ FFEL and Direct consolidation loans
- ➔ Federal Perkins loans (including National Direct Student loans and National Defense Student loans)
- ➔ Loans formerly known as Guaranteed Student loans, Income Contingent loans (ICL), SLS, and FISL

Federal default and debt

HEA Sec. 484(a)(3), 484(f),
34 CFR 668.32(g), 668.35

Loan limits and eligibility

See Volume 3 for loan limits
HEA Sec. 484(f),
34 CFR 668.32(g)(2), 668.35(d)

Financial aid history

34 CFR 668.19
Dear Colleague Letter GEN-96-13;
Federal Register notice
September 16, 1996

Judgment lien example
When Charlotte provides her parents' tax return to the aid administrator at Brandt College, he notices that they've reported business income, but didn't report a business asset on the FAFSA. Charlotte explains that they didn't report the business as an asset because there's a lien against the business for a federal loan. The aid administrator tells her that the asset must still be reported, and also that her parents won't be able to borrow a PLUS Loan as long as they are subject to the lien.

When the FAFSA is processed, the Central Processing System (CPS) matches the student against the National Student Loan Data System (NSLDS) to see if she is in default, owes an overpayment, or has exceeded the loan limits. The CPS doesn't perform any matches to determine whether or not the student is subject to a judgment lien for a federal debt, and you aren't required to check for such liens. However, if you know that she is subject to such a lien, you can't pay her Title IV funds.

NSLDS MATCH

To help you identify students with problems such as defaulted loans or overpayments, the CPS matches the student's FAFSA information with her financial aid history in the NSLDS database. You must resolve any conflicts between NSLDS and other information you have about the student before disbursing Title IV aid, for example, if NSLDS shows that a student isn't in default but you have documentation showing that she is in default.

The results of the NSLDS match are provided on the SAR and ISIR on the NSLDS Financial Aid History page. As with other matches, a "C" next to the student's EFC indicates problems that must be resolved. See Appendix B of the ISIR Guide for the complete tables of NSLDS match results.

Adding a school and the NSLDS match
When a school is added to the FAFSA, the application goes through the NSLDS match again rather than be processed in real time. This ensures that the new school receives the latest financial aid history on the ensuing transaction. This does not affect schools' responsibility to use transfer student monitoring. See page 25 of the Summary of Changes for the Application Processing System posted as an electronic announcement on the IFAP website on 11/25/05.

Successful match

The SAR and ISIR will contain the NSLDS financial aid history 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 and no C code will appear on the output document. A match flag of 2, 3, or 4 indicates that the student has defaulted loans or owes an overpayment or both. You will need to document that the problem has been resolved before disbursing aid, as already noted.

Note that for "real-time" processing—if a student uses Corrections on the Web or an FAA uses FAA Access to CPS Online—the CPS does not match against the NSLDS database (except when a school is added, see the margin note), but the output document will show NSLDS data from the last transaction that did match against NSLDS.

No data from match

There are several reasons why an output document may not have financial aid history information: for example, if the application was rejected for lack of a signature or if identifying information was missing. For other cases, you can check the NSLDS flags reported in the "FAA Information" section.

▼ *Partial match.* If the student's SSN is in the NSLDS database, but the first name and date of birth don't match what the student reported, no financial aid history will be reported and the output document will have an NSLDS match flag of "7" and a C code. There

will also be a comment explaining why the financial aid history isn't given and directing the student to work with the school to resolve any discrepancies. A partial match **requires resolution**; otherwise you won't have information from the Department on defaults and overpayments.

If the student originally reported incorrect identifying information, you can have her submit correct information, which will be sent through the match again.

You can also access NSLDS online and use the reported SSN to determine if the record belongs to the student by considering whether other information you have about the student is consistent with the NSLDS data. For example, if the name reported on the application is a nickname and the name in NSLDS is the actual name, you may assume that the record is the student's and use the NSLDS data to confirm the student's eligibility. Or if you know that the student attended a particular school in a particular award year, and NSLDS shows aid received at that school in that year, you may assume that the record belongs to the student. If you discover the discrepancy is due to the student misreporting the name or date of birth on the FAFSA, you should have the student make a correction. However, you may use the NSLDS record to determine the student's eligibility; you don't need to wait for the corrected data to be reported.

If you find that the financial aid history associated with the student's SSN doesn't belong to the student, you should assume that the student has no relevant financial aid information. You may also contact NSLDS or the agency that reported someone else's data using the student's SSN, but you aren't required to do so. See Dear Colleague Letter GEN-96-13 for further discussion.

▼ *Student not in database.* If a match with NSLDS is completed but there's no information on the student in the database, then no financial aid history can be provided. The output document will have a comment explaining that the student's SSN is not associated with any financial aid history. You can thus assume that she has no financial aid history unless you have conflicting information. If a loan history should exist, help the student by contacting the lender (for FFEL) or the Direct Loan Servicing Center.

▼ *No relevant history.* If a student's SSN matches a record in the NSLDS database but there's no relevant financial aid history information to report, then no information will be on the output document. For example, no data would be reported if the only information for a student was for a Pell grant received in the previous year because that information isn't needed to determine the student's eligibility for aid for the current year. The SAR and ISIR will have a comment explaining that the student's record was matched with NSLDS, but no information was found to print on the NSLDS page.

▼ *Processing problem.* If there was a problem with the match, the SAR and ISIR won't include financial aid history information. The

Example of misreported information on the FAFSA

When Sarven Technical Institute (STI) receives Tod's ISIR, it shows that there was a discrepancy with the NSLDS database, and so no financial aid history information is provided. The FAA asks Tod if he provided the correct name and birth date on the application. Tod says he wrote in the wrong month for his birth date, but his name is correct. The FAA checks the NSLDS database using Tod's first name, SSN, and date of birth. NSLDS shows the correct birth date, but the first name of the student is Warren, not Tod. STI checks again with Tod, and this time he explains that Tod is a nickname and Warren is his real name. STI determines that the financial aid history associated with the SSN belongs to Tod. It could disburse aid without requiring a correction, but Tod has other corrections to make, so Sarven will wait for the correction before disbursing aid.

Example of incorrect NSLDS data

Lydia is a first year undergraduate at Bennet College, and has never attended college before. When Bennet receives Lydia's ISIR, it shows that there was a partial match, and there's some data associated with her SSN. Bennet checks NSLDS directly, and it shows that a lender is reporting a loan made ten years ago (when Lydia was in elementary school) under her SSN, but with a completely different name and birth date. Bennet determines that this isn't Lydia's loan, and so she has no financial aid history in NSLDS. Bennet also suggests to Lydia that she should contact the lender and ask them to correct the NSLDS data so it doesn't cause problems for her later on.

Targeted alert process

The preamble to the November 1, 2001 regulations explains why a separate transfer student monitoring process was developed: if the ISIR were used to provide this information, "every school that the student listed on the FAFSA would be required to receive an updated ISIR every time new disbursements were reported to NSLDS, including the school that reported those disbursements."

Note that transfer student monitoring will not send unnecessary alerts to your school when you report award changes that you have made—it only alerts you about changes to the student's financial aid history at other schools.

See the preamble to November 1, 2001 General Provisions amendments FR Volume 65, No. 212, page 65669.

output document will have a C code and a comment explaining that the CPS couldn't determine whether the student has loans in default and will direct the student to contact the financial aid administrator. You must get the student's financial aid history before disbursing aid. If the student has to make corrections of any kind, the FAFSA information will go through the match again when the corrections are submitted, and you can use the results of that match to determine the student's eligibility.

Postscreening—changes after initial match

Once you have received the financial aid history through NSLDS, you aren't required to check for changes to the data before you disburse funds to the student. However, if you learn from NSLDS or another source that he was not or is no longer eligible, you must not deliver or disburse any more FSA funds and must help make sure he arranges to repay the aid for which he wasn't eligible.

NSLDS uses a postscreening process to let you know when there are significant changes (such as a defaulted loan or an overpayment) to a student's financial aid history. If postscreening identifies changes that may affect the student's eligibility, the CPS will generate new output documents so that schools that are listed for receipt of the student's FAFSA information will automatically be notified. Items that have changed since the last transaction are marked on the output document with a "#" sign, and the reason code for the postscreening will be given.

To help you identify when NSLDS data has changed, the document will include an NSLDS transaction number in the "FAA Information" section with the other match flags. This is the number of the last transaction on which NSLDS data changed, so if you receive an output document on which that number is higher than the one on the document you used to determine the student's eligibility, you must review the NSLDS data on the new document to be sure there are no changes affecting the student's eligibility. There will be postscreening codes to help determine what changed.

CHECKING THE FINANCIAL AID HISTORY FOR TRANSFER STUDENTS

Before disbursing Title IV funds, you **must** obtain a financial aid history for a student who has received aid at another school, and you must inform NSLDS about the transfer student so that you can receive updates through the Transfer Student Monitoring Process. The financial aid history is used to identify students who are ineligible for any Title IV aid due to default or overpayment on an FSA grant or loan, or for aid from a particular Title IV program because they've reached that program's annual or aggregate limit.

▼ *Transfer student monitoring process.* You must send NSLDS identifying information for students transferring to your school so that NSLDS can notify you of changes to their financial aid history. You may send information for students who have expressed an interest in

attending your school even if they have not yet formally applied for admission.

Through transfer student monitoring, NSLDS will alert you to any relevant changes in the transfer student's financial aid history—other than the default and overpayment information reported in the post-screening process—that may affect the student's current award(s). There are three steps: inform, monitor, and alert.

- You **must** identify students who are transferring to your school by creating a list of transfer students on the NSLDS website or by sending the list to NSLDS as an electronic batch file through SAIG. You may use either method, both methods, or alternate between methods. A change in method used does not require prior notification to NSLDS's customer service center. To begin using the "Inform" feature, you must first sign up at **www.fsawebenroll.ed.gov** for the Transfer Student Monitoring/Financial Aid History (TSM/FAH) batch service. Then you must designate a school contact on the School Transfer Profile Page (**www.nsldsfap.ed.gov**) prior to creating any Inform records. The School Transfer Profile tells NSLDS who will be submitting Inform files from or on behalf of your school and how your school wants to receive an alert notice.

- NSLDS will monitor these students for a change in financial aid history that may affect their current awards and alert you when: a new loan or grant is being awarded, a new disbursement is made on a loan or grant, or a loan or grant (or a single disbursement) is cancelled. Note that defaulted loans and overpayment information are not monitored in the Transfer Student Monitoring Process, as they are already covered in the current postscreening process. If the student has not listed your school in Step Six when filing the FAFSA, he has to add your school in order for you to receive the postscreening information.

- Finally, if changes are detected for one or more of your students and NSLDS creates an alert, it will also send an e-mail notification reminder to the address given on the School Transfer Profile setup page. Your school's designated contact person may then either review the alert list on the NSLDSFAP website or download a batch file, if batch alerts were requested, through SAIG in report or extract format.

▼ *Reviewing the student's financial aid history.* If a student transfers to your school during the award year, you'll need to review the student's NSLDS financial aid history on the ISIR or on-line at the NSLDS website. Using the Financial Aid History, you can determine:

- Whether the student is in default or owes an overpayment on an FSA loan or grant;

- The student's scheduled Pell grant and the amount already disbursed for the award year;

Transfer student monitoring process

Through this process for checking the eligibility of transfer students, you may either check the student's financial aid history on the NSLDS website for professionals, or wait seven days after you've submitted the student's information for monitoring to receive an alert if data has changed. NSLDS issues alerts weekly.

NSLDSFAP
www.nsldsfap.ed.gov

Dear Partner Letters GEN-00-12 and GEN-01-09

How to get the student's financial aid history.

There are several ways for you to get a student's financial aid history from NSLDS. You can:

- use the NSLDS Financial Aid History section of the ISIR,
- log on to NSLDS directly and access the data online for an individual student,
- for multiple students, use the FAT 001 Web report, which you submit on the NSLDS website (you retrieve the results through SAIG), or
- send a batch TSM/FAH Inform file to request aid history data for several students, which will be returned in either extract or report format through SAIG.

The TSM/FAH processes and batch file layouts are posted on the IFAP website at the NSLDS reference materials link.

Resolving grant overpayments
Because Title IV grants have priority in packaging, aid overpayments can often be resolved by adjusting other types of aid in the package. If necessary, you can also adjust later grant payments for the same award year. But if a student receives more grant money than she is eligible for and the excess can't be offset, then she must return the overpayment. As noted at the beginning of the chapter, a student with an outstanding Title IV grant overpayment is ineligible for aid until she repays it or makes satisfactory repayment arrangements. See Volume 5 for a complete discussion.

- ACG and National SMART grants for a student's grade level and the amount already disbursed;
- The student's balance on all FSA loans; and
- The amount and period of enrollment for all FSA loans for the award year.

Usually the financial aid history on the ISIR will be enough, but there are cases where you might check NSLDS for more information. For example, if the student has more than six loans, the ISIR won't have detailed information for some of the loans. If you need that level of detail for those loans, you can get the information from NSLDS. Or, as discussed previously, you might need to use NSLDS to resolve a partial match situation (see "Partial match," page 40).

▼ *Timing of the disbursement.* To pay the student you'll need to have an output document and an accurate EFC. A valid ISIR will include that and the student's financial aid history, and it will also tell you if he is in default or owes an overpayment. The postscreening process will send you another ISIR if he subsequently goes into or out of default or owes or ceases to owe an overpayment.

When you initiate transfer monitoring for a student, NSLDS will alert you to significant award changes since you last received an ISIR or alert for her; this will continue until 90 days after the enrollment begin date. If you start transfer monitoring before you receive ISIRs for a student, NSLDS will track changes in her financial aid history from the date of your request or a future monitoring begin date you choose.

The regulations state that a school may not make a disbursement to the student for seven days following the transfer monitoring request to NSLDS, unless it receives an earlier response from NSLDS or checks the student's current financial aid history by accessing NSLDS directly. Therefore, it's usually a good idea to submit the student's name to NSLDS for monitoring as soon as possible, even if he has not yet decided to enroll at your school.

▼ *Consequences when a transfer student subsequently is found to be ineligible for all or part of an aid disbursement.* If the school has followed the proper procedures for obtaining financial aid history information from NSLDS, it is not liable for any overpayments if the student's situation subsequently changes. However, the student will be liable for the overpayment in this situation, and you may not pay the student further FSA funds until the overpayment is resolved. (See *Volume 5* for information on resolving overpayments.)

Refusing or reducing loans
HEA Sec. 479A(c):
"On a case-by-case basis, an eligible institution may refuse to certify a statement that permits a student to receive a loan under part B or D [the FFEL and DL programs respectively], or may certify a loan amount or make a loan that is less than the student's determination of need (as determined under this part), if the reason for the action is documented and provided in written form to the student. No eligible institution shall discriminate against any borrower or applicant in obtaining a loan on the basis of race, national origin, religion, sex, marital status, age, or disability status."

EFFECT OF BANKRUPTCY OR DISABILITY DISCHARGE

A student who has filed bankruptcy or had a loan discharged for disability might need to provide additional documentation before receiving aid.

Bankruptcy

A student with an FSA loan or grant overpayment that has been discharged in bankruptcy remains eligible for FSA loans, grants, and work-study (NSLDS loan status code BC for loans that did not default and status code DK or OD for loans that defaulted prior to the bankruptcy discharge). A borrower doesn't have to reaffirm a loan discharged in bankruptcy in order to be eligible. The Bankruptcy Reform Act of 1994 prohibits denial of aid based solely on filing for bankruptcy or having a debt discharged in a bankruptcy.

A borrower who lists a defaulted FSA loan or grant overpayment in an active bankruptcy claim is eligible for further FSA funds if the borrower provides you with documentation from the holder of the debt stating it is dischargeable (NSLDS loan status code DO).

A borrower who includes a non-defaulted FSA loan in an active bankruptcy claim, so that collection on the loan is stayed, is eligible for aid as long as he has no loans in default (including the stayed loan).

Total and permanent disability discharge

Perkins, Stafford, and PLUS loan borrowers can have their loans discharged for a total and permanent disability. There is a three-year conditional period beginning the day the borrower became totally and permanently disabled and during which she will not have to pay on the loan. If she meets the disability discharge requirements for those three years, the loan will be discharged.

If a borrower whose loan is discharged wishes to take out another FSA loan, he must obtain a physician's certification that he has the ability to engage in substantial gainful activity, and he must sign a statement that he is aware the new FSA loan can't later be discharged for any present impairment unless it deteriorates so that he is again totally and permanently disabled. If the prior loan was conditionally discharged and three years haven't elapsed, the student must also sign a statement affirming that collection will resume on the old loan (which must begin before receipt of the new loan) and that unless his condition substantially deteriorates, the old loan can't be discharged in the future for any impairment present when he began the conditional discharge or when he tried to get the new loan. If a defaulted loan was conditionally discharged and payment resumed on it, the student must make satisfactory repayment arrangements before receiving the new loan. A conditionally discharged defaulted loan remains in default until it is permanently discharged at the end of the three-year period.

Total and permanent disability discharge

Perkins: 674.61(b)
FFEL: 682.402(c)
DL: 685.213
Dear Colleague Letter GEN-02-03

Total and permanent disability

The condition of an individual who is unable to work and earn money because of an injury or illness that is expected to continue indefinitely or result in death.

Substantial gainful activity

The phrase "substantial gainful activity" generally describes a situation in which a borrower is sufficiently physically recovered to be capable of attending school, successfully completing a program of study, and securing employment in order to repay the new loan the borrower is seeking. If a physician's certification does not appear to support this status, the school should contact the physician for clarification.

RESOLVING DEFAULT STATUS

A student in default on an FSA loan can't receive further Title IV aid until she resolves the default, which she can do in a few ways.

▼ *Repayment in full (including consolidation).* A student can resolve a default by repaying the loan in full and thereby regain eligibility for FSA funds (loan status code DP). If the student and the loan holder agree on a compromised amount for settling a loan, or if the school

Example: documenting loan "paid in full"
Eddy had a Stafford loan as an undergraduate that went into default while he was out of school. When he applies for financial aid so he can go to graduate school, his ISIR shows that the loan is still in default. Eddy tells the aid administrator at Guerrero University that he paid off the loan last year. The aid administrator asks Eddy to bring in a letter from the guaranty agency documenting that the loan has been paid and advises Eddy that he should ask the guaranty agency to update his status in NSLDS.

writes off a regulatorily permissible amount, and the student repays the amount, that also counts as paying the loan in full (loan status code DC). If a defaulted loan is successfully consolidated, then it is also counted as paid in full (loan status code DN). However, if the loan holder simply writes off the entire loan, the loan isn't paid in full, and the student remains ineligible for Title IV funds [loan status code DW, though there is no code for a Perkins write-off, which does not make a student ineligible; see 34 CFR 674.47(h)].

The student regains eligibility whether repayment was completed voluntarily or involuntarily (that is, through IRS offset or wage garnishment). A student who has repaid her defaulted loan in full is eligible for aid if the repayment was voluntary. However, you *can* still consider the default to be evidence of a student's unwillingness to repay loans and deny the student Perkins loans. If the repayment was involuntary, you *should* consider the default as such evidence and deny the student Perkins loans (see *Volume 6*).

Other ways of re-establishing eligibility for Perkins loans
A provision in the Perkins Loan Program reestablishes the borrower's eligibility if she meets any of the conditions that would remove her Perkins loan from the school's cohort default rate. This provision only allows the borrower to regain eligibility for Perkins loans, not the other FSA programs. See Volume 6.

If a student has paid a defaulted loan in full but the SAR and ISIR have a comment showing that he is ineligible because of the default, the student must give you documentation proving that the loan has been paid in full.

▼ *Satisfactory repayment arrangements.* A student in default on an FSA loan can be eligible for Title IV aid if he has made repayment arrangements that are satisfactory to the loan holder. After the student makes six consecutive, full, voluntary payments on time, he regains eligibility for Title IV funds (loan status code DX). Voluntary payments are those made directly by the borrower and do not include payments obtained by federal offset, garnishment, or income or asset execution. Note that a student may regain eligibility for aid under this option only one time.

Satisfactory repayment and rehabilitation
HEA Sec. 428F(a) and (b), 464(h)(1) and (2)
General Provisions: 34 CFR 668.35(a)(2)
Perkins: 34 CFR 674.9(j), 674.39
FFEL: 34 CFR 682.200(b), 682.405
DL: 34 CFR 685.102(b), 685.211(f)

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

Rehabilitation example
Eric makes the nine payments required for rehabilitation of his defaulted loan. His original lender isn't handling student loans anymore, so the guarantor finds another lender to purchase the loan. It takes the guarantor three months to arrange the purchase, and Eric needs to keep making the agreed-on payments on time. Once the new lender has the rehabilitated loan, Eric can apply for an in-school deferment.

▼ *Loan rehabilitation.* Although a student can regain eligibility for all FSA funds by making satisfactory repayment arrangements, the loan is still in default. After the student makes more payments, the loan may be rehabilitated, that is, it won't be in default anymore, and the student will have all the normal loan benefits, such as deferments. The HERA changed rehabilitation so that now a loan is rehabilitated once the borrower makes nine full, voluntary payments on time (no later than 20 days after the due date) within 10 consecutive months. See *Volume 6* for more information on rehabilitation in the Perkins/NDSL program.

NSLDS Loan Status Codes

2008–2009 SARs & ISIRs

Code	Status	Eligible for FSA funds
AL	Abandoned Loan	Yes
BC	No Prior Default Bankruptcy Claim, Discharged	Yes, because loan was not in default and was discharged
BK	No Prior Default Bankruptcy Claim, Active	Yes, because loan was not in default
CA	Cancelled (For Perkins means Loan Reversal)	Yes
CS	Closed School Discharge	Yes
DA	Deferred	Yes
DB	Defaulted, then Bankrupt, Active. (Perkins: all bankruptcies; FFELP and Direct Loans: Chapter 13)	No, unless debtor can show that loan is dischargeable. See Dear Colleague letter GEN-95-40, dated September 1995
DC	Defaulted, Compromise	Yes, because compromise is recognized as payment in full
DD	Defaulted, Then Died	No, because if borrower is reapplying, then loan status is in error
DE	Death	No, because if borrower is reapplying, then loan status is in error
DF	Defaulted, Unresolved	No
DI	Disability	Yes
DK	Defaulted, Then Bankrupt, Discharged. (Perkins: all bankruptcies; FFELP and Direct Loans: Chapter 13)	Yes, because defaulted loan has been totally discharged
DL	Defaulted, in Litigation	No
DN	Defaulted, Then Paid in Full Through Consolidation Loan	Yes
DO	Defaulted, Then Bankrupt, Active, other. (FFELP and Direct Loans in Chapters 7, 11, and 12)	No, unless debtor can show that loan is dischargeable. See Dear Colleague letter GEN-95-40, dated September 1995
DP	Defaulted, Then Paid in Full	Yes, because loan was paid in full
DR	Defaulted Loan Included in Roll-up Loan	Yes, because the loan was combined with other loans and subrogated to the Department, which reported the same information to NSLDS in one loan. The status of that record will determine eligibility.
DS	Defaulted, Then Disabled	Yes, because loan debt is cancelled
DT	Defaulted, Collection Terminated	No
DU	Defaulted, Unresolved	No
DW	Defaulted, Write-Off	No
DX	Defaulted, Satisfactory Arrangements, and Six Consecutive Payments	Yes, assuming student continues to comply with repayment plan on defaulted loan, or is granted forbearance by the GA

Code	Status	Eligible for FSA funds
DZ	Defaulted, Six Consecutive Payments, Then Missed Payment	No, loan is back in active default status
FB	Forbearance	Yes
FC	False Certification Discharge	Yes
FR	Loans obtained by borrowers convicted of fraud in obtaining Title IV aid	No
IA	Loan Originated	Yes
ID	In School or Grace Period	Yes
IG	In Grace Period	Yes
IM	In Military Grace	Yes
IP	In Post-Deferment Grace (Perkins only)	Yes
OD	Defaulted, Then Bankrupt, Discharged, other (FFELP and Direct Loans in Chapters 7, 11, and 12)	Yes, because defaulted loan has been totally discharged
PC	Paid in Full Through Consolidation Loan	Yes, because it does not matter if the consolidation loan was a FFEL or Direct Loan, nor whether underlying loans were in default
PF	Paid in Full	Yes
PM	Presumed Paid in Full	Yes
PN	Non-defaulted, Paid in Full Through Consolidation Loan	Yes
PX	Identity Theft—Loan Discharged	Yes
RF	Refinanced	Yes, because defaulted loans cannot be refinanced
RP	In Repayment	Yes
UA	Temporarily Uninsured—No Default Claim Requested	Yes
UB	Temporarily Uninsured—Default Claim Denied	Yes, because the loan is not a federal loan while temporarily uninsured
UC	FFEL: Permanently Uninsured/Unreinsured—Non-defaulted Loan. Perkins: Non-defaulted Loan Purchased by School	Yes
UD	FFEL: Permanently Uninsured/Unreinsured—Defaulted Loan. Perkins: Defaulted Loan Purchased by School	Yes, because the loan is no longer a federal loan
UI	Uninsured/Unreinsured	Yes, does not matter if the loan was in default
XD	Defaulted, Satisfactory Arrangements, and Six Consecutive Payments	Yes, assuming student continues to comply with repayment plan on defaulted loan, or is granted forbearance by the GA

Social Security Number

CHAPTER 4

To be eligible to receive FSA funds, each student must provide a correct Social Security number (SSN). To confirm the student's SSN for schools, the Department conducts a match with the Social Security Administration. In this chapter, we discuss the SSN requirement and the match process.

The FAFSA collects the student's SSN (and parents') so that the Central Processing System (CPS) can validate it through a match with the Social Security Administration (SSA). The CPS verifies that the name and birth date associated with the SSN match the name and birth date on the application. For the full list of SSN match results, see Appendix B of the 2008–09 ISIR Guide (**www.ifap.ed.gov**).

The CPS won't process an application without an SSN. A student who doesn't have an SSN or doesn't remember it must contact the local Social Security office for help. For more information (in English and Spanish), a student should call the SSA at 1-800-772-1213 or go to its website (**www.ssa.gov**). There is one exception to the requirement to provide SSNs, as discussed below (see "Exception for Micronesia, Marshall Islands, Palau").

The SSN is a key identifier for the student's records, so you must be sure the Department knows the right SSN if you find out it's wrong on the application or output document. We discuss correcting such errors later.

SSN requirement
Higher Education Act
Sec. 484(p),
Student Assistance General Provisions
34 CFR 668.32(i), 668.36

SSN doesn't match

Student reported wrong SSN
➔ Correct FAFSA data

FAFSA processing error
➔ Call 1-800-4-FED-AID

Error in SSA database
➔ Contact SSA office; resubmit SSN as correction after SSA change is made

Other match problems
➔ SSN matches, but name and date of birth don't match
➔ Missing FAFSA information: student didn't report a name or birth date, or didn't sign the FAFSA
➔ SSN record includes date of death

SSN MATCH

The CPS prints the SSN match result in the "FAA Information" section of the output document as the SSN Match Flag. If the match is successful, the CPS doesn't match the student's data against the Social Security database on subsequent transactions. However, the CPS will attempt the match again if the student makes corrections to the name, birth date, or SSN.

Successful match

If the CPS match with the Social Security Administration confirms the student's SSN, and the Social Security records have the same name and birth date as reported on the FAFSA, you may disburse aid to the otherwise eligible student. No comment is provided on the output document when the SSN match is successful. Of course, if you have any conflicting information about the SSN, you must resolve the conflict before disbursing FSA funds to the student.

Once a student's SSN is confirmed and there is no discrepancy on the name or birth date, the student can't change the SSN. If a student whose match data have been confirmed subsequently tries to change his SSN, the CPS won't accept the change. Instead, the student's SAR will have a comment telling the student to contact his financial aid administrator for help. In the unlikely event that the confirmed SSN is wrong, the student must correct it by filing a new FAFSA.

No match on the Social Security number

You must resolve any problems with the match before disbursing aid. If the SSN is not found in the Social Security Administration database, the student's application will be rejected. The student will also receive a comment that instructs her to correct her SSN or contact the SSA if she believes the number reported is correct. If it is wrong on the application, the student will have to correct it with the CPS and get a successful match result before she can receive aid.

▼ *Student reported wrong SSN on the FAFSA.* If the student's application is rejected because she reported an SSN that is not in the Social Security Administration's database, the student must provide the correct SSN to the CPS. This will change the current SSN in the CPS, but it will not change the original, identifying SSN. Previously the Department recommended that a student file a new FAFSA to correct the original SSN, but now that Common Origination and Disbursement (COD) will use the current SSN to process records, changing the original SSN is not always necessary (but see Applicants Using Same SSN later in this chapter).

COD and SSN changes

See the electronic announcements on the ifap website at **www.ifap.ed.gov** for information about COD. See the January 7, 2004 announcement for SSN corrections in CPS.

COD replaced the Direct Loan and Pell (RFMS) reporting systems, but there are other systems, such as EDExpress and possibly some mainframe and servicer systems, that will still use the original SSN to identify records. These systems will be able to interface with COD but might still need the original SSN to process records.

▼ *FAFSA data entry error.* If a student provided the correct SSN on the FAFSA, but the SSN on the output document is wrong, the student can contact the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243). If the Information Center confirms that there was a data entry error, it will refer the error to the Department for correction—the student does not need to submit a correction. After the data entry error is corrected, the CPS will produce new output documents. See Chapter 5 of the *Application and Verification Guide* for general information on data entry error corrections.

▼ *Error in Social Security database.* If the SSN on the FAFSA is correct but isn't in the Social Security database, the student must contact a local or regional Social Security Administration office to correct the database, which is updated daily with information from local and regional offices. The student must report the correct SSN and provide verifying documentation. He must also contact a Social Security office directly—the Department of Education cannot correct SSA records. Once the database is updated, the student can submit a correction by re-entering the SSN originally reported as if it is a correction. The CPS

will then do another SSN match. The student can't simply verify that the SSN is correct; the application will be rejected until the SSA database is updated.

No match on name or birth date

The student's application will be rejected if her or a parent's SSN is in the Social Security database but the name there differs from the one she gave. Misspellings or name changes due to marriage are common reasons for a non-match. The student should make sure that the name on the application matches the one on the Social Security card.

This reject is verifiable, which means that the name is questionable but not necessarily wrong. The student can eliminate the reject by entering the right name. If the name was correct on the application, she reenters it on the paper SAR, or she chooses "Data is Correct" for both the first and last name on Corrections on the Web. If her name is incorrect in the SSA database, we strongly recommend that she contact the SSA to correct it.

Example: Incorrect name on application

When Sarven Technical Institute receives Tod's ISIR, the SSN match shows the name on the application isn't the one associated with the SSN in the database. The FAA asks Tod to bring in documentation showing his correct name and SSN. He brings in his Social Security card, and the first name on the card is Warren, not Tod. He also has a driver's license showing his first name is Warren. The FAA tells Tod to correct his name on the application to Warren.

If the student's (or parent's) name and SSN match the SSA's database but the date of birth does not, the application will also be rejected, and the student must correct the application. If the error is with the SSA's database, he should contact the SSA to correct the record. He can override the reject by reentering the date on the paper SAR or, on Corrections on the Web, by choosing "Data is Correct" for the date of birth. The application will be sent through the match again, and if the SSA's record has been corrected, the match flag will be cleared and no further action is needed. If there is still a disagreement with the SSA record, the student will need to provide the aid office with documentation of his date of birth.

Example: Correct name not in database

Elizabeth's ISIR shows that her name doesn't match the one the SSA has on file for her SSN. When the FAA talks to Elizabeth, she explains that she recently got married and changed her last name. Elizabeth gives the FAA a copy of her marriage certificate. The FAA plans to disburse aid to Elizabeth and tells her to reenter her current name and advises her to contact SSA to have its database updated to prevent future problems.

If the student reported the current or a later year as her birth date, her application will be rejected and she must correct the error.

Missing information

No match is performed if the student doesn't sign the FAFSA or provide a last name or birth date. The student's FAFSA will be rejected and the student must submit the missing information.

Although the CPS doesn't conduct the match, it will check to see whether the reported SSN falls within a range of valid numbers. If it does, the student will receive a comment explaining that the match could not be conducted without the name, birth date, or signature. The student must submit a correction providing the missing information. When the correction is sent, the information will be sent to the Social Security Administration for matching, and you should check the new output document for match results.

If the SSN is not within the valid range, the student will receive a comment and reject P stating that the reported SSN does not appear to be valid. In addition to submitting the missing name, birth date, or signature on a correction, the student must either contact the Social Security Administration to correct its records (if the reported SSN is

Example: Students using same SSN

Hector completes an application in January, but uses his brother Eddy's SSN instead of his own. When Hector gets his SAR, he realizes that he used the wrong SSN, corrects the SAR, and mails it back to the processor. He gets a new SAR with the correct SSN, but it has the same identifier as the first SAR. Eddy files an application in April, and is surprised to receive a SAR that doesn't match what was on his application because it has Hector's information instead. Eddy goes to the financial aid office at Guerrero University, where a counselor tells him he'll need to file a correction application. Hector is also attending Guerrero, so the counselor contacts Hector to explain why he'll need to file a new application even though he already has a SAR with the correct information.

correct) or correct the SSN she reported. Again, you should check the new output document for match results.

Date of death

If the Social Security Administration's database shows a date of death associated with the SSN the student reported, the student's application will be rejected. Students resolve this problem in the same way as problems matching the SSN. The student must either contact Social Security Administration to get the records corrected, or must submit a change with the correct SSN (see "No Match on the Social Security Number," p. 52).

MASTER DEATH FILE

The CPS will verify that student SSNs do not appear on a master death file the Department obtains from the SSA. This will be in addition to the date of death match above. The CPS will regularly compare its records with those in the master death file. If a match is found, the CPS will resend the student record to SSA. If the SSA does not confirm a date of death for the applicant, the CPS will do nothing further. If the SSA does confirm a date of death, the CPS will send an ISIR to the schools listed on that transaction but will not send a SAR to the student.

Also, the CPS will disable PINs and will not generate renewal applications for individuals found in the death file. Their record will not be deleted from the CPS database. If an applicant wrongly appears in the death file, he will need to apply for a PIN again and receive a clean match before a new PIN will be issued.

APPLICANTS USING SAME SSN

When one student uses another's SSN, the duplicate SSN flag will be set in the ISIR, and the student's application will likely fail the SSN match, but it will be processed. She will have to make a correction as described earlier in this chapter.

If a student uses the same SSN **and** first two letters of the last name (together these data are the record identifier) as another student, the CPS will not accept her application because it will assume it to be a duplicate application of the first student. If she is using FAFSA on the Web, she will receive an immediate message telling her the proper way to make a correction or, if her record identifier is correct and she is trying to apply for aid, how she can proceed. If she is submitting a paper FAFSA, she will receive a letter giving her the same information and stating that the application was not processed.

If the student using the correct SSN applied after the other student, she must submit a special "correction application" that she can only get from the Department of Education. It will enable the CPS to accept her data instead of treating her application as a duplicate. The first student, who used the wrong SSN, **must** correct the error by filing a new FAFSA because the CPS uses the record identifier for students

for the entire award year, even if they later change their SSN or last name. If the student simply corrected her SSN, her record identifier would still be wrong.

If the student using the correct SSN applied first, the CPS will have her data, so a correction application isn't necessary. The second student will need to submit a new application.

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

Contact the Department at (703) 284-5666 if you believe that a correction application may be needed; one can be mailed to your office or to the student.

SSN exception for residents of the Freely Associated States
HEA Sec. 484(a)(4)

EXCEPTION FOR THE FREELY ASSOCIATED STATES: MICRONESIA, MARSHALL ISLANDS, AND PALAU

Students from the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau are not required to provide SSNs. Instead the CPS will assign an identification number to students who indicate on their FAFSA that their state of legal residence is one of the above Pacific islands and who do not provide a Social Security number. These applications are exempt from the SSN match with the SSA. If the students are using FAFSA on the Web, there is an edit that allows them to enter in the SSN field their identification number, which will begin with 888.

Notes

Selective Service

CHAPTER 5

Any man required to register with Selective Service at any time must have done so to receive aid. The Department performs a match with Selective Service to confirm a student's registration status. In this chapter, we discuss the registration requirement and the Selective Service match.

GENERAL INFORMATION

Men aged 18 through 25 are required to register with the Selective Service System. This requirement covers men residing in the United States who are U.S. citizens or noncitizens, except that a man who is in the U.S. as a lawful nonimmigrant isn't required to register as long as he maintains that status (see the exceptions to the registration requirement under "Exemptions" below). Students who are required to register with the Selective Service must do so to be eligible for FSA funds, but parents who want to borrow a PLUS loan aren't required to have registered.

The student has several ways to register, which include using the application process. There's a question on the FAFSA that asks if the student wants Selective Service to register him. By answering "yes," the student gives the Department of Education permission to submit his registration information to the Selective Service so that he may be registered. He can also ask to be registered by changing the answer to this question on the SAR to "yes" and submitting the correction (of course, the answer to the question "Are you male?" must be yes too). The student may also register at the post office with a form available there, or he can register online at the Selective Service website **(www.sss.gov)**.

In some cases, a student will not be able to register using the FAFSA or SAR. Generally, however, a male student who is 18 through 25 and who has not registered previously may use this method. Students who have questions about Selective Service registration may contact the Selective Service at (847) 688-6888 or on the Web.

Selective Service requirement
General Provisions
34 CFR 668.32(j), 668.37
PLUS exemption 682.201(b)(1)(v)

Age and registration
The student can be registered with Selective Service as early as 30 days before his 18th birthday. If the student is too young, Selective Service will hold the registration until the student is within 30 days of his 18th birthday. Students 26 and older can't be registered.

Gender and registration
Only males are required to register. Whether a person is male or female is a matter for medical determination. If a school needs to determine whether a student is male or female for Selective Service purposes, the school should tell the student to contact the Selective Service for a Status Information Letter.

EXEMPTIONS

Men exempted from the requirement to register include:

- males currently in the armed services and on active duty (this exception does not apply to members of the Reserve and National Guard who are not on active duty);

Exemptions
34 CFR 668.37(a)(2)

Exemption examples
Tod has been on active duty in the Army from the time he was 18 and didn't register with Selective Service before he joined the Army. He's now 24, is planning to leave the Army, and wants to receive financial aid. If he applies while he's still on active duty, he doesn't need to be registered with Selective Service. Once he leaves, he must be registered, or else he won't be able to receive aid in later years. In most cases, when someone completes an enlistment contract he is automatically registered, so Tod is probably already registered even though he didn't complete a separate registration form.

George was enrolled in an officer procurement program at the Virginia Military Institute, which he started a month before he turned 18. When he was 22, he had a serious accident and was hospitalized; he officially dropped out of school a month after he was hospitalized. Due to his injuries he was hospitalized for four years. Because he qualified for a waiver for the entire time he was 18 through 25, he was not required to register with Selective Service.

- males who are not yet 18 at the time that they complete their applications (an update is not required during the year, even if a student turns 18 after completing the application);
- males born before 1960;
- citizens of the Republic of Palau, the Republic of the Marshall Islands, or the Federated States of Micronesia*;
- noncitizens who first entered the U.S. after they turned 26;
- noncitizens who entered the U.S. as lawful *nonimmigrants* on a valid visa and remained in the U.S. on the terms of that visa until after they turned 26.

There are certain less common situations in which registration isn't necessary. Students who weren't required to register prior to meeting one of these criteria and who meet a criterion for the entire time through the age of 25 qualify for the waiver if:

- they are unable to register due to being hospitalized, incarcerated, or institutionalized;
- they are enrolled in any officer procurement program at The Citadel, North Georgia College and State University, Norwich University, Virginia Military Institute, Texas A&M University, or Virginia Polytechnic and State University; or
- they are commissioned Public Health Service officers on active duty or members of the Reserve of the Public Health Service on specified active duty.

If the student isn't required to register, you must document the student's status. If the student isn't clearly exempt from the requirement to register, you should ask the student to document the exemption by providing the school with a Status Information Letter from the Selective Service.

As mentioned above, noncitizens who first enter the U. S. after the age of 26 aren't required to register. Only those immigrant men who enter and live in the U.S. at ages 18 through 25 are required to be registered. If a male immigrant can show proof that he first entered the U.S. when he was past registration age, he is clearly not required to be registered, and no Status Information Letter is needed. The student's entry documentation is enough to show whether he was required to register.

*A citizen or national of the Republic of the Marshall Islands or the Federated States of Micronesia who lives in the United States for more than one year for any reason except as a student or employee of the government of his homeland must register.

SELECTIVE SERVICE MATCH

To check that students who must be registered actually are registered, the CPS performs a match with the Selective Service System. The CPS provides a match flag showing the results in the FAA Information section of the output document. In addition, the output document has a comment about the match results.

Successful matches

If the match shows that the student is registered or exempt, a comment confirming this fact will be on the student's output document. The student is then eligible for aid.

The student is also eligible for aid if the match shows that the student is still too young to register. If the student asks to be registered, Selective Service will hold onto that registration request until 30 days before the student's 18th birthday and will then register the student.

Finally, the student is also eligible if the CPS successfully forwards the student's name to Selective Service for registration.

Unsuccessful matches

If the match doesn't confirm the student's registration, or the student can't be registered, the output document will have a comment about the problem. A "C" flag will also be printed next to the student's EFC. Until the student resolves the registration problem, you can't pay FSA funds to the student or certify or originate a loan.

▼ *Registration not confirmed.* If the match shows that the student isn't 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. You can also go to the Selective Service website at **www.sss.gov** and check on the student's registration status—a printout of the webpage is acceptable documentation that the student is registered. If the student doesn't have an acknowledgement or letter of registration, and the website doesn't confirm his registration, he'll have to contact Selective Service to resolve the problem. If the conflict is resolved in the student's favor, he'll receive a letter from the Selective Service documenting that he is registered or that he is exempt from registering.

▼ *Unsuccessful registration.* The CPS won't be able to forward the student for registration if certain information—first and last name and date of birth—is missing. The student should submit a correction with the required information, and you can check the match results from this correction to see if the student is eligible.

If the student is 26 or older, the CPS cannot register the student but will send his record through the data match. If the student is not registered, he can no longer do so, and you will have to determine if he is eligible for aid despite failing to register.

Status information letter codes

The Selective Service has different status information letters, which are indicated by a code that appears in the lower left-hand corner. Determination of aid eligibility for a man who failed to register with Selective Service should not be based solely on these letter codes. Financial aid administrators are obliged to review all evidence presented by a student to determine if he has shown "by a preponderance of evidence" that his failure to register was neither willful nor knowing. The codes are:

- **E1–E8:** These codes indicate that the student was not required to register or was exempt the entire time he could have registered (ages 18 through 25).
- **NM:** The student did not register although he was on active duty in the armed forces only for a portion of the time when he could have registered (between ages 18 through 25) and was, therefore, required to register.
- **NR:** The student was born before 1960 and is therefore not required to register.
- **RD:** The student gave a reason for not registering or documentation to show he was exempt from the requirement, but the Selective Service determined the reason or documentation to be invalid. Therefore, the student was required to register but did not. No requests to comply with the registration requirement were sent.
- **RH:** The student was sent one or more letters requesting that he register during the required period, but all letters were returned by the post office as undeliverable.
- **RL:** The student was required to register, but the Selective Service has no record of his registration and their records show he was sent one or more letters requesting that he register.
- **RR:** The student said he attempted to register, but Selective Service has no proof of the attempt.

Unsuccessful registration example

On his FAFSA, Hector asks the CPS to forward his information to the Selective Service for registration. However, he's over 26, so the Selective Service can't register him. His output document comes back with a blank match flag and comment 33. Hector didn't enter the U.S. until after his 26th birthday, so he doesn't have to be registered. Guerrero University already has information about his citizenship status, including the date he arrived in the U.S., so it has documentation that he is exempt from registration. The FAA explains to Hector why he wasn't required to register.

FAILURE TO REGISTER

Some students have been denied aid because they failed to register with the Selective Service before their 26th birthday. The Selective Service will register only males age 18 through 25, leaving older students with no way to remedy their situation if they failed to register. However, the student may still be eligible to receive aid if he can demonstrate that he did not knowingly and willfully fail to register.

A student who served on active duty in the armed forces but who did not register before turning 26 is still eligible to receive FSA funds because it's reasonable to conclude that he was not trying to avoid registering for the draft. Ask the student to provide a copy of his DD Form 214, "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 National Guard.

Students without military service who knew of the registration requirement but chose not to register are considered to have knowingly and willfully failed to register and are therefore ineligible for FSA funds. Your school's decision in this case is final and cannot be appealed to the Department except as noted in the margin.

Failure to register

34 CFR 668.37(d),(e)

Determining if non-registration was knowing and willful

Unless you can document that the student meets one of the allowable exemptions regarding registration or can document that the student served in active duty in the armed forces (and whose character of service was other than dishonorable), the student must write to the Selective Service to get a status information letter addressing his failure to register. He may also download a request form from the Selective Service website (**www.sss.gov**) to print out, complete, and mail. 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.

Veteran Status Match

See the Application and Verification Guide for information on the veteran match and dependency status.

If the student receives a "general exemption letter" (codes E1-E8) or a "DOB before 1960" letter (code NR), he is exempt from registration and may receive FSA funds. If he receives any other type of letter, you must determine based on all relevant evidence whether he knowingly and willfully failed to register. The letter from Selective Service may provide information that is crucial to your decision. For example, if the student received a letter indicating a compliance letter had been sent (code RL), this would be a negative factor when you make the determination. If the student received a "Military Service: Noncontinuous" letter (code NM), you might reasonably determine that the student did not knowingly and willfully avoid registration.

Appeals—Selective Service registration

The school's decision is final and cannot be appealed to the Department except in one limited instance. The regulations state that the Department will hear appeals from students who have provided their schools with proof that they are in compliance (i.e., that they are registered or exempt from registration) but who are still being denied federal student aid based on the registration requirement.
34 CFR 668.37(f)

Most of the status information letters state that the final decision regarding the student's eligibility rests with the agency awarding funds. For the purposes of the FSA Programs, the decision is made by your school, which represents the Department of Education. If you determine that the student's failure to register was knowing and willful, the student loses FSA eligibility.

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

- **Where the student lived when he was age 18 through 25.** For example, if a student was living abroad, it is more plausible that he would not come into contact with the requirement for registration.

- **Whether the student claims that he thought he was registered.** Mistakes in recordkeeping can occur. Correspondence indicating an attempt to register could form a basis for determining that the student did not knowingly and willfully fail to register. On the other hand, a letter from Selective Service stating that it received no response to correspondence sent to the student at a correct address would be a negative factor.

- **Why the student claims he was not aware of the widely publicized requirement to register when he was age 18 through 25.**

Notes

ACG and National SMART Grant Eligibility

CHAPTER 6

The Higher Education Reconciliation Act (HERA) established two new federal student aid grants for undergraduate students: the Academic Competitiveness Grant (ACG) and the National Science and Mathematics Access to Retain Talent (National SMART) Grant. These are need- and merit-based grants for students who meet additional criteria to those explained in preceding chapters.

The ACG and National SMART Grant programs are intended to encourage, respectively, rigorous academic study in high school and enrollment in college majors in the physical, life, and computer sciences; engineering; technology; mathematics; and certain foreign languages. Accordingly, the eligibility criteria relate to those goals.

ACG and National SMART Grant Programs
34 CFR 691

These grants differ from other Title IV aid. A student may receive only two ACG awards, one for the first and the second academic years,* and only two National SMART Grant awards, one for the third and the fourth academic years. Also, both grants have a set value: an ACG is $750 for the first year and $1,300 for the second year; a National SMART grant is $4,000 for each of the third and fourth years.

*In discussions of ACG and National SMART grants, the year of the student refers to the Title IV academic year as defined in credit or clock hours and weeks of instructional time. This term has a different meaning than the award year, the student's year in college (freshman, sophomore, etc.), or the school's usage of academic year as the fall and spring semesters. See Volume 3 for a complete discussion of the academic year and its role in administering ACG and National SMART grants.

These amounts may only be reduced in limited circumstances: if a school needs to avoid overawarding a student or if there is a nationwide ratable reduction because there are insufficient funds for all eligible students in a given award year. If there is a ratable reduction, the Department expects to announce it well in advance of the award year.

Do not confuse the eligibility criteria between the two grants: rigorous program of secondary school study only applies to the two years of ACG, and eligible postsecondary school major only applies to the two years of National SMART grants.

ACG ELIGIBILITY

To receive an ACG, students must:

- be U.S. citizens;
- receive a Pell grant for the same award year;
- be enrolled full time in an associate's, bachelor's, or combined undergraduate/graduate (if it includes at least three years of undergraduate education) degree program or in a two-academic-year program acceptable for full credit toward a bachelor's degree;

High school student enrolled in college classes example

The summer before and during her senior year in high school, Hilda completed three classes at Kampfer University. Because she was not enrolled as a regular student in an ACG-eligible program of study, her prior enrollment does not make her ineligible for an ACG when she starts classes full time at Kampfer the fall after she graduates from high school.

- be enrolled in the first or second academic year of a program of study at an eligible two-year or four-year degree-granting institution;

- have successfully completed a rigorous secondary school program of study and graduated after January 1, 2006, for first-year students and after January 1, 2005, for second-year students;

- if first-year students, not have been enrolled previously as regular students in an ACG-eligible college program when they were still in high school and were at or below the age of compulsory school attendance; and

- if second-year students, have successfully completed their first year and have a cumulative GPA* of at least 3.0 on a 4.0 scale.

*This is checked one time only, at the end of the first academic year. Subsequent changes to the student's GPA do not affect ACG eligibility for the second year. The grades for all the hours in the payment period in which a student completes the first academic year are included when computing this GPA, even if the student surpassed the number of hours that defines the school's academic year.

Rigorous secondary school program of study

For qualifying for an ACG, any one of the following programs meet the "rigorous secondary school program of study" requirement:

1. Rigorous secondary school programs designated by state education agencies (SEAs) and state-authorized local education agencies (LEAs) and recognized by the Secretary of Education.

2. Advanced or honors secondary school programs established by states.

3. Secondary school programs identified by a state-level partnership recognized by the State Scholars Initiative of the Western Interstate Commission for Higher Education (WICHE) of Boulder, Colorado.

4. A program for a student who completes at least two courses in the International Baccalaureate (IB) Diploma Program with a score of four or higher on the course examinations or at least two Advanced Placement (AP) courses with a score of three or higher on the College Board's exams for those courses.

5. A secondary school program in which a student completes, at minimum:

- four years of English;

- three years of math, including algebra I and a higher level class such as algebra II, geometry, or data analysis and statistics;

- three years of science, including one year each of at least two of the following courses: biology, chemistry, and physics;

- three years of social studies; and

- one year of a language other than English.

Other considerations

Some high schools comprise only grades 10–12. In those cases, a college should use its normal procedure for ensuring that classes taken in the ninth grade are included. Also, if a transcript shows that a student completed three years of English in grades 10–12, she may be assumed to have taken English in ninth grade. A college can assume the following classes as well, which apply not only to ninth grade, but to grades 6–8: the first year of a foreign language if a transcript shows completion of a second year; algebra I if a transcript shows algebra II or geometry and the college knows that algebra I was a prerequisite for geometry at the student's high school.

English as a second language (ESL) counts toward the English requirement if the state or the high school allowed it to count towards its English graduation requirement.

If a student's high school or college admissions office categorizes a class as social studies, then it counts as social studies for ACG eligibility.

Computer languages do not count as a foreign language, but American Sign Language does.

For each calendar year the Secretary publishes a list of all rigorous secondary school programs of study. The webpage at **http://www.ed.gov/admins/finaid/about/ac-smart/state-programs.html** links to separate pages for each year of graduation.

Identifying potentially eligible ACG students

The Central Processing System (CPS) will send comments on the SAR and ISIR identifying students who might be eligible for an ACG. Students who apply for aid via FAFSA on the Web or (with FAA help) FAA Access to CPS Online will be screened for potential eligibility and will have the option to provide ACG information. Paper FAFSA filers who are potentially eligible will receive a comment on their SAR directing them to provide information to the Federal Student Aid Information Center (FSAIC) over the phone.

If a student self-certifies through the application process or directly to the school that he completed a rigorous program of study, the school must attempt to collect documentation of that, either from the cognizant authority or from the authority via the student. The *cognizant authority* includes, but is not limited to, an LEA, SEA or other state agency, a public or private high school, a testing organization such as the College Board or a state agency, or, for homeschooled students, the parent or guardian. If the school has reason to believe documentation from the student is inaccurate or incomplete, it must get documentation directly from the authority.

If students do not self-certify through the application process or to the school that they completed a rigorous program of study, the school is not required to determine their ACG eligibility. It is, however, a good practice for a school to make an effort to find out if any students in this group would be eligible for ACG funds.

Diplomas and transcripts for homeschooled students
The parents or guardians of a homeschooled student can provide a diploma or certification of completion of a secondary school education. Likewise, they can also provide a transcript or equivalent, such as a detailed course list of the secondary school courses the student completed.

Documenting completion of a rigorous program

A student must have successfully completed one of the above types of programs. Successful completion entails: (1) receiving a high school diploma and (2) meeting the academic qualifications for a rigorous program, including receiving credit for all the coursework that makes up the program. A single document like a high school transcript can show that both these requirements were fulfilled, but if it does not show that a student received a high school diploma, then the college needs to document that the student met that requirement, for example, by obtaining a copy of the diploma. A student's self-certification on the FAFSA of receipt of the diploma is not sufficient.

For the rigorous program no qualitative standard other than passing grades is required, though an SEA or LEA may include such a standard (for example, a minimum GPA) in the requisites for completion of its rigorous program. Neither a general education development (GED) certificate nor a passing score on an ability-to-benefit test qualifies as completing a rigorous secondary school program.

For a transfer student, a school may rely upon the determination by the student's former school that he completed a rigorous program. As evidence of such a determination, a school can use documentation that the former school provides or that shows the student received an ACG disbursement at the former school.

NATIONAL SMART GRANT ELIGIBILITY

To be eligible for the National SMART Grant, students must:

- be U.S. citizens;
- receive a Pell grant for the same award year;
- be enrolled full time in a bachelor's or combined undergraduate/graduate (if it includes at least three academic years of undergraduate education) degree program;
- be enrolled in the third or fourth academic year of their program of study at an eligible four-year degree-granting institution;
- if third-year students, have successfully completed the second year, or if fourth-year students, have successfully completed the third year;
- have a cumulative GPA* of at least 3.0 on a 4.0 scale in the courses for their program (not only those in the major); and
- be majoring in physical, life or computer science, engineering, mathematics, technology, or a critical foreign language.

*This is the cumulative GPA from all coursework in the eligible program through the most recently completed payment period.

Adding eligible programs
Each year the Secretary of Education will publish the list of SMART grant-eligible majors and establish the deadline for schools to request that a program be added to the list. A request must include the CIP code and title of the program, the reasons the school believes it should be on the list, and documentation that the school has awarded or intends to award a bachelor's degree in the major.

College programs of study are categorized according to their Classification of Instructional Programs (CIP) code. These codes accompany the list of majors eligible for National SMART grants at

http://www.ifap.ed.gov/dpcletters/GEN0706.html. This list will be reviewed each year, and any updates will appear on Department websites.

Declaring and intending to declare a major
34 CFR 691.15(c)(2) and 691.15(d)

A student must be in a major with a code on this list. A student in a teacher education program may receive a National SMART grant as long as his major is an eligible one; a teacher education major with a concentration in math or science, for example, is not eligible. In the same manner, a student with a double major is eligible for the grant if one of his majors is on the accepted CIP code list.

Declaration, monitoring, and change of a major

A student must declare a major to receive a National SMART grant unless your school does not permit declaration of a major until after the start of the third academic year. In those cases the student must intend to declare an eligible major and provide a signed certification of that intent that you keep on file. She must also enroll in classes that lead toward a degree in that field and later declare a major as soon as possible under your school's academic requirements.

You must document a student's progress in the courses necessary to complete the declared or intended major. This may include written confirmation from a counselor, advisor, or academic department (signed by a departmental representative) that a student is progressing in the coursework leading to a degree in the eligible major, or it may include other written documentation of coursework that affirms the student's progress and demonstrates periodic monitoring of that.

You must check a student's major before each disbursement. If he has a double major, you must document that he is pursuing completion of the eligible major by enrolling in coursework leading to degree completion. Typically the registrar's office tracks CIP codes and will have information about the student's current major.

You must also document that during the payment period for which a student receives a SMART grant that she is enrolled in at least one course that meets the requirements of her eligible major. It is not necessary that the course be offered by the academic department awarding the degree. For example, a full-time student majoring in physics who takes no physics classes in a period but who takes a calculus course required for her major and offered by the math department would be eligible for the grant. However, if she was taking only general education courses and no courses specific to her major, she would not be eligible for SMART funds that period. See DCL GEN-07-07.

If a student changes *from* an eligible major to an ineligible one in the middle of a term or year, he does not have to return the grant he has received, but he may not receive another disbursement. If he changes *to* an eligible major and is otherwise eligible for a National SMART grant, he may then receive a grant—for the following payment period if the change occurred between payment periods or for the same payment period if the change came during the period.

Incompletes
If a student has an incomplete but his GPA would be at least 3.0 even if the incomplete were an "F," the school may make a disbursement without assuming liability for it.

GRADE POINT AVERAGE IN BOTH GRANTS

As written above, there are common eligibility criteria for both grants: eligible students must be U.S. citizens who are enrolled full time and who receive a Pell grant for the same award year. But there are significant differences in other criteria, among them the way GPA is monitored.

For an ACG, the student's GPA is checked only at the end of the first academic year. That average, which includes all the grades in the payment period in which the student completes the first academic year, determines whether a student can receive a second-year grant at all. If a student has a GPA below 3.0 at the end of the first year, no improvement of his average to above 3.0 will make him eligible for any part of a second-year ACG. Conversely, if his cumulative GPA is 3.0 or better at the end of the first academic year, a decline in his GPA will not make him ineligible for the second-year ACG.

The cumulative GPA covers the most recently completed payment period prior to any disbursement of a National SMART grant. This allows for a change of eligibility status for SMART grant funds. A student who is ineligible for an initial grant at the beginning of his third academic year because his GPA isn't high enough can become eligible later that year or in the next year if he raises his cumulative GPA to 3.0 or higher. If his average is already 3.0 and it drops below that value, he becomes ineligible for a SMART grant disbursement until his GPA is at least 3.0 again.

For the first payment period of a student's ACG for the second academic year and for any payment period for which a student will receive a National SMART grant, a school can make an interim disbursement if final grades from the previous period are not yet available. If the grades once posted lower the student's GPA below 3.0, then the school must cancel the disbursement and it is liable for that disbursement.

To determine ACG eligibility for a student who transfers between one and two academic years' worth of hours, the current school must calculate GPA using grades for courses accepted from any prior institution toward the student's ACG-eligible program. For a student who transfers hours that constitute less than one academic year, the GPA is calculated using grades for all courses accepted into the eligible program and for courses earned at the current school.

When a school determines National SMART grant eligibility for transfer students and calculates the students' GPA, it must, for at least the first payment period, include grades for courses accepted for transfer into the National SMART grant-eligible program. For subsequent payment periods, the school must follow its academic policy regarding the calculation of the GPA, whether that is to include grades for courses that transfer or to exclude them.

There is no GPA appeal process for ACGs and SMART grants.

Schools without a traditional GPA

Schools that do not use a standard 4.0 GPA scale for a program must have an equivalency policy with a numeric scale and must make it available upon request. The policy must be in writing and clearly differentiate student performance so that it can support a determination that a student has performed at a level commensurate with at least a 3.0 GPA on a 4.0 scale. Generally a grading scale that includes **only** "pass/fail," "satisfactory/unsatisfactory," or some other non-numeric evaluation will not meet this requirement unless it can be shown that a "pass" or "satisfactory" grade has a numeric equivalent to a traditional 3.0 GPA (or higher) or that a student's performance on tests and assignments yielded such a numeric equivalent.

Such a policy must be consistent with other grading scales that the school has developed for academic and other (including Title IV) purposes—e.g., graduate school applications, scholarship eligibility, insurance certifications—to the extent that such scales distinguish between levels of student academic performance.

School without traditional grades

At Chisos Basin University instructors submit at the end of the semester an evaluation that the work a student does in a class is "satisfactory" or "unsatisfactory." The catalog indicates that the evaluation is never translated into a grade by the registrar's office. Neither the catalog, the faculty handbook, nor any other CBU publication differentiates levels of satisfactory student performance. Even though the state scholarship program accepts a "satisfactory" as the equivalent of a "B," the university may not make such an assumption for the ACG and National SMART Grant programs.

Notes

CHAPTER 7

Other Program-related Eligibility Requirements

Most of the student eligibility requirements we have discussed so far apply to all or most of the FSA programs, but there are additional factors that are program-specific.

PELL GRANTS

In general, a student must be enrolled in an undergraduate course of study to receive a Pell grant, though there are teaching certification exceptions (see the next page). A student who has earned a baccalaureate degree or a first professional degree is not considered to be an undergraduate and cannot receive a Pell grant.

Undergraduate student definition and requirement
34 CFR 668.2(b)
HEA Sec. 401(c)

An undergraduate course of study usually doesn't exceed four academic years or is a program of four to five academic years designed to lead to a baccalaureate or first professional degree. If the program is longer than five years (for example, a six-year pharmacy program), then students are considered undergraduates only for the first four academic years of the program unless the school designates that the graduate program begins after the end of the third academic year; see the definition of graduate or professional student in 34 CFR 668.2(b).

Professional degree
A degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree. Professional licensure is also generally required. Some examples are pharmacy (Pharm.D.), dentistry (D.D.S. or D.M.D.), and law (L.L.B. or J.D.).

A student with a baccalaureate or professional degree is ineligible even if the degree is from an unaccredited school or is not recognized by your school. Similarly, a student with a baccalaureate or professional degree from a foreign school usually isn't eligible for a Pell grant. But because a foreign degree often won't translate neatly into the American classification, the school must judge whether it equates to a U.S. bachelor's degree. If the student provides written documentation that the foreign degree is not equivalent to a bachelor's degree awarded in the United States, your school may determine that he does not have a bachelor's degree. The documents may include information about the type of school the student attended and total years of education leading to the degree.

Wrong grade level on the FAFSA
When an undergraduate student incorrectly reports on the Free Application for Federal Student Aid (FAFSA) that he will be a graduate student or has a bachelor's degree, he must correct that information. Because the application shows that the student isn't an undergraduate, the Department's records will show that he is ineligible for Pell. If the application isn't corrected, the school won't be able to pay him a Pell grant.

A student who has received an associate degree—or any certificate or diploma below the baccalaureate level—and who enrolls in another undergraduate program continues to be considered an undergraduate student until she has completed the curriculum requirements for a first bachelor's degree.

Eligible postbaccalaureate program and the FAFSA
34CFR 690.6(c)
Normally a student who indicates on the FAFSA that he has a bachelor's degree won't be listed in the Department's records as a Pell-eligible student, and the school won't be able to receive Pell funds for the student. However, in order to allow students who are eligible under the postbaccalaureate program provision to be paid, students who correctly report that they have a bachelor's degree but also indicate on the FAFSA that they're in a teaching credential program will be listed as Pell-eligible students. Of course, you must determine whether the student actually falls under the eligible postbaccalaureate provision.

Occasionally a student will complete all the requirements for a bachelor's degree but will continue taking undergraduate courses without accepting the degree. Your school must decide whether and at what point the student completed the baccalaureate course of study. If your school determines that the student did complete a bachelor's program, then he is no longer eligible to receive a Pell grant.

Eligible postbaccalaureate program

A student who is enrolled at least half time in a postbaccalaureate teacher certification or licensure program is eligible to receive a Pell Grant for the period necessary to complete the program if:

- the program does not lead to a graduate degree,
- the school offering the program does not also offer a bachelor's degree in education,
- the student is pursuing an initial teacher certification or licensing credential within a state, and
- the program consists of the courses required by a state to receive a professional certification or licensing credential necessary for employment as a teacher in an elementary or secondary school in that state.

Under this very limited provision, a postbaccalaureate program is defined as a program that generally requires a student to have a bachelor's degree before being admitted to the program. Accordingly, a program in which undergraduate students are routinely allowed to enroll would not meet the definition of a postbaccalaureate program for this purpose, nor would a program that is generally open to undergraduates but that also admits students with bachelor's degrees.

For FSA purposes, a school must treat a student who receives a Pell grant under this provision as an undergraduate student enrolled in an undergraduate program. The student is eligible for fifth year undergraduate (not graduate student) Stafford loan limits. However, the student would not be eligible for an FSEOG.

Incarcerated Students and Pell
HEA Sec. 401(b)(8), 34 CFR 668.32(c)(2)(ii), "Dear Colleague" Letter P-94-7
Costs for incarcerated students
HEA Sec. 472(6)

Incarcerated students

Students incarcerated in federal and state penal institutions aren't eligible for Pell grants, but students incarcerated in local penal institutions are. Students incarcerated by jurisdictions defined as a state in the law, such as the District of Columbia, are considered to be in a state penal institution and aren't eligible for Pell grants. A student isn't considered incarcerated if she is in a halfway house or home detention or is sentenced to serve only on weekends.

The cost of attendance for students who are incarcerated in local penal institutions is limited to tuition and fees and the price of books and supplies specifically related to the student's course of study. For more information on the cost of attendance, see *Volume 3*.

STAFFORD AND PLUS LOANS

Some Stafford and PLUS loan rules, such as those for defaults and total and permanent disability discharges, have already been discussed in Chapter 3. One point may be added here: neither a parent nor a student may borrow the same type of loan—PLUS for parents, PLUS or Stafford for students—from both the FFEL and DL programs for the same enrollment period at the same school. The student and parent do not have to borrow from the same program [see 34 CFR 685.300(a)(8)], and a graduate student can borrow a PLUS and Stafford loan from different programs.

Generally a student must be enrolled or accepted for enrollment in a degree or certificate program to receive FSA funds, but there are exceptions that apply to DL and FFEL Stafford and PLUS loans.

Preparatory coursework

A student may apply for a Stafford or PLUS loan for coursework the school has documented is necessary for him to enroll in an eligible program. The courses must be part of an eligible program otherwise offered by the school, though the student does not have to be in that program. If enrolled at least half time in these prerequisite courses, he is eligible for loans for one consecutive 12-month period (not per program) beginning on the first day of the loan period. If the period of preparatory courses spans more than one academic year, the student may receive multiple loans.

Students seeking to enter an undergraduate degree or certificate program may borrow up to $2,625 of Stafford funds (with up to $4,000 more in unsubsidized funds for independent students and dependent students whose parents were declined a PLUS loan), and students trying to enroll in a graduate or professional program may borrow as much as $5,500 (and up to $7,000 of additional unsubsidized funds). For students in both categories, the loan limit is not prorated if the coursework is less than an academic year.

To be eligible under this exception, the student must be taking classes that are a prerequisite for admission. If he is only taking them to raise his GPA in order to be admitted, he would not qualify for loans under this exception.

Teacher certification coursework

Chapter 1 explains when a student may receive a Stafford or PLUS loan, among other aid, for courses necessary for an elementary or secondary school teaching credential or certification.

Parent borrower eligibility

To borrow a PLUS loan for a student, the parent must be the student's biological or adoptive mother or father. Both parents may get a PLUS loan as long as the total aid package does not exceed the student's cost of attendance. A stepparent is also eligible to borrow a PLUS loan if her income and assets would be taken into account when calculating the dependent student's EFC. A legal guardian is not considered a parent for FSA purposes.

Members of a religious order

Members of any religious order, society, agency, community, or other organization aren't considered to have financial need if the order
(1) has as a primary objective the promotion of ideals and beliefs regarding a Supreme Being,
(2) requires its members to forego monetary or other support substantially beyond the support it provides, and
(3) directs the member to pursue the course of study or provides subsistence support to its members.
Members of these religious orders can't receive subsidized Direct loans, subsidized FFELs, Pell grants, or campus-based aid. They are eligible, however, for unsubsidized FFELs and unsubsidized Direct loans.
34 CFR 674.9(c), 675.9(c), 676.9(c), 682.301(a)(2), 685.200(a)(2)(ii), 690.75(d)

Preparatory coursework example

Eddy has a bachelor's degree, with a major in mathematics. He wants to enroll in a graduate computer science program at Guerrero University. He needs 12 more semester hours of computer science coursework to meet Guerrero's admission requirements. He enrolls in courses that are part of Guerrero's undergraduate degree program, but because he is not enrolled for the purpose of receiving an undergraduate degree, he is not a regular student. However, because the coursework is necessary for his enrollment in the graduate program, he may receive a FFEL or Direct loan for this coursework.
34 CFR 682.204(a)(6) and 685.203(a)(6)

Preparatory coursework at a different school

A student may take the preparatory courses at School A to prepare for enrollment at School B. Also, School A may require documentation from School B that these courses are required for the student's enrollment.

Medical internships and residencies

A student is ineligible to receive a Stafford loan or a Perkins loan while in a medical internship or residency program unless it is part of the school's degree program. This restriction does not apply to students in dental internship programs.

A parent may receive a PLUS loan only to pay for the educational costs of a dependent undergraduate student who meets the eligible student definition.

A parent must meet the same citizenship and residency requirements as a student. Similarly, a parent who owes an overpayment on an FSA grant or is in default on an FSA loan is ineligible for a PLUS loan unless he has made satisfactory arrangements to repay the grant or loan. Yet the parent's ineligibility for a PLUS loan does not affect the student's eligibility for FSA funds.

Under the FFEL program, if the parent borrower has previously borrowed a Stafford or PLUS loan on which collection activity has ceased, she must reaffirm the loan in the same way that is described in 34 CFR 682.201(a)(4) for student borrowers.

Under both the FFEL and DL programs, if the parent had a prior Stafford loan that was cancelled for total and permanent disability, he must adhere to the same eligibility requirements outlined for Stafford borrowers in chapter 3.

Student credit checks

Financial aid administrators may not perform credit checks on students in connection with awarding them federal aid.

Finally, a parent is not eligible for a PLUS loan if the federal government holds a judgment lien on her property.

Adverse credit history for PLUS

A parent or graduate/professional student with an adverse credit history is prohibited from obtaining a PLUS loan unless he meets additional criteria. The lender or the Department obtains a credit report on each applicant for a loan from at least one national credit bureau. An applicant is considered to have an adverse credit history if:

- he is 90 days or more delinquent on any debt, or
- during the 5 years preceding the date of the credit report, he has been determined to be in default on a debt, his debts have been discharged in bankruptcy, or he has been the subject of foreclosure, repossession, tax lien, wage garnishment, or write-off of an FSA debt.

A FFEL lender is permitted to establish a more stringent definition of adverse credit history than these regulatory criteria. However, under both the FFEL and DL programs, an applicant cannot be rejected for a PLUS loan because she has no credit history—i.e., the absence of a credit history cannot be construed as an adverse credit history.

Someone with an adverse credit history can qualify for a PLUS loan by securing an endorser who doesn't have an adverse credit history. For a parent borrower, the endorser may not be the dependent student for whom he is borrowing. Instead of securing an endorser, an applicant may appeal a determination of adverse credit history to the lender (for FFELs) or ED (for DLs) by documenting extenuating circumstances. The lender or ED has the final decision on whether to make a loan to the person.

If your school participates in the PLUS program but a student's parent cannot obtain a PLUS loan, the student is allowed to borrow additional unsubsidized Stafford money (see Volume 3, Chapter 5).

CAMPUS-BASED AID GENERAL REQUIREMENTS

Unlike the Stafford and PLUS loan programs, a student does not have to be enrolled at least half time to be eligible to receive aid through the campus-based programs unless the student is seeking aid to attend a teacher certification or professional credential program.

A student enrolled as an undergraduate, graduate, or professional student is eligible to receive assistance from the Federal Perkins Loan and Federal Work-Study (FWS) programs. Only undergraduate students who do not have a baccalaureate or first professional degree are eligible to receive Federal Supplemental Educational Opportunity Grants (FSEOGs). This means that a student who has earned a bachelor's or first professional degree may receive a Perkins loan or FWS wages to pursue a graduate or additional undergraduate degree, but he may not get an FSEOG.

See the margin note on p. 34 about how the Compact Act affects FSEOG and FWS eligibility for students from the Republic of the Marshall Islands and the Federated States of Micronesia.

Teacher certification programs

As with Stafford loans, a student may receive a Perkins loan or FWS for coursework that doesn't lead to a degree or certificate from the school but that is required by a state for an elementary or secondary school teaching credential or certificate. See chapter 1.

Perkins loan eligibility
34 CFR 674.9

Medical internship or residency
HEA 464(c)(2)(A)(i)

Incarceration
34 CFR 668.32(c)(2)(ii)

Default
HEA 464 (b)(1)

Teacher certification programs
34 CFR 668.32(a)(1)(iii)

PERKINS LOANS

Both undergraduate and graduate students may receive loans under the Federal Perkins Loan Program, but students with *exceptional need* (as defined by your school) have priority. To be eligible for a Perkins loan, a student must meet the general student eligibility requirements and must not have borrowed the maximum amounts. A student who has earned a bachelor's or first professional degree may receive a Perkins loan to pursue an additional undergraduate degree.

A student is ineligible to receive a Perkins loan while in a medical internship or residency program unless it is a dental internship or is part of the school's degree program.

A borrower who is in default on an FSA loan is not eligible for a Perkins loan unless she has regained eligibility. However, a borrower who satisfies any of the conditions that remove her defaulted Perkins loan from the school's cohort default rate becomes eligible for additional Perkins loans.

Previous disability cancellation
34 CFR 674.9(g) and (h)

As with Stafford loans, if a borrower has obtained a discharge of a Perkins loan or NDSL due to total and permanent disability and is

Willingness to repay
34 CFR 674.9(e)

applying for another Perkins loan or NDSL, she must follow the procedure explained in Chapter 3.

As mentioned above, a school may award Perkins loans or FWS to students for enrollment in an eligible teacher certification or professional credential program; see chapter 1.

Willingness to repay

In selecting Perkins loan recipients, a school must consider evidence of a borrower's willingness to repay the loan. Previous delinquency, default, or other failure to meet repayment obligations on a previous loan is evidence that the borrower is unwilling to repay other loans. For example, if a borrower has previously satisfied a defaulted student loan involuntarily (such as by garnishment of the borrower's wages), a school should consider this as evidence of unwillingness to repay and should deny further loan assistance to the borrower.

Previous Perkins loan discharged in bankruptcy

As a result of the Bankruptcy Reform Act of 1994, a student or parent may not be denied FSA loans solely on the basis of a bankruptcy filing or discharge. They also may not be required to repay a previously discharged loan in order to reestablish eligibility for new loans. However, FAAs have somewhat more latitude in making awards under the Perkins program than under DL and FFEL because they may consider a student's willingness to repay. If a student has filed for or received a discharge in bankruptcy, has had an FSA loan determined dischargeable by a court of law, or has had an FSA loan discharged in bankruptcy, the bankruptcy may be considered when determining a student's willingness to repay provided it is not the sole basis for the determination and for a denial of a Perkins loan. Schools may also, of course, consider the student's post-bankruptcy credit history in determining willingness to repay.

Additional FWS criteria
For information on eligible FWS jobs, see Volume 6, The Campus-Based Programs.

FEDERAL WORK-STUDY (FWS)

To be eligible for a Federal Work-Study (FWS) job, a student must meet the usual eligibility criteria and must have financial need, that is, his cost of attendance (COA) must be greater than his expected family contribution (EFC). Also, a financial aid administrator may not award FWS employment to a student if that award, when combined with all other resources, would exceed the student's need. However, unlike the other two campus-based programs, the FWS Program does not require that priority be given to students who have *exceptional* financial need. In choosing students for FWS employment, schools must follow the selection procedures discussed in Volume 3.

FWS eligibility
34 CFR 675.9

FSEOG

FSEOG eligibility
34 CFR 676.9
34 CFR 668.32(c)(1)

To receive a Federal Supplemental Educational Opportunity Grant (FSEOG), a student must meet the general eligibility requirements discussed in the other chapters of this volume. An eligible recipient must also be an undergraduate student and have financial need, and students with the lowest EFCs who will also receive Pell grants for the

award year have primary consideration for FSEOG money. See the volume on calculating awards.

FSEOG undergraduate student definition
34 CFR 676.2(b)

An undergraduate student is defined under the FSEOG Program as a student who is enrolled in an undergraduate course of study at an institution of higher education and who:

- has not earned a bachelor's degree or first professional degree; and
- is in an undergraduate course of study that usually does not exceed four academic years or is enrolled in a four- to five-academic-year program designed to lead to a first degree.

A student who has earned a bachelor's or first professional degree is not eligible to receive an FSEOG to pursue an additional undergraduate degree based on the above definition of undergraduate student. A school must make FSEOG funds reasonably available (to the extent that funds remain) to all eligible students.

LEAP PROGRAM

To be eligible for assistance under the Leveraging Educational Assistance Partnership (LEAP) Program, all students must meet the general eligibility requirements for the FSA programs and the additional eligibility criteria that state higher education agencies establish. The student must also demonstrate *substantial financial need*, as defined by the state agency and approved by the Department. The definition may be in terms of income, expected family contribution (EFC), or cost of attendance minus available resources. Regardless of how it defines need, the state agency is responsible for developing a consistent method for approving individual student recipients. States may decide whether to make individual LEAP awards that vary according to student need or to give a set amount to all students who meet the established need criteria.

Federal eligibility rules and LEAP funds
The requirement that a student must meet the general FSA program eligibility criteria applies to all the components of a state's LEAP program: the annual federal allotment of funds and all the state matching funds, including the maintenance of effort match.

The maximum award is $5,000, though states may have lower maximums. They also determine what costs can be covered; some states limit awards to cover only tuition and fees, while others include allowances for commuting, room, board, and other costs.

Many states exclude students who attend schools outside the state, but some have reciprocal arrangements with neighboring states so that students may receive LEAP funds from their home state even though they are enrolled in another state. LEAP funds may be awarded to students participating in study-abroad programs that are approved for credit by the home school.

Most states limit LEAP awards to undergraduates attending at least half time, but each state may choose to allow graduate, less-than-half-time, and other nontraditional students to also receive LEAP awards.

If a student owes a refund on a LEAP overpayment, she would still be eligible to receive additional FSA funds as long as she meets all

other eligibility requirements and as long as the school can eliminate the overpayment by adjusting financial aid payments (other than Pell grants) in the same award period in which the overpayment occurred.

Application, need, and dependency status

In states that have *centralized* administration of the LEAP Program, the student applies directly to the state higher education agency, which receives and processes applications, notifies students of awards, verifies attendance, makes disbursements, and keeps records of all student awards. In states that have *decentralized* administration, the student applies indirectly through the school, to which the state agency has delegated certain functions of the program, such as awarding funds (though these funds are still considered state—not institutional—aid). The school recommends potential recipients to the state agency, which then approves individual awards. Every award requires the agency's formal approval, based on a determination of need. You can find a list of the state agencies on the Department's website at www.ed.gov.

Most states measure need as determined by the processing of the FAFSA. However, in decentralized programs LEAP applications may be processed according to need as determined by the school. Either way, the state agency has final authority for selecting recipients according to its standards.

The Department may approve on a case-by-case basis a state's criteria for determining dependency status if they vary from the established criteria that are listed in the *Application and Verification Guide*. The state must show that it has good reason to use different criteria, yet its definition of an independent student might not differ totally from the federal definition. For example, a state might use all the federal criteria but delete the professional judgment provision.

Cost of applying

To award a student LEAP aid, a state may require him to provide information on the Free Application for Federal Student Aid (FAFSA) or on another free form. In addition, the state may require him to provide more information on a supplemental form. If there is a fee for submitting and processing this supplemental form, the fee must be payable to the state regardless of whether the information from it may also be used for institutional aid.

ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM

Byrd scholarships are awarded on the basis of outstanding academic achievement and the promise of continued achievement, through procedures established by the state education agency (SEA, the department of education or other agency in the state that is primarily responsible for the supervision of public elementary and secondary schools) in the state where the student is a legal resident. A student attending an out-of-state secondary school, such as a boarding school or a U.S. Department of Defense school overseas, must apply for a Byrd scholarship through the SEA of her state of residence.

The SEA develops its selection procedures after consulting with school boards and administrators, teachers, counselors, and parents. Before each state's selection criteria and application procedures are implemented, they are reviewed and approved by the Department.

Students can receive up to $1,500 for one year of study, which is the period during which a full-time student is expected to complete one year of coursework as defined by the school.

Initial student eligibility

The eligibility criteria for receiving a Byrd scholarship are similar to those for the FSA Programs but not identical. Each student must meet the criteria listed below during the same secondary academic year in which he submits the scholarship application. The student must:

- graduate from a public or private secondary (high) school (home-schooled students and those at military schools are not eligible for Byrd scholarships) or receive the recognized equivalent of a high school diploma (a GED certificate or a certificate that is earned by passing a state-authorized examination and that the state recognizes as a diploma equivalent);
- have applied to or been accepted for enrollment as a full-time student (one who carrys a full-time academic workload as determined by the school for a given program) at an institution of higher education;
- be a legal resident of the state to which he is applying for a scholarship;
- be a U.S. citizen or national or provide evidence from the U.S. Citizenship and Immigration Services (USCIS) that he is

  Δ a permanent resident of the United States,

  Δ in the United States for other than a temporary purpose, with the intention of becoming a citizen or permanent resident, or

  Δ a citizen of the Freely Associated States (Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau);

- is not ineligible to receive assistance as a result of default on a federal student loan or other obligation, as provided under 34 CFR 75.60; and
- is registered with the Selective Service, if so required, in accordance with the regulations in 34 CFR 668.33.

Continuing eligibility criteria

Awards can be renewed for up to three additional years provided that funds are appropriated and students remain eligible. A student remains eligible for the scholarship as long as she continues to:

Part-time attendance example
Wendy is a student at Frisson University who received a Byrd scholarship as a freshman. For her sophomore year she enrolls full-time for the fall semester and half-time for the spring semester since she will be working part-time in a co-op job related to her field of study. Because of this, the SEA waives Wendy's full-time enrollment requirement for spring and prorates the $1500 scholarship. Wendy would still receive half the scholarship for the fall term ($1,500 x 0.5 years= $750), and because she is attending half time in the spring, she will be eligible to receive half of the remaining $750 ($750 x 0.5 =$375).

- meet the citizenship/permanent resident requirements given previously,
- avoid loan default, as outlined above,
- meet Selective Service obligations,
- maintain the satisfactory academic progress standards of the school in accordance with the provisions of 34 CFR 668, and
- be enrolled as a full-time student (though see the exception below) at an institution of higher education.

Byrd scholarships are awarded for not more than four years. If the student completes his undergraduate program in three years, then he is eligible to receive the scholarship for only those three years.

Part-time enrollment after the first year

Byrd scholars must be enrolled full time for the first year of study. If after the first year the SEA determines that unusual circumstances justify waiving the full-time requirement, the student may enroll part time and continue to receive the scholarship, but the SEA must prorate her payments according to her enrollment status.

Scholarship suspension

A scholar who fails to meet any of the eligibility requirements within an award year will have her scholarship suspended by the SEA. The scholar's eligibility remains suspended until she is able to demonstrate to the satisfaction of the SEA that she again meets the requirements. Once the suspension period reaches 12 months, her eligibility for that scholarship is terminated.

The SEA may define exceptional circumstances under which it will extend the 12-month suspension period without ending the student's eligibility.

Scholars may postpone or interrupt enrollment

A state agency may permit a scholar to interrupt or postpone his enrollment at a postsecondary school for up to 12 months. For a postponement this begins on the date the student would have enrolled in the school after the state agency awarded him the scholarship.

Each state agency establishes standards that determine when it will approve a postponement or interruption. If the SEA does approve the postponement or interruption, it must document the scholar's subsequent enrollment.

A scholar who postpones or interrupts her enrollment is not eligible to receive scholarship funds until she is again enrolled at the school. Note that for a student whose scholarship has been suspended, a postponement or interruption does not count against her in calculating the 12 months of suspension.

Scholarship limited to domestic schools

A Byrd scholar may not use his scholarship to attend a foreign school. He must attend an eligible postsecondary school located in

one of the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, American Samoa, or the Freely Associated States (the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau).

However, a scholar studying abroad through an eligible institution (the home school) that is located in a state or one of the other regions listed in the previous paragraph is eligible to receive funds as long as she is enrolled at the home school and receives credit from it.

Byrd Program on the Web
The Department gives information on the Byrd Program at
www.ed.gov/programs/iduesbyrd/index.html
This site has contact information if you have questions (the program is not administered by FSA).

TEACH GRANTS

One provision of the College Cost Reduction and Access Act established, effective July 1, 2008, the Teacher Education Assistance for College and Higher education (TEACH) Grant Program, which provides $4,000 annual grants to students who plan to become teachers. In exchange for the grant, candidates must agree to serve as full-time teachers at certain schools and within certain high-need fields for at least four academic years within eight years of completing the course of study for which a grant was received. If a grant recipient does not carry out that obligation, the TEACH grant funds he received convert to a Direct unsubsidized loan that must be repaid with interest.

Amounts of grant funds available

A full-time teacher candidate may receive up to $4,000 each year. The total amount of TEACH grants that she may receive for undergraduate or post-baccalaureate study cannot exceed $16,000. The total amount a graduate student may receive cannot exceed $8,000. For students who are enrolled less than full time, the amount of the annual grant must be reduced according to a schedule established by the Secretary. A TEACH grant in combination with other assistance the student receives cannot exceed the cost of attendance; if it does, her aid package must be reduced.

Qualifications for receiving a TEACH grant

To qualify for a TEACH Grant, an applicant must meet certain academic standards and must be completing (or planning to complete) the coursework necessary to begin a career in teaching. A student may qualify if he has a cumulative 3.25 grade point average on a 4.0 scale—if he is in the first year of college, the GPA for his total high school record is used—or if he scores above the 75th percentile on at least one of the batteries in an undergraduate, post-baccalaureate, or graduate school admissions test.

The above academic requirements do not apply to certain graduate students. This group comprises current teachers or retirees from another occupation with expertise in a field where there is a shortage of teachers (e.g., mathematics, science, special education, reading specialists, English language acquisition, or another high-need field), as well as students who are completing a high quality alternative certification, such as Teach for America.

A student must agree to:

- Serve as a full-time teacher for a total of at least four academic years within eight years of completing her course of study for which the TEACH grant was received;

- Teach at a public or private nonprofit elementary or secondary school that is eligible for assistance under Title I of the Elementary and Secondary Education Act, as provided in Section 465(a)(2) of the HEA;

- Teach math, science, a foreign language, bilingual education, special education, or another field designated as a high need, or teach as a reading specialist;

- Provide evidence of required employment after each year of service certified by the chief administrative officer of the school;

- Comply with the requirements for being a high-quality teacher as defined in Section 9101 of the Elementary and Secondary Education Act; and

- If she fails or refuses to carry out her service obligation, repay as an unsubsidized Direct loan the total amount, plus interest, of the TEACH grants received.