Volume 1 Student Eligibility
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Introduction

This volume of the Federal Student Aid (FSA) 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 you must consider when reviewing an application for aid from the FSA programs, such as whether the student is a U.S. citizen or permanent resident, whether the applicant is making satisfactory academic progress, and whether he or she has a defaulted FSA loan. To answer these questions you receive information about the student from 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 of Education (The Department) provides updates to schools in the form of dear colleague letters (DCLs). These and other releases, 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**).

The FSA Handbook doesn't cover the operation of software. For schools using software from the Department, there are technical references on the FSA Download website (see the margin) that explain how the software operates. Schools using third-party software should consult the vendor's reference materials for technical guidance.

RECENT CHANGES HIGHLIGHTS

Here are some of the significant changes to *Volume 1*:

Chapter 1:

- Expanded discussion of academic qualifications and reporting, including penalties for students incorrectly stating diploma status.
- Foreign diploma guidance expanded, including when self-certification may be accepted from certain types of students; new sidebar added with Q&A html link.
- Recognized equivalents of a high school diploma section updated. New sidebar DCL and Q&A links added.

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, 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

Questions about FSA policies
E-Announcement Nov. 15, 2013
For questions about Federal Student Aid policies and programs, call the new "*Reach FSA*," phone line at 1-855-FSA-4-FAA (1-855-372-4322). *Reach FSA* will help you determine the appropriate call center for your question, and then transfer you to that call center.

FSA Coach
ANN-13-21
FSA Coach, a self-paced, comprehensive online guide to the Title IV programs, has been updated for domestic schools. For more information, see: *http://www.ifap.ed.gov/ifap/fsacoach.jsp* COACH for foreign schools will be updated in the future; monitor IFAP for forthcoming training announcements.

Questions or comments?
If you have any comments regarding the FSA Handbook, please contact Research and Publications via email at *fsaschoolspubs@ed.gov*.

- Completely revised and updated section on ATB & Career Pathway Programs per the Consolidated Appropriations Act of 2016 and DCL GEN-16-09, including new sidebars on CPPs, ATB tests, and the Consolidated Appropriations Act's major provisions.
- New chart on approved ATB tests added.
- New Q&A html link in SAP sidebar.
- Clarified guidance in eligibility and enrollment status for retaking coursework sidebar.

Chapter 2:

- Guidance on citizenship documentation clarified and expanded; passport types explained vis-a-vis Title IV (TIV) aid.
- Passport and passport cards sidebar added, w/regulatory citation and link showing how to acquire a passport card.
- Suspect documents sidebar added, with guidance on what to do if you suspect fraud.
- New sidebar on photocopying immigration documents added, including DCL citation.
- New sample immigration documents added to end of chapter: Re-entry permit and CBP I-94 website printout.

Chapter 3

- Updated and expanded guidance on Unusual Enrollment History (UEH).
- New UEH change for undergrad to graduate student progression sidebar w/E-Announcement citation.
- Guidance added on documenting credits earned when a school has closed.
- Resolving UEH flags in a subsequent award year sidebar added.

Chapter 6

- Updated 150% limit on subsidized loans sidebar.
- Updated Perkins loan eligibility body text guidance and sidebar citation.

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 to receive FSA funds (exceptions are discussed later in this chapter). 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 requirement for an eligible program is discussed in *Volume 2, Chapter 2*.

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 provisionally, for example, until they provide further documentation, such as academic transcripts or test scores, or demonstrate an ability to succeed in the program by receiving acceptable grades in program coursework. Typically, the school will limit these students' enrollment in terms of number of courses or enrollment status until they meet the necessary conditions.

Students admitted as conditional are regular students only if the school officially accepts them into the eligible degree or certificate 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 a regular student and is not eligible for FSA funds until she is officially admitted.

Schools may offer a trial or conditional period during which a student attends a program without incurring program charges or receiving FSA funds. If the student continues beyond the trial period and enrolls as a regular student, the school can pay him FSA grants for the entire payment period and loans for the period of enrollment.

▼ *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.

Student eligibility
34 CFR 668.32
See *Volume 2, Chapter 2* for eligible program requirements.

Regular student example
HEA Sec. 484(a)(1), (b)(3), (4);
34 CFR 668.32(a)(1)
34 CFR 668.24(c)(iii)
Lem Community College (LCC) 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; they are not regular students. LCC requires those who want to receive a degree or certificate to complete a form stating which degree or certificate they are studying for and to meet periodically with an academic advisor. LCC considers them to be regular students.

Trial periods of enrollment
DCL GEN-11-12
You may offer trial periods of enrollment to allow a student to "try out" a program, without incurring charges or receiving Title IV aid, before deciding to continue the program as a regular student and applying for Title IV aid.

Conditional acceptance examples

1. Jantz 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 FSA funds.

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 further FSA funds.

Continuing education examples

1. Haverford 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 in which the students are enrolled. These are regular students who are eligible for FSA funds.

2. Jantz 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

Remedial coursework

Remedial coursework prepares a student for study at the postsecondary level (as opposed to preparatory coursework, which prepares a student for a given program). 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 toward the student's enrollment status (see "Enrollment status" section in this chapter).

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 FSA purposes. Nor can FSA funds be used for a remedial course that uses direct assessment of student learning instead of credit or clock hours.

You can't use non-credit 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 training or for coursework prior to the completion of high school, even if the high school equivalency 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 English as a second language (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, 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 or Pell Grants over a series of semesters for such work can exhaust his eligibility for Pell Grants and/or FSA loans before he completes his program.

Preparatory coursework

A student not enrolled in a degree or certificate program is eligible for Direct Subsidized/Unsubsidized Loans (and a parent may receive Direct PLUS Loans on behalf of a dependent student) for up to one year if she is taking coursework necessary for enrollment in an eligible program. See the discussion under Direct Loans in *Chapter 6* of this volume.

Teacher certification coursework

A student may receive Federal Work-Study (FWS), as well as Direct Subsidized/Unsubsidized Loans, and Perkins Loans (and a parent may receive Direct PLUS Loans on behalf of a dependent student) if he or she 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.

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

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. An otherwise eligible student may also receive a TEACH Grant. 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.

A student with a bachelor's degree who is enrolled in a postbaccalaureate teacher certification program can receive a Pell Grant in limited situations. See *Chapter 6* of this volume.

Students with intellectual disabilities

Students with an intellectual disability (see margin note) can receive funds from the Pell Grant, FSEOG, and FWS programs. They must be enrolled or accepted for enrollment in a comprehensive transition and postsecondary program (as defined in 34 CFR 668.231) for students with intellectual disabilities and must maintain satisfactory academic progress as determined by the school for this program. These students:

- Do not have to be enrolled for the purpose of obtaining a degree or certificate, and
- Are not required to have a high school diploma or its recognized equivalent.

Except for the statutes governing need analysis, the Secretary has the authority to waive any Pell Grant, FSEOG, FWS, or institutional eligibility provisions necessary to ensure that programs enrolling students with intellectual disabilities are eligible for these three types of federal student aid and that eligible students receive those funds.

Students with intellectual disabilities
HEA Sec. 484(s)
34 CFR 668.230–233
20 U.S.C. 1091, 1140
Students who:
1) have mental retardation or a cognitive impairment characterized by significant limitations in intellectual and cognitive functioning and adaptive behavior as expressed in conceptual, social, and practical adaptive skills; and (2) are currently or were formerly eligible for special education and related services under the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1401), including students who were determined eligible for special education or related services under the IDEA but were homeschooled or attended private school.
See 668.233(c) for documentation requirements.

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 therefore 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 Jantz 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.

Academic qualifications
HEA Sec. 484(d)
34 CFR 668.32(e)
COD Technical Reference

When a student incorrectly states diploma status NEW
When a student incorrectly states their diploma status, for example, stating one year that they had a high school diploma, and in a subsequent year either notifying you that the previous submission was a mistake, or simply answering "no" to the question of whether or not they have a high school diploma, then the student was ineligible for all TIV aid, and is ineligible for all TIV aid going forward, and must also return the aid they previously received when ineligible, even if it was for an award year which has been completed.

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 college program. A student is considered to be enrolled in secondary school if she is pursuing a high school diploma or if she has completed the requirements for a diploma, has not yet received it, and either she is taking college coursework for which her high school gives credit or her high school still considers her to be enrolled there.

An adult pursuing a high school equivalency certificate (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 high school equivalency training. 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 NEW

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

- 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 educational development (GED) certificate or other state-sanctioned test or diploma-equivalency certificate;
- has completed homeschooling at the secondary level as defined by state law;
- has completed secondary school education in a homeschool setting which qualifies for an exemption from compulsory attendance requirements under state law, if state law does not require a homeschooled student to receive a credential for their education; or
- has completed one of the ability-to-benefit (ATB) alternatives and is either currently enrolled in an eligible career pathway program or first enrolled in an eligible postsecondary program prior to July 1, 2012.

A student may self-certify on the FAFSA that he has received a high school diploma or high school equivalency certificate or that he has completed secondary school through homeschooling as defined by state law. If a student indicates that he has a diploma or high school equivalency certificate, your school isn't required to ask for a copy (except as noted below), but if your school requires a diploma for admission, then you must rely on that copy of the diploma or high school equivalency certificate and not on the student's certification alone.

Awards submitted to the COD system for all students require a Student Eligibility Code (previously Ability to Benefit Code) to report how the student (including graduate and professional students) is qualified to study at the postsecondary level (e.g. by obtaining a high school diploma or its recognized equivalent). For more detail on submitting the appropriate Student Eligibility Code, see the COD Technical Reference on IFAP.

Checking the validity of a high school diploma

If your school or the Department has reason to believe that the high school diploma is not valid or was not obtained from an entity that provides secondary school education, you must evaluate the validity of the student's high school completion. Students who indicate on their FAFSA that they graduated high school must give the name, city, and state of the high school. FAFSA on the Web will not allow students to skip these items, and it will have a drop-down list of both public and private high schools populated by the National Center for Education Statistics (NCES). Inclusion on the list does not mean that a diploma from the school is valid, nor does exclusion from the list mean that the diploma is invalid. Acceptable documentation for checking the validity of a student's high school completion can include the diploma and a final transcript that shows all the courses the student took.

Diplomas from unaccredited high schools can be valid and qualify students to receive FSA funds, as well as to meet college admission standards. One resource that a school may consider to determine if a high school diploma is valid is the department of education in the state in which the high school is located, if that department has jurisdiction over the high school. Colleges are also free to consult with each other as they develop their procedures for checking the validity of high school diplomas. For students who completed their secondary schooling outside the United States, comparable documents can help, as can the services of companies that determine the validity of foreign secondary school credentials.

The ISIR will not provide any more information than what the student submitted on the FAFSA. We do not expect you to check the high school data for every student against other information obtained by your school during admissions, but if you have reason to believe the high school diploma is dubious—e.g., the college knows the student bought the diploma or transcript and was required to perform little or no work—you must validate the diploma.

A student's self-certification is not sufficient to validate a high school diploma that is in question. It should be remembered that for a college to be an eligible institution, it must admit as regular students only those with a high school diploma or the recognized equivalent or who are beyond the age of compulsory school attendance. As in other areas of FSA administration, schools have final authority in meeting this requirement. The Department does not plan to have an appeal process or to intervene in reasonable judgments of school administrators, such as a decision to move a high school from a college's acceptable to unacceptable list or a case where one school has different lists than another.

College diploma mill definition

An entity that:

1. Charges someone a fee and requires him to complete little or no education or coursework to obtain a degree, diploma, or certificate that may be used to represent to the general public that he has completed a program of postsecondary education or training; and
2. Lacks accreditation by an agency or association that is recognized as an accrediting body for institutions of higher education by the Secretary (pursuant to Part H, Subpart 2 of Title IV) or a federal agency, state government, or other organization that recognizes accrediting agencies or associations.

Foreign diplomas NEW

www2.ed.gov/policy/highered/reg/hearulemaking/2009/hsdiploma.html (see the FHD section)

Foreign high school diplomas NEW

High school diplomas/transcripts from other countries are acceptable toward the student eligibility general requirement, as long as the diploma is equivalent to a U.S. high school diploma.

A school that is qualified to evaluate the credential may do so. A school that is not qualified or chooses not to evaluate the credential can instead require students to have their credential evaluated by a company that offers such a service. The school may pay for the evaluation, but if it does so, it can only have students reimburse it for the cost if it requires the evaluation as part of its admission process for all students who have a foreign credential.

You may not require only students who are applying for federal student aid to pay the school to have their credential evaluated because that would amount to the school charging a fee to complete the FAFSA, which is prohibited under HEA 483(a)(6). In such cases, because the cost of evaluating a foreign credential is incurred as a charge of admission prior to enrollment in an eligible program, it cannot be included in students' COA.

If the student is selected for verification tracking groups V4 or V5, in which the student must provide proof of high school completion, when it is impossible for a refugee, asylee or victim of human trafficking to obtain documentation of his or her completion of a secondary school education in a foreign country, you may accept self-certification that they have completed a high school (or equivalent) education from these applicants, along with their entry status documentation that demonstrates the applicant's current or prior status as a refugee, asylee, or victim of human trafficking who entered the U.S. after the age of 15 (see item FHD-Q2/A2 at *www2.ed.gov/policy/highered/reg/hearulemaking/2009/hsdiploma.html)*.

Recognized equivalents of a high school diploma NEW

The Department recognizes several equivalents to a high school diploma:

- A GED certificate;
- a certificate or other official completion documentation demonstrating that the student has passed a state-authorized examination (such as the Test Assessing Secondary Completion (TASC) the High School Equivalency Test (HiSET), or, in California, the California High School Proficiency Exam) that the state recognizes as the equivalent of a high school diploma (certificates of attendance and/or completion are not included in this qualifying category);
- an associate's degree;
- Successful completion of at least 60 semester or trimester credit hours or 72 quarter credit hours that does not result in the awarding of an associate's degree, but that is acceptable for full credit toward a bachelor's degree at any institution; or
- Enrollment in a bachelor's degree program where at least 60 semester or trimester credit hours or 72 quarter credit hours have been successfully completed, including credit hours transferred into the bachelor's degree program.

- for a student who enrolls without completing high school, a 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.

Note that merely possessing a certificate of attendance and/or high-school completion is **not** sufficient for a student to be Title IV aid eligible. Such a certificate may be issued without a student having completed all of the academic graduation requirements, including passing any required examinations. A state must consider a certificate or high-school-completion-equivalency test as equivalent to a high school diploma in that state in order for it to be considered equivalent to a high school diploma for Title IV aid eligibility purposes.

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 to be eligible for FSA funds. She can include in her homeschooling self-certification that she received this state credential. An eligible *institution* is defined in part as one that admits as regular students only those who have a high school diploma or equivalent, are beyond the compulsory age of attendance for the school's state, or are dually enrolled at the college and a secondary school.

For students who finish homeschooling at a younger age, the Department considers them to be beyond the age of compulsory attendance if your school's state would not require them to obtain a secondary completion credential as provided under state law, or if not required by state law, has completed a secondary school education in a homeschool setting that qualifies as an exemption from compulsory attendance under state law. See also *Volume 2, Chapter 1*.

Recognized equivalent of a high school diploma NEW

34 CFR 600.2
DCL GEN 15-09
www2.ed.gov/policy/highered/reg/hearulemaking/2009/hsdiploma.html
Example: Eric enrolls in the bachelor's degree program at Glesser College. Eric completes his high school requirements early, but the high school does not formally issue the high school diploma until a later time. Glesser can award Eric TIV funds if Glesser obtains a statement signed by an official from Eric's high school attesting that Eric has completed all of the required coursework and has successfully passed any required proficiency examinations for the school's diploma. The statement must include the date when the actual high school diploma will be issued.

Homeschooled students

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

Homeschooled students and institutional eligibility

HEA Sec. 102(a)(b)(c)

State regulations (for homeschooling & other purposes)

www2.ed.gov/admins/comm/choice/regprivschl/index.html

ATB options & Career Pathway Programs NEW
Consolidated Appropriations Act of 2016 (Public Law 114-113)
DCL GEN-12-09
DCL GEN-16-09
HEA Sec. 484(d)
E-Announcement July 9, 2015

ATB tests NEW
34 CFR Part 668 Subpart J (Sections 141–156)
E-Announcement June 24, 2015
Revised ATB regulations were published in the *Federal Register* on Oct. 29, 2010. Guidance on implementation of requirements for tests in languages other than English was given in GEN-11-08.

Consolidated Appropriations Act of 2016 NEW
On December 18, 2015, the President signed the Consolidated Appropriations Act of 2016, which included the following changes to ATB provisions:
- A revised definition of an eligible career pathway program; and
- The elimination of the career pathway alternative Pell Grant disbursement schedules.

A school's eligible career pathway program must meet the revised definition in order for students who first enroll in that program during the 2016-17 award year to become eligible for Title IV aid using one of the ATB alternatives.
For students who were previously eligible only for Limited Pell Grant awards, schools must now use the Federal Pell Grant Payment and Disbursement Schedules that are published in Dear Colleague Letter GEN-16-01 for the upcoming 2016-17 award year. Transition guidance for the remainder of the current award year will be provided in a forthcoming Dear Colleague Letter on IFAP.

Ability-To-Benefit (ATB) Alternatives & Career Pathway Programs NEW

Students may become eligible for Title IV aid through the ATB alternative in one of two ways. If a student first enrolled in an eliglble postsecondary program prior to July 1, 2012, the student may enroll in any eligible program and can become eligible through one of the ATB alternatives. However, if a student first enrolled in an eligible postsecondary program on or after July 1, 2012, the student may only become eligible through one of the ATB alternatives if the student is enrolled in an "eligible career pathway program." See below for more details about eligible career pathway programs.

The ATB alternatives include:

- Passing an independently administered Department of Education approved ATB test (see chart at the end of this section).
- Completing at least 6 credit hours or 225 clock hours that are applicable toward a degree or certificate offered by the postsecondary institution.
- Completing a State process approved by the Secretary of Education. Note: To date, no State process has been submitted for the Secretary's approval.

▼ *Eligible Career Pathway Programs.* An "eligible career pathway program" means a program that combines rigorous and high-quality education, training, and other services that—

1. Align with the skill needs of industries in the economy of the State or regional economy involved;

2. Prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the Act of August 16, 1937 (commonly known as the "National Apprenticeship Act"; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.);

3. Includes counseling to support an individual in achieving the individual's education and career goals;

4. Includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;

5. Organizes education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable;

6. Enables an individual to attain a high school diploma or its recognized equivalent, and at least one recognized postsecondary credential; and

7. Helps an individual enter or advance within a specific occupation or occupational cluster.

You are responsible for documenting that your career pathway

program(s) meet each of the requirements described above. The Department does not require that you receive approvals or endorsements from a State or local workforce agency to fulfill these requirements, although that may be one way that you document your compliance.

Additional information regarding the requirements for eligible career pathway programs can be found in Dear Colleague Letter GEN-16-09 on IFAP.

▼ *Eligibility of Other Students Without a High School Diploma (Grandfathered Students).* As discussed in Dear Colleague Letter GEN-12-09, students who were enrolled in an eligible program of study prior to July 1, 2012 may continue to establish Title IV eligibility in any eligible program under one of the ATB alternatives by using the following grandfathering test:

Question 1: Did the student attend an eligible program at any Title IV institution prior to July 1, 2012? If yes, the student may use any of the ATB alternatives (as described above) to become eligible for Title IV, HEA student assistance. If no, continue to Question 2.

Question 2: Did the student, prior to July 1, 2012, officially register at a Title IV institution, and is the student scheduled to attend an eligible program? If yes, the student may use any of the ATB alternatives (as described above) to become eligible for Title IV, HEA student assistance. If no, the student may not use the ATB alternatives to become eligible for Title IV, HEA student assistance, unless the student is enrolled in an eligible career pathway program.

For a student who qualifies to use one of the ATB alternatives through enrollment in an eligible program prior to July 1, 2012, you must document how the student qualifies to use one of the ATB alternatives. Such documentation could include documentation from NSLDS that shows a student's prior receipt of Title IV funds, or a transcript or other receipt that demonstrates enrollment in an eligible program.

Approved ATB Tests (as of June 24, 2015)

ATB Tests Still Approved	Publishers & Passing Scores
Wonderlic Basic Skills Test (WBST) Verbal Forms VS-1 and VS-2, Quantitative Forms QS-1 and QS-2. This is a paper and pencil test.	Wonderlic, Inc., 400 Lakeview Parkway, Suite 200, Vernon Hills, IL 60061 Contact: Chris Young, (847) 247-2544 Passing Scores: Verbal 200, Quantitative 210
Wonderlic Basic Skills Test (WBST) Verbal Forms VS-1 and VS-2, Quantitative Forms QS-1 and QS-2. This is an online version of the tests.	Wonderlic, Inc., 400 Lakeview Parkway, Suite 200, Vernon Hills, IL 60061 Contact: Chris Young, (847) 247-2544 Passing Scores: Verbal 200, Quantitative 210
Spanish Wonderlic Basic Skills Test (Spanish WBST) Verbal Forms VS-1 and VS-2, Quantitative Forms QS-1 and QS-2. This is a paper and pencil test.	Wonderlic, Inc., 400 Lakeview Parkway, Suite 200, Vernon Hills, IL 60061 Contact: Chris Young, (847) 247-2544 Passing Scores: Verbal 200, Quantitative 200
Spanish Wonderlic Basic Skills Test (Spanish WBST) Verbal Forms VS-1 and VS-2, Quantitative Forms QS-1 and QS-2. This is an online version of the tests.	Wonderlic, Inc., 400 Lakeview Parkway, Suite 200, Vernon Hills, IL 60061 Contact: Chris Young, (847) 247-2544 Passing Scores: Verbal 200, Quantitative 200
Combined English Language Skills Assessment (CELSA), Forms 1 and 2.	Association of Classroom Teacher Testers (ACCT), 1187 Coast Village Road, Suite 1, #378, Montecito, CA 93108 Contact: Pablo Beuckelew, (805) 965-5704 Passing Scores: CELSA Form 1: 97; Form 2: 97.
ACCUPLACER (Reading Comprehension, Sentence Skills, and Arithmetic)	The College Board, 250 Vesey Street, New York, NY 10281 Contact: The ACCUPLACER Program, (800) 607-5223 Passing Scores: Reading Comprehension 55; Sentence Skills 60; and Arithmetic 34.

To refer to ATB tests which were approved in the past, see the June 24, 2015 E-Announcement on IFAP

SATISFACTORY ACADEMIC PROGRESS (SAP)

To be eligible for FSA funds, a student must make satisfactory academic progress, and your school must have a reasonable policy for monitoring that progress. The Department considers a satisfactory academic progress policy to be reasonable if it meets both the qualitative and quantitative criteria explained in this section.

Your SAP policy must be at least as strict as your SAP policy for students enrolled in the same program of study who are not receiving FSA funds at your school, and it must apply to all students within categories, e.g., full-time, part-time, undergraduate, and graduate students. Different SAP policies may apply to different academic programs. All relevant SAP policy must be applied. Your policy(s) must require an academic progress evaluation at the end of each payment period for students in programs lasting one year or less. For all other programs, the policy must require annual reviews and must correspond with the end of a payment period. For programs greater than one year, your policy may also call for progress reviews after each payment period. If you review at each payment period, you must review SAP after a summer term if the student attends the summer term. You may have reasonable rules for students who initially enroll in specific courses but modify that enrollment within a limited time.

Grades and pace of completion

Your school's policy must specify that both the quantitative (time-based) and qualitative (grade-based) standards are reviewed at each evaluation point. Each may include a payment period-based standard but are required to include a cumulative standard. You may review SAP more frequently, (for example, monthly), but the more frequent reviews would not replace the review that is required to be conducted at the end of the payment period.

Your policy must specify the *qualitative* standard (grade point average or GPA) that a student must have at each evaluation or, if GPA is not an appropriate qualitative measure, a comparable measure against a norm. In addition, the HEA requires a specific qualitative review at the end of the student's second academic year. Students enrolled in a program of more than two academic years must have a GPA of at least a "C" or its equivalent or must have an academic standing consistent with your school's graduation requirements.

Having a standing consistent with the requirement for graduation means you could use an escalating GPA instead of a fixed one. For example, if your school uses a 4-point scale, it could require students to have a 2.0 average by graduation but allow their average to be lower earlier in their program. 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. Remedial coursework must be included in the qualitative assessment of SAP. The courses need not be included in the student's GPA; however, your school must have some means of assessing a student's academic progress in remedial coursework.

Your policy must also specify the *quantitative* standard (pace) at which students must progress through their program to ensure that they will graduate within the maximum timeframe, and each academic progress check must

Satisfactory Academic Progress

HEA Sec. 484(c),
34 CFR 668.16(e)
34 CFR 668.32(f)
34 CFR 668.34
Q&A: www2.ed.gov/policy/highered/reg/hearulemaking/2009/sap.html

Satisfactory progress definitions

Appeal—A process by which a student who is not meeting SAP standards petitions the school for reconsideration of his eligibility for FSA funds.

Financial aid probation—A status a school assigns to a student who is failing to make satisfactory academic progress and who successfully appeals. Eligibility for aid may be reinstated for one payment period.

Financial aid warning—A status a school assigns to a student who is failing to make satisfactory academic progress. The school reinstates eligibility for aid for one payment period and may do so without a student appeal. This status may only be used by schools that check SAP at the end of each payment period and only for students who were making SAP in the prior payment period for which they were enrolled or who were in the first payment period of their program.

Maximum timeframe

- For an undergraduate program measured in credit hours, a period no longer than 150 percent of the published length of the program.
- For an undergraduate program measured in clock hours, a period no longer than 150 percent of the published length of the program as measured by the cumulative number of clock hours the student is required to complete and expressed in calendar time. (Note that a student in a clock hour program cannot receive aid for hours beyond those in the program; the maximum timeframe applies to the amount of calendar time the student takes to complete those hours.)
- For a graduate program, a period the school defines that is based on the length of the program.

Grades and SAP: Academic amnesty/renewal

Some schools have academic amnesty/renewal procedures through which a student can apply to have credits attempted and grades earned in previous semesters excluded from the calculation of the student's grade point average. The FSA program regulations make no provision for the concept of academic amnesty or academic renewal. Therefore, a school must always include courses applicable to a student's major (whenever taken) in evaluating a student's satisfactory academic progress (both quantitative and qualitative components). This may, however, be an item that is subject to appeal if the school's policy permits such appeals.

Completed program, no degree

A student who completes the academic requirements for a program but does not yet have the degree or certificate is not eligible for further additional FSA funds for that program.

Retaking a program

Your school may permit a student to receive FSA funds for retaking a program that she has completed before. For more details, see "Eligibility and enrollment status for retaking coursework" sidebar later in this chapter.

Grades for test-based credits

Some schools have developed tests in accord with their academic standards, such as language proficiency tests, which students can take and receive course credit. If such credits count toward the student's program, the grades for those credits count in the student's GPA for all FSA purposes.

measure this. You calculate the pace at which a student is progressing by dividing the total number of hours the student has successfully completed by the total number he has attempted. You may include, but aren't required to include, remedial courses when making the quantitative assessment.

Checking a student's pace of completion allows for variations of enrollment status since you look at the percentage of classes successfully completed rather than the number. Also, you can use a graduated completion percentage for each year of a program. For instance, your policy can permit students to complete a lower percentage of their classes in the first academic year but require them to complete an increasing percentage in subsequent years so that they finish their program in time. A student is ineligible when it becomes mathematically impossible for him to complete his program within 150% of its length if it is an undergraduate program, or within the maximum timeframe established by the school if it is a graduate program. In this situation, an appeal would be possible if your school accepts appeals.

Your policy must explain how GPA and pace of completion are affected by course incompletes, withdrawals, and repetitions, and by transfer credits from other schools. Generally, all periods of the student's enrollment count when assessing progress, even periods in which the student did not receive FSA funds. However, only transfer credits that count toward the student's current program should be counted (as both attempted and completed hours). Your policy may permit that for students who change majors, credits and grades that do not count toward the new major will not be included in the satisfactory progress determination. You may limit how many times a student can in this way "reset" academic progress by changing majors.

Your SAP policy cannot exclude from the progress review courses in which a student remained past the add/drop period and earned a grade of "W" (or its equivalent), nor can it routinely exclude certain hours attempted, such as those taken during a summer session.

A review of SAP is not complete until both the qualitative and quantitative measures have been reviewed. If a satisfactory progress check shows that a student does not have the required GPA or is not maintaining the required pace, she becomes ineligible for FSA funds unless she is placed on financial aid warning (if your school reviews SAP at the end of each payment period) or probation (after a successful appeal), as explained below. Your policy must describe both of these statuses if it allows for them, and it must provide for notification to students of the results of any evaluation that affects their eligibility for FSA funds.

You may monitor SAP at the end of every month, but an official review (i.e., for Title IV/SAP purposes) may only occur at the end of a payment period. The monthly evaluation at the end of the month that contains the end of a payment period (for example, hour 450) cannot count as the official evaluation at the end of a payment period. Even if your school conducts progress evaluations at the end of each month, you cannot conduct the official (for Title IV/SAP purposes) SAP review at the end of each month. The official evaluation must be at the end of a payment period.

After an official evaluation, a student must be placed on warning or probation status (if the appeal is successful) for an entire payment period when SAP is not achieved. You may not put someone on warning/probation for less than a payment period.

Financial aid warning

Only schools that check satisfactory progress at the end of each payment period may place students on financial aid warning as a consequence of not making satisfactory progress. A school may use this status without appeal or any other action by the student. Warning status lasts for one payment period only, during which the student may continue to receive FSA funds. Students who fail to make satisfactory progress after the warning period lose their aid eligibility unless they successfully appeal and are placed on probation. Schools do not need to use the warning status; they can instead require students to immediately appeal to be placed on probation.

SAP new/conflicting information requirements

You must have an established procedure for reviewing and addressing additional information that may have an impact on SAP reviews. For example, if you review SAP at the end of a spring term and receive late notification of a grade change for the previous fall or spring term, you must recheck SAP using that new information.

Satisfactory Academic Progress Examples: Four-Year Programs

Four-year credit-hour program with appeal

Students in a bachelor's degree program at National College must complete 120 credits and may attempt up to 180 credits (120 x 150%). National reviews a student's academic progress once per year and has a pace of completion of 2/3 or 66.67% of the classes that students attempt; it requires a cumulative GPA of 1.50 after the first year, 1.75 after the second year, and 2.0 after the third year and beyond.

In his first semester, Danny fails one course and withdraws (late in the term) from one of his five courses (15 credits). He takes four courses in his second semester and again fails one and withdraws from one. Though his GPA is 1.71, he isn't making SAP by the end of the first year because he completed only 15 credits out of the 27 he attempted, and two-thirds (2/3) of 27 is 18. Danny applies for an appeal, but because his only reason for not making SAP is that he wasn't able to concentrate on college after being in high school, and because he doesn't offer evidence showing what has changed, the aid administrator at National denies his appeal, and he is ineligible for aid in his second year.

Even if Danny had a more convincing reason for failing at SAP, such as being injured and being rendered unable to participate effectively in his normal activities, the administrator might still have denied his appeal because she saw little improvement or variation in Danny's pace of completion and did not determine that he would likely be making SAP a year later. If Danny's academic performance improves by the end of his second year so that he is meeting the SAP criteria, he can again receive FSA funds.

4-year credit-hour program with warning and appeal

Krieger University checks SAP every quarter, which permits it to use financial aid warnings. Students must complete 144 credit hours to receive a BA or BS degree, and they may attempt up to 216 credit hours to complete a program. Students must complete at least half of the credits they attempt in their first year and 75% of their credits in each year after that. They must have no less than a 2.0 GPA at all times.

Gina finishes her first year at Krieger with a 2.25 GPA and completes all of the credits that she attempts, so she is making SAP. After the first quarter in her second year, she again completes all of her classes but poor grades leave her with a 1.94 GPA. The aid administrator places her on financial aid warning for one quarter and informs her that she is not meeting the SAP standards. Gina does poorly in the next quarter as well, and her GPA drops to 1.85. The aid administrator informs her that she can't continue on warning status and needs to submit an appeal explaining why she is failing to make SAP and why she thinks that will change and allow her to again make SAP.

Gina brings the administrator an obituary showing that her mother died recently, which required that she help with family affairs and caused her to lose her focus at school. She asserts that is over now. The administrator places her on probation and suggests that she might take fewer courses. But Gina enrolls full time and again receives poor grades, causing her GPA to drop to 1.80. The administrator informs Gina that she has become ineligible for FSA funds but that she can become eligible again if she raises her GPA to 2.0 or that she can submit another appeal (the latter appeal must be based on a reason different from the first appeal) and this time request to be placed on an academic plan.

Satisfactory Academic Progress Examples: One-Year Programs

1-year credit-hour program with financial aid warning Carver University has a program that a full-time student can complete in 24 semester hours. Because this is a one-year program, Carver must check SAP every payment period. Their policy is that students must complete the program by the time they have attempted 36 (150% of 24) hours, and the pace of completion is 2/3 or 66.67%. They require a 2.0 GPA at all times.

Suzie plans to take two classes (eight hours) each semester. In the first term, she fails one class and gets a B in the other. Her GPA is 1.5 and her pace of completion is 50%, so Carver automatically places her on financial aid warning and informs her of this. In her second semester, Suzie gets a C (in the class she failed in the first semester) and an A, raising her GPA to 2.25 (Carver counts all grades for retaken classes), and she has completed 75% of her classes, so she restores her aid eligibility.

Clock-hour program with appeal
Frisson Community College has a 900-clock-hour program that normally takes eight months to complete. Frisson allows a maximum timeframe of 12 months to complete the program, and students must complete at least 300 clock hours out of the 450 clock hours of each payment period (four months) and maintain a 2.0 GPA. Because the program is so short and financial aid warnings would delay a rigorous review of students' academic performance until late in (or the end of) the program, Frisson decides not to use warnings. Instead, it requires students to submit an appeal when they are not meeting SAP standards.

After the first four months, Jerry's GPA is 3.0, but he completes only 250 of the 300 clock hours that were required for the payment period. Frisson informs him that he must submit an appeal to continue to receive FSA funds. Jerry tells the administrator that he was diagnosed with depression, which prevents him from doing as much as he'd like. He provides a note from his psychiatrist and affirms that he is doing better since he has received regular treatment. The administrator grants his appeal and puts him on financial aid probation since she determines that Jerry can finish the program in the remainder of the year. She drafts a plan that allows him some flexibility in his pace of completion and that requires him to check with her once a month to inform her of his progress in his classes.

After four more months, Jerry's GPA is 3.3, and he has completed 580 hours out of the 600 required under Frisson's published SAP policy, which would normally make him ineligible for FSA funds. But because he is progressing according to his personal SAP plan and is predicted to complete the program within the maximum timeframe, he may still receive aid.

Eligibility and enrollment status for retaking coursework

34 CFR 668.2(b)

The regulatory definition for full-time student (for undergraduates) has been revised to allow a student, in a term-based program only, to retake any previously passed course (one time only per previously passed course). For this purpose, passed means any grade higher than an "F," regardless of any school or program policy requiring a higher qualitative grade or measure to have been considered to have passed the course. This retaken class may be counted toward a student's enrollment status, and the student may be awarded Title IV aid for the enrollment status based on inclusion of the class.

Continued next page...

Appeals, financial aid probation, and academic plans

All schools may use the financial aid probation as part of their satisfactory progress policy. When a student loses FSA eligibility because he failed to make satisfactory progress, if the school permits appeals, he may appeal that result on the basis of: his injury or illness, the death of a relative, or other special circumstances. His appeal must explain why he failed to make satisfactory progress and what has changed in his situation that will allow him to make satisfactory progress at the next evaluation.

If you determine, based on the appeal, that the student should be able to meet the SAP standards by the end of the subsequent payment period, you may place him on probation without an academic plan. You must review the student's progress at the end of that one payment period, as probation status is for one payment period only. If you determine, based on the appeal, that the student will require more than one payment period to meet progress standards, you may place him on probation and develop an academic plan for the student. You must review the student's progress at the end of one payment period as is required of a student on probation status, to determine if the student is meeting the requirements of the academic plan. If the student

is meeting the requirements of the academic plan, the student is eligible to receive Title IV aid as long as the student continues to meet those requirements and is reviewed according to the requirements specified in the plan.

Your school determines the process and documentation required for an appeal. It may decide to require more extensive information on an initial appeal and some type of an update statement on a subsequent appeal. The regulations do not specify what must be included in an academic plan. The school and the student must develop a plan that ensures that the student is able to meet the school's satisfactory progress standards by a specific time, though an academic plan could instead take the student to successful program completion. Students must also appeal to change their plan. They must explain what has happened to make the change necessary and how they will be able to make academic progress.

Reestablishing aid eligibility

Your policy, even if it does not permit appeals, must explain how students who are not making satisfactory academic progress can restore their eligibility for FSA funds. Other than when a student is placed on financial aid warning or probation or has agreed to an academic plan as outlined above, he can regain eligibility only by taking action that brings him into compliance with your school's satisfactory progress standards.

The requirement that a student complete a number of credits or enroll for a number of academic periods without receiving FSA funds, or that he interrupt his attendance for one or more academic periods, may be part of your academic progress policy. However, neither paying for one's classes nor sitting out for a term affects a student's academic progress status, so neither is sufficient to reestablish aid eligibility.

ENROLLMENT STATUS

A student must be enrolled at least half time to receive aid from the Direct Subsidized/Unsubsidized and Direct PLUS Loan programs. The Pell, TEACH Grant, and Campus-Based Programs don't require half-time enrollment, with two exceptions: the first exception is students must be enrolled in a post-baccalaureate program for teacher education at least half-time. The second exception is that, for Perkins and FWS, students must be enrolled half-time in a teaching credential program. But enrollment status does affect the amount of Pell a student receives; see *Volume 3, Chapter 3*.

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 for FSA purposes can differ from that 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 (for Title IV financial aid purposes) than the minimum standard (see the margin note on students with intellectual disabilities).

Normal SAP policy allows for a student to receive Title IV funds for retaking a course he or she failed, and if a student withdraws before completing the course that he or she is being paid Title IV funds for retaking, that is not counted as his or her one allowed retake for that course. However, if a student passed a class once, then is repaid for retaking it, and fails the second time, that failure counts as their paid retake, and the student may not be paid for retaking the class a third time.

If your school has a policy that requires students to retake all of the coursework for a term in which a student fails a course, only the first retake of any previously passed course is eligible for Title IV aid (see the preamble to the October 15, 2015 Program Integrity regulation; page 67127).

If a student withdraws from all Title IV eligible courses in the payment period or period of enrollment and continues to attend only the course(s) that he or she is completing or repeating for which he or she may not receive Title IV aid during that period, the student is a withdrawal for Title IV purposes. This is because a student is considered to be attending a Title IV eligible program only if he or she is attending one or more courses in that program for which the student is receiving Title IV, HEA program funds.

Full-time student definition
34 CFR 668.2(b)

Half-time enrollment
HEA Sec. 428(b)(1)(A),
34 CFR 668.2(b)
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.

Enrollment status for students with intellectual disabilities

Because a comprehensive training program for students with intellectual disabilities can include work for which the school awards no credit, such as audited courses, the school must develop equivalencies in credit hours for such work, just as it must do with non-credit remedial coursework. This will allow the school to determine the enrollment status for students in these programs.

Counting non-credit or reduced-credit remedial work in enrollment status

34 CFR 668.20

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.

▼ *Minimum standards for full-time enrollment.* A student's workload may include any combination of courses, work, research, or special studies that your school considers sufficient to classify them as full time. This includes, for a term-based program, one repetition of a previously passed course that is not due to the student failing other coursework. 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
- For correspondence coursework, a courseload commensurate with the full-time definitions listed here, 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 or exceeds 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, certificate, or other recognized credential, they cannot be used to determine enrollment status unless they are eligible remedial courses. This means you cannot award the student aid for classes that do not count toward his degree, certificate, or other recognized credential. Also, federal student aid can be awarded only for learning that results from instruction provided or overseen by the school. It cannot be awarded for any portion of a program based on study or life experience prior to enrollment in the program, or based on tests of learning that are not associated with educational activities overseen by the school.

STUDENTS CONVICTED OF POSSESSION OR SALE OF DRUGS

A federal or state drug conviction (but not a local or municipal 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 against a student for aid eligibility purposes (FAFSA question 23c) if they were for an offense that occurred during a period of enrollment for which the student was receiving federal student aid—they do not count if the offense was not during such a period, unless the student was denied federal benefits for drug trafficking by a federal or state judge (see drug abuse hold sidebar). 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. Schools must provide each student who becomes ineligible for FSA funds due to a drug conviction a clear and conspicuous written notice of his loss of eligibility and the methods whereby he can become eligible again.

A student regains eligibility the day after the period of ineligibility ends (i.e., for a 1st or 2nd offense); or when he or she successfully completes a qualified drug rehabilitation program that includes passing two unannounced drug tests given by such a program. Further drug convictions will make him ineligible again.

Students denied eligibility for an indefinite period can regain eligibility after completing any of the following options:

1) Successfully completing a rehabilitation program, as described below, which includes passing two unannounced drug tests from such a program);

Drug convictions
HEA Section 484(r)
34 CFR 668.40
A student who self-certifies that he or she has a qualifying drug conviction will receive a "C" code and comment code 053, 054, 056, 058, or 052 on his or her SAR and ISIR. See the SAR Comment Code and Text Guide on IFAP.

Question 23 Student Aid Eligibility Worksheet
You may distribute this worksheet to students to help them determine and document their eligibility or ineligibility, based on their responses to question 23 on the FAFSA (i.e., drug convictions): *www.ifap.ed.gov/drugworksheets/1415DrugWorkSheets.html*.

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 Central Processing System maintains a hold file of individuals who have received such a judgment. All applicants are checked against this file to determine if they should be denied aid. This is separate from the check for a drug conviction via question 23; records matching the drug abuse hold file receive a rejected application (reject 19 and comments 009 or 055 on the SAR and ISIR). See the *ISIR Guide* on the IFAP publications page for more information.

2) Having the conviction 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; or

3) Successfully completing two unannounced drug tests which are part of a rehab program (the student does not need to complete the rest of the program).

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 Grant, TEACH, and Campus-Based aid for the current payment period and Direct 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 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

Incarcerated students
HEA Sec. 401(b)(8) and 484(b)(5)
34 CFR 600.2 and 668.32(c)(2)
DCL GEN-14-21

A student is considered to be incarcerated if she is serving a criminal sentence in a federal or state 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, and is still potentially eligible for Pell, FSEOGs and FWS, but not Direct Loans, if he or she is in a halfway house, juvenile justice facility, a local or county jail, a local or county penitentiary or correctional facility, or is subject to home detention or is sentenced to serve only weekends. You may accept the student's written self-certification that he is no longer incarcerated.

See *Chapter 6* for more information on this and on sex offenders who were incarcerated but are now subject to an involuntary civil commitment.

CONFLICTING INFORMATION

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

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 or her 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 or eligibility 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 *Volume 2, Chapter 3* for more information.

Defense of Marriage Act Decision
DCL-GEN-13-25
DCL-GEN-14-14
In June 2013, the Supreme Court struck down Section 3 of the Defense of Marriage Act (DOMA), which provided that for purposes of federal programs, a marriage can only be between one man and one woman. For purposes of Title IV aid, the Department now considers that any legal marriage which was recognized by the jurisdiction in which it was performed as recognized without regard to whether the marriage is between persons of the same or opposite sex, and without regard to where the couple resides.

This has implications for dependency status and will impact how applicants fill out the FAFSA. For more details, see the *Application and Verification Guide, Chapter 2*.

In 2014, the Department published DCL GEN-14-14, which described further guidance on the potential eligibility of a same-sex stepparent to qualify for a Direct PLUS Loan. For further information, see the DCL.

CHANGE IN ELIGIBILITY STATUS

A student's eligibility status can change during the award year, which almost always affects whether he can be paid. The special rules for changes in satisfactory academic progress status were discussed in the SAP section. For more details on Pell Grant status changes within and between terms, see *Volume 3, Chapter 3*.

Gaining eligibility

A student who *gains eligibility* is one who was previously ineligible for some reason. In general, a student who gains eligibility may receive Pell Grant, TEACH Grant, and Campus-Based funds for the entire payment period and Direct Loan funds for the period of enrollment in which he or she becomes eligible.

A student is eligible for Pell Grant, TEACH Grant, and Campus-Based aid for the entire award year, not just the payment period, in which he or she becomes eligible by meeting the requirements for citizenship (including becoming an eligible noncitizen), having a valid Social Security number, or being registered for Selective Service.

For examples of gaining eligibility, we'll look at two students, Roy and Jared. Roy enrolls in a one-year certificate program at Carver University. Carver won't officially admit Roy before he provides an academic transcript from his previous school, but it lets him start classes in the fall. Carver receives Roy'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 Roy can receive a loan.

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

Losing eligibility

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

To illustrate the rule on losing eligibility, we'll look at a student named Steve. Steve is a student at Jantz 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. Jantz gave Steve 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 Jantz can't disburse the Perkins Loan. Steve doesn't have to pay back the first disbursement of his Direct Loan immediately (though he will have to pay it back once he enters repayment), but he can't receive additional FSA funds until one year elapses or he successfully completes a qualified drug rehabilitation program.

Religious order student eligibility

34 CFR 674.9(c)
34 CFR 675.9(c)
34 CFR 676.9(c)
34 CFR 685.200(a)(2)(ii)
34 CFR 690.75(d)

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 Direct Subsidized Loans, Pell Grants, or Campus-Based aid. They are eligible, however, for Direct Unsubsidized Loans.

Eligibility Requirements for Specific Educational Programs

See *Volume 2, Chapter 2* 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 distance education courses unless they are not part of an eligible program.

Correspondence courses

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

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. Distance education courses are not 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, Chapter 2*.

Distance education courses

HEA Sec. 103 and 484(l)
34 CFR 600.2
34 CFR 668.38

Distance education refers to instruction delivered to students who are physically separated from their instructor, to support regular and substantive interaction between student and instructor, whether in real time or through time delay. Technologies used may include the Internet; one-way and two-way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communications devices; audio conferencing; or, if used in conjunction with the previous technologies, video cassettes, DVDs, and CDs. If a course does not qualify as a distance education course, it is considered to be a correspondence course.

Students can receive FSA funds for distance education 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 distance education are eligible for FSA funds, and they are not considered correspondence programs.

Students studying abroad

HEA Sec. 484(o)
34 CFR 668.39

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 homeschool at which she is enrolled as a regular student. The homeschool 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 homeschool and the foreign school.

Citizenship

CHAPTER 2

A student has to be a citizen or eligible noncitizen to receive federal student aid. In this chapter we describe how the student's FAFSA information is matched with other agencies to determine citizenship status. 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 one of the following to be eligible to receive federal student aid:

- A U.S. citizen or national;
- A U.S. permanent resident or other eligible noncitizen; or
- A citizen of the Freely Associated States: the Federated States of Micronesia and the Republics of Palau and the Marshall Islands. These students can only receive aid from some of the FSA programs and do not have an A-number/ARN (see Citizens of the Freely Associated States section later in this chapter).

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). 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 Department of Education (The Department) matches all applications with the Social Security Administration (SSA) to determine if the student is a U.S. citizen. If he provides an alien registration number (ARN) on the FAFSA, his record is also sent to DHS to check noncitizen current immigration status. The results of both matches appear on the Institutional Student Information Report (ISIR), and a failed match with either agency will produce a C code on the student's ISIR. 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.

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.

Citizenship issues

➔ All applications are matched with the Social Security Administration (SSA) to determine U.S. citizenship.

➔ Applications that have an Alien Registration Number (ARN) are matched against Department of Homeland Security (DHS) records.

➔ If the DHS match fails after automated primary and secondary confirmation, the school must conduct a paper secondary confirmation (see "paper secondary confirmation" section in this chapter).

Citizenship

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

Contacting USCIS

To contact USCIS, see "find a USCIS office" page at **www.USCIS.gov/**

Eligible noncitizen and name changes

When an eligible noncitizen student changes his or her name, the student needs to update it with SSA and DHS. For the DHS update, students can do this at a local USCIS office or by calling 1-800-375-5283. For the SSA update, see **http://ssa-custhelp.ssa.gov**

Documenting citizenship
34 CFR 668.33c

U.S. citizen or national
A person is a United States citizen by birth or by naturalization or by operation of law. 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 U.S. nationals, but not all nationals are citizens. Persons whose only connection to the United States is through birth on American Samoa, Swains Island, or the United States Minor Outlying Islands are not U.S. citizens but are U.S. nationals, and therefore may receive FSA funds.

CITIZENSHIP MATCH WITH THE SSA

All applications are matched with Social Security records to verify name, date of birth, U.S. citizenship status, the Social Security number (SSN), and possible date of death (see *Chapter 4*). The CPS will reject the application for insufficient information if any of these items except the last is not provided. 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.

▼ *Successful match.* The SAR and ISIR will have a match flag (but no comment) indicating that the student's status was confirmed.

▼ *Data doesn't match.* If the student's SSN, name, or date of birth doesn't match SSA records, his citizenship status can't be confirmed and a C code and a comment will appear on the output document. The student should correct the SSN, name, or date of birth (see *Chapter 4* for more on SSN match problems) and submit it. The CPS will perform the match again, and you must see if the new ISIR confirms the student's citizenship status; if it does, the C code will no longer appear.

▼ *Citizenship not confirmed.* The SAR and ISIR will include a C code and a comment (code 146) explaining that the SSA was unable to confirm the student is a citizen and that she needs to provide her financial aid office with documents proving citizenship. If she provides eligible noncitizen documentation, make a correction by entering her ARN on the ISIR, changing her citizenship status to eligible noncitizen, and submitting it to the CPS, which will attempt a match with DHS records to confirm the student's status.

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" later in this chapter).

U.S. citizenship documentation

If a student must prove his status as a citizen or national, you decide what documents are acceptable. A Social Security card or driver's license isn't acceptable for documenting citizenship or national status since noncitizens and non-nationals can also have these forms of identification. "Enhanced" driver's licenses (provided by a limited number of states to permit non-air travel entry to the U.S. from Canada, Mexico, and the Caribbean) are also not acceptable. The Department doesn't specify all of the acceptable documents, but here are some documents you might choose to use:

Parent signature on certificate
Because documents such as a certificate of citizenship can go to minors, they may be signed by a parent or guardian instead of the minor child. This does not affect the legitimacy of the document.

- A copy of the student's birth certificate showing that the student 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, Swains Island, or the Northern Mariana Islands, unless the person was born to foreign diplomats residing in the U.S. If a student has a birth certificate showing that the student was born abroad (i.e., not in a place mentioned above), that is not acceptable documentation.

- 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." Five-year-duration U.S. passports (commonly issued to younger students) are considered acceptable documentation, and are not considered "limited". Passport cards are also acceptable; however, one-year-duration U.S. passports are NOT acceptable documentation.

  The State Department issues a wallet-sized passport card that can only be used for land and sea travel between the United States and Canada, Mexico, the Caribbean, and Bermuda. It is adjudicated to the same standards as the passport book and is therefore a fully valid attestation of the U.S. citizenship and identity of the bearer.

- 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 (or, prior to 1991, a federal or state court), or through administrative naturalization after December 1990 to those who are individually naturalized.

Before you can disburse aid, the student must present original documentation that verifies he is a citizen. In this case, the C code can remain on the student's record. 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. Older versions of the Certificate of Citizenship and of the Certificate of Naturalization instruct the holder not to photocopy them. The USCIS has advised the Department that these documents (and others) may be photocopied for lawful purposes such as documenting eligibility for FSA funds. The student should also contact the Social Security Administration to update its database so the record will pass the SSA Citizenship match without delay in future years. This updating is not required to receive aid.

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 occasionally, 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), a "Certification of Report of Birth" (Form DS-1350, which is *evidence* of U.S. citizenship and equivalent to a birth certificate), or a Certificate of Citizenship issued by U.S. Citizenship & Immigration Services (USCIS). 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 address in the margin.

Passport cards & passports NEW

22 CFR 51.4(b)(2)

A student may apply for a U.S. passport card, which may be considered acceptable documentation, at the U.S. State Department website: *https://travel.state.gov/content/passports/en/passports/information/card.html*

Suspect documents NEW

If you are able to discern that a document is fraudulent, you must deny the applicant Title IV aid. If the applicant submits conflicting information regarding immigration status on the FAFSA, you must resolve any discrepancies before disburing Title IV aid.

Report altered or misreported information to the Department's Office of Inspector General at 1-800-MIS-USED or the OIG's website at: *www2.ed.gov/about/offices/list/oig/index.html.*

Example: citizenship not confirmed

Gio is a U.S. citizen, but SSA doesn't confirm his citizenship status. The aid administrator at Falcon College asks him to submit documentation of his status. Gio first submits a Social Security card, but the administrator explains that the card doesn't document his status because noncitizens can have Social Security cards. Gio then brings in his Certificate of Naturalization. The administrator makes a copy of the certificate for his file and tells Gio his citizenship has been documented. She also advises Gio to have the SSA correct its database so that he won't have this problem again.

Report of birth abroad

U.S. Department of State
Passport Services
Vital Records Section
1150 Passport Services Pl
6th Floor
Dulles, VA 20189-1150
(202) 485-8300

Certifications of Report of Birth and Consular Report of Birth Abroad

http://travel.state.gov/law/family_ issues/birth/birth_593.html

To reduce vulnerability to fraud, as of January 2011, the Consular Report of Birth Abroad (FS-240) has been redesigned and is now printed only in the United States. The previous version of the FS-240 continues to be a valid proof of U.S. citizenship. As of December 31, 2010, the State Department no longer issues Certifications of Report of Birth (DS-1350); however, all previously issued DS-1350s are still valid for proof of U.S. citizenship.

Child Citizenship Act (CCA)

The CCA became effective on February 27, 2001. As of that date, foreign-born children who are not U.S. citizens at birth become citizens once these conditions are met:

- At least one parent (biological or adoptive) is a U.S. citizen; the children live in the legal and physical custody of that parent; they are under 18 years of age; and they are admitted as immigrants for lawful permanent residence.

Children newly entering the country who are adopted abroad prior to the issuance of their IR-3 visa (for orphans) or IH-3 visa (for children from Hague Convention countries) become citizens upon arrival. They should receive a certificate of citizenship within 45 days instead of receiving a permanent resident card and then filing Form N-600 to request a certificate.

Children who are adopted after being admitted to the U.S. with an IR-4 visa (for orphans) or IH-4 visa (for children from Hague Convention countries) become citizens once their adoption is full and final. Parents of these and other children who do not automatically receive a certificate of citizenship can get one by filing Form N-600. For more information, contact the USCIS, visit the website at *www.uscis.gov*, or see the State Department's intercountry adoption website at *http://adoption.state.gov/*.

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 $50 for each copy. Payment should be sent in the form of a check or money order (do not send cash or foreign checks) payable to "Department of State." It will take four to eight weeks to receive the form. For more information, the Vital Records Section can be reached at (202) 485-8300.

If the student is over 18 and the birth wasn't registered, she can file a self-petition for a "Certificate of Citizenship" at any local USCIS office (Form N-600).

NONCITIZEN MATCH WITH THE DHS

The DHS assigns to all legal immigrants an Alien Registration Number (ARN), which FSA uses to verify the immigration status of permanent residents and other eligible noncitizens. If the applicant indicates on the FAFSA that he is an eligible noncitizen and provides an ARN, identifying information is sent to the DHS for primary (and, if necessary, automated secondary) confirmation.

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.

Because all applications are matched with the SSA, an application with an ARN will be matched with both DHS and SSA records. If results are received from both matches, only those from DHS will display on the ISIR; the SSA results will be suppressed.

▼ *Successful match.* If the match confirms the student's immigration status as an eligible one, he can receive aid if the other eligibility criteria are also met. Comment code 143 will appear on the SAR and ISIR, and 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*).

▼ *Record was not sent to DHS.* The match won't be attempted if the student left the citizenship question blank (comment code 068), if she said she was an eligible noncitizen but provided either no ARN or an illegible or invalid one (code 142), or if she changed her response to the citizenship question or changed her ARN after previous verification by the DHS (code 141). Instead, the student will receive a C code and a comment explaining the problem and directing her to provide the school with documentation of her eligibility. Compare the document with the SAR/ISIR to determine the appropriate action. If you or the student corrects the ARN and resubmits it so that the match can be conducted, and her eligibility is confirmed, the C code will not appear on the new ISIR. If a correction is not required, the C

code will remain, but you should put documentation in the student's file as proof that her record is correct.

Note that students who are citizens of the Marshall Islands, the Federated States of Micronesia, and Palau won't pass the DHS match because they don't have ARNs to report. While these students aren't required to provide proof of their eligible noncitizen status, you may request their citizenship documentation and copy it for their record if necessary (they may also have employment authorization documents which may be verified against DHS databases to confirm current immigration status).

▼ *DHS has not yet confirmed the student's noncitizen status. DHS will continue to check its records.* The SAR and ISIR will have comment code 144 and a DHS match flag of "N" (for no match) and a DHS secondary confirmation match flag of "P" (indicating that the procedure is still in progress). The DHS will continue to check its records in a process called **automated secondary confirmation**. Within three to five days, the CPS should generate a SAR and ISIR showing one of the responses in the margin.

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. The new transaction will have a new DHS verification number assigned. 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 match again. Otherwise the record will be resent for matching.

ARN corrections and additions

If a student leaves the citizenship question blank but provides an ARN, the CPS will attempt to match with DHS records. If the student leaves both the citizenship question and ARN blank, the CPS will reject the application. The output document will explain that SSA was unable to confirm that the student is a U.S. citizen. She must submit a correction with the citizenship status and ARN if she is an eligible noncitizen.

If the student indicated U.S. citizen or national on the FAFSA, but provides an eligible noncitizen document, correct question 14 on the ISIR to "Eligible Noncitizen" and enter the ARN in question 15. This correction will tell CPS to send the record to the DHS Primary match (for the first time). Ignore comment code 146 on the current ISIR. Wait for the DHS Match flags on the student's next ISIR to determine whether a G-845 is necessary. If the ARN on the ISIR does not match the ARN on the student's document, correct the ARN in field 15. This will send the corrected record (which DHS considers a new record because of the new ARN) to the DHS Primary match. Ignore DHS comment codes 046, 105 and 109 on the current ISIR. Do not complete a G-845 form unless the DHS Match flags on the resulting ISIR indicate that a G-845 is necessary.

DHS Automated secondary confirmation match flags and comment codes

Y, 120: The student's eligibility has been confirmed. You can process his aid.

C ,105: The DHS has not yet been able to confirm that the student is an eligible noncitizen. The school is required to wait 10 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, 046: The DHS did not confirm the student's immigration status as eligible. The school begins paper secondary confirmation.

X, 109: The DHS did not have enough information to determine the student's status. The school begins paper secondary confirmation.

Do not complete a G-845 without evidence of eligible noncitizen status

E-Announcement March 9, 2015
When you add or change a student's ARN, do not complete a G-845; wait for a revised ISIR. If a student doesn't provide evidence that they are an eligible noncitizen, DO NOT complete a G-845 form for that student, unless you have conflicting documentation. See eligible noncitizens and documentation section in this chapter.

USCIS retires red ink

https://help.cbp.gov/app/answers/detail/a_id/1743/~/uscis-stamps
On July 1, 2014, U.S. Citizenship & Immigration Services (USCIS) began using a new blue colored ink for its secure stamps. The old red ink previously used for such stamps has been retired and will no longer be used (note also that some stamps still use black ink). Customs and Border Protection (CBP) also now uses blue ink, for uses other than the admission stamp. For more information, see the URL above.

Conditions requiring secondary confirmation
34 CFR 668.133(a)

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

New G-845 form
USCIS's most recent version of the G-845 has an OMB Expiration date of 5/31/18. See the form later in this chapter. Requests for verification using the older G-845 and supplemental forms will be returned without processing.

Sending the G-845 to the USCIS
Submit the G-845 to the USCIS field office (Los Angeles or Buffalo) that serves your state or territory. See their website at *www.uscis.gov*. Search on "Direct Filing Addresses for Form G-845." **Do not send the form to the Department of Education.**

Help
For FSA aid purposes, the G-845 form can only be used after primary and automated secondary confirmation with DHS. If you have questions or if the form is returned to you by DHS with a request for more information, call the Customer Care and Research Center at 1-800-433-7327 for assistance.

I-94 website
https://i94.cbp.dhs.gov/I94/request.html
The I-94 regulations and process have not changed. Customs and Border Protection (CBP) still creates admission records, however this is now done electronically. The I-94 website allows travellers (and schools, if the traveller grants permission) to access admission records online, and serves to replace paper I-94s going forward (the website contains records from April 2011 to present). Legacy paper I-94s are also still valid and in use.

PAPER SECONDARY CONFIRMATION (G-845)

If the student didn't pass automated secondary confirmation or if you have conflicting information about his immigration status after receiving a match result, you must use paper secondary confirmation. The student must give you unexpired documentation that shows he is an eligible noncitizen. If you determine the evidence is not convincing, he isn't eligible for FSA funds, and you don't have to complete and send a G-845. But 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 later in this chapter.

Eligible noncitizens and documentation

Certain non-U.S. citizens may be eligible for Title IV aid. The following types of "eligible noncitizens" are among the classes of persons who may be eligible. For classes of eligible noncitizens other than permanent residents, evidence of their status typically is on the I-94, but other documentation may also be acceptable. Under certain circumstances, the I-94 will no longer be issued to students who are not refugees, asylees, or parolees. Students without I-94 documentation (see I-94 website sidebar) may have their status confirmed by a Customs and Border Protection (CBP) stamp, showing class of admission and date admitted or paroled on their passport.

- **Lawful permanent residents (LPRs)** are noncitizens who are legally permitted to live and work in the U.S. permanently. The standard document 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 have changed colors over the years. Possessors of 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 is acceptable as evidence of permanent residence.

  Permanent residents may also present an Arrival/Departure Record (CBP Form I-94) or the 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." **If available, an I-551 (also known as a "green card") is preferable to establish LPR status.** The form will have an ARN annotated on it and is acceptable if the expiration date has not passed.

  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. 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 issues the United States Travel Document (mint green cover), which contains 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)."

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. But you can submit the documents to USCIS and pay a student who has an I-551 with a baby picture as long as you can confirm that it belongs to the student. You can do this by comparing the I-551 to a current photo ID that has the student's name, date of birth, and signature. The current ID must also be consistent with any identifying information in the student's file.

Photocopying immigration docs NEW

DCL GEN-15-08

In most cases you will examine and copy original immigration documents, and you must keep a copy in the student's file with the secondary confirmation results from the USCIS. While generally not permitted, for the purpose of applying for Title IV aid, students may legally photocopy, scan, or otherwise image immigration documents (such as Forms I-551 or I-94) to complete the G-845 secondary confirmation process.

A student who has an approved application for permanent residence on file with the USCIS and who is waiting for a permanent resident card should have an I-797 Approval Notice from USCIS indicating such, as well as an alien number, which will give notice of current status. Note that an **application** for permanent resident status alone is not sufficient for determining eligibility for FSA funds.

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 that is favorable, the USCIS will give the applicant a Form I-551, which will certify her lawful permanent resident status. There is no special category for persons who have been granted suspensions of deportation.

- **Conditional resident aliens** are eligible for aid if their documentation has not expired. They may have 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."

  The Marriage Fraud Amendments established a two-year conditional permanent resident status for alien spouses of U.S. citizens or legal immigrants whose 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.

  A Form I-551 of a conditional permanent resident alien 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 10 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.

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.

- **Refugee** status continues unless revoked by DHS or until lawful permanent resident status is granted, which refugees apply for after one year (although they may remain in refugee status much longer). They 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

Asylees abroad and eligibility
Asylees who leave the U.S. for an extended amount of time without USCIS approval forfeit their current immigration status, so it may thus be difficult for them to be considered an eligible noncitizen for FSA purposes.

I-571) or the newer U.S. Travel Document annotated with "Refugee Travel Document Form I-571 (Rev. 9-2-03)." **Refugees** are given indefinite employment authorization.

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

- **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. Their documentation 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).

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.

- **Cuban-Haitian entrants** as defined by Section 501(e) of the Refugee Education Assistance Act (REAA) of 1980. All Cuban-Haitian entrants are potentially eligible for Federal Student Aid. Note that a document showing that the holder is a Cuban-Haitian entrant is valid even if the expiration date has passed.

- **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. They had to have entered the U.S. prior to the enactment of the Refugee Act of 1980. Students may have an I-94 with a stamp displaying "Section 203(a)(7)" and indicating that the person was admitted to the United States as a conditional entrant. Because the predecessor of 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.

As of January 2005, the stamps mentioned 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 unique four-digit number. When referring to a particular stamp, the port of entry code and the stamp's unique number should be used.

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 CBP offices don't have uniform procedures or stamps, you should contact the local office with questions regarding acceptable immigration documents.

- **Victims of human trafficking** have the same eligibility for federal benefits as refugees under the Victims of Trafficking and Violence Protection Act (VTVPA), though the Department of Health and Human Services (HHS), rather than the DHS, is responsible for certifying this status. Because of this, these students will not pass the DHS match, and the normal paper secondary confirmation does not apply. These individuals may have an I-94 with a T1, T2, T3, or T COA code for principal, spouse, child, or parent, respectively. 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 likely fail the DHS match; if so you must call the same office, 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.

Victims of human trafficking
DCL GEN-06-09

- **Battered immigrants-qualified aliens** are victims of domestic violence by their U.S. citizen or lawful permanent resident (LPR) spouses. They may, with their designated children, be eligible under the Violence Against Women Act (VAWA) for federal public benefits, including federal student aid. Note that both men and women may be approved as victims under the Violence Against Women Act. Information on these immigrants is not maintained in the system used for matching between the Department and DHS, so there is a separate procedure for establishing eligibility for these students.

  They indicate on the FAFSA that they are eligible noncitizens, though they will not pass the DHS match. Instead, they will need to obtain and provide you with documentation based on their case type: self-petition, suspension of deportation, or cancellation of removal.

  In **self-petitioning cases** under VAWA, the immigrant submits an I-360 form to the USCIS, which will deny the petition, approve it, or find that a "prima facie" case has been established. Either an approval or a prima facie finding makes a student eligible for aid, though the latter has an expiration date after which the person becomes ineligible. In some cases, the USCIS will acknowledge receipt of a petition. This does not establish eligibility for aid.

  With an **approval of a petition**, the USCIS will provide a Form I-797, Notice of Action form, that will indicate it is an approval notice for a self-petitioning spouse of a U.S.C. or L.P.R. and that the petition has been approved. A separate I-797 will be issued with the names and dates of birth of children listed by the applicant, and it will indicate that they are named on the approved petition. These children are eli-

Battered immigrants-qualified aliens
DCL GEN-10-07
Note: Include the A# when filing a G-845 for VAWA cases.

gible for aid, and because their USCIS status continues after reaching the age of majority, their eligibility for aid continues as well. In some cases, a dependent child can petition for battered immigrant status; the I-797 would then indicate a self-petitioning child of a U.S.C. or L.P.R.

With a **prima facie case**, the USCIS will sometimes issue an I-797 that indicates an establishment of prima facie case. This status is usually for a period of up to 180 days, though the USCIS may extend that period until the case is approved or denied. Petitioners can submit a written request for the extension. As long as the deadline has not expired, the person is eligible for FSA funds. Children may be included on the I-797, though their eligibility is subject to the same expiration date. If a spouse is ultimately denied approval, the children on the I-797 would also be denied and ineligible for aid.

VAWA verification
U.S. Citizenship and Immigration Services
10 Fountain Plaza, 3rd Floor
Buffalo, NY 14202
Attn: Immigration Status Verification Unit

The I-797 form has a wider usage by the USCIS than for just the cases described here. Therefore, it is important to examine the notice carefully. For example, USCIS may issue a Notice of Deferred Action, which is an administrative choice to give lower priority for removal of an immigrant from the United States. Such a notice could pertain to cases unrelated to petitions for battered immigrant status, and it would not be sufficient for documentation of a self-petitioner. Moreover, it generally will have a termination date; a student with a petition approval or an establishment of prima facie case will be eligible for aid through that date and ineligible afterward.

An immigration judge may issue a **suspension of deportation** of the abused person under the VAWA. The applicant will receive a copy of the court order. As long as it has not expired and clearly indicates suspension of deportation by the judge, an otherwise eligible person can receive FSA funds.

An immigration judge can also issue a **cancellation of removal** of the abused person under the VAWA. The applicant will receive a copy of the court order. As long as that has not expired and clearly indicates cancellation of removal by the judge, an otherwise eligible person can receive FSA funds.

You must examine the USCIS document and keep a copy in the student's file. If it indicates he is eligible for aid and the expiration date has not passed, you may award aid. If the student applies for FSA funds in a subsequent year, you may rely on the original document if it has not expired, but you must have the student provide a dated, written statement that his immigration status under VAWA remains in effect without change. If his documentation has expired, he must renew it.

If documentation is lost or expired or if you are unclear about it, submit a completed G-845 form and attach a copy of the document(s). Check "Box 9L—Other" of the form and specify "VAWA verification" and submit the items to USCIS. The student's eligibility for aid will be based on the result of the submission.

Jay Treaty

Section 289 of the Immigration and Nationality Act (INA) gives persons with at least 50% Native American blood who were born in Canada the legal right to live and work indefinitely in the United States. This is based on the Jay Treaty of 1794 and subsequent court decisions. 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.

Students who may be eligible for FSA funds under Section 289 of the INA and who have a valid ARN should enter that on the FAFSA and indicate they are eligible noncitizens. If they fail the DHS match, they should submit their documentation with the G-845 form to DHS. If they fail paper secondary confirmation, they can still be considered eligible if they meet the documentation requirements below for students without an ARN.

Jay Treaty students who don't have a valid ARN should enter "A999999999" in that field on the FAFSA and report that they are eligible noncitizens. They will fail the match, and a comment 144 will be printed on the output document. The school must obtain proof that such a 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 this documentation and is otherwise eligible, the school must note this in the student's file and can award FSA funds.

Ineligible statuses and documents

- **Persons with nonimmigrant visas** include those with work visas, students, visitors, and foreign government officials. Someone with a nonimmigrant visa isn't eligible for FSA funds unless she has a Form I-94 with one of the endorsements given in the eligible document section. Nonimmigrant visas include (but are not limited to) the F-1, F-2, or M-1 Student Visa, NATO Visas (NATO), A2 and A3 Visas (foreign official, including attendants), 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). Someone who has only a "Notice of Approval to Apply for Permanent Residence (I-171 or I-464)" cannot receive FSA funds. The State Department publishes a list of nonimmigrant visas at: *http://www.state.gov/documents/organization/87170.pdf*.

- **Family unity status** individuals have been granted relief from deportation under the Family Unity Program. They may present an approved Form I-817, Application for Family Unity Benefits. Previously they were eligible for FSA funds, but they are no longer eligible.

- **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, but they are no longer eligible.

- **Illegal aliens under the legalization (also called the amnesty) program** established by the Immigration Reform and Control Act of 1986 (IRCA). These individuals were given documentation that allowed them to work while their application for permanent resident status was being processed, but they aren't eligible for aid unless their application was approved. Documents they might have in the interim are the Employment Authorization Card (Form I-688A), or the Employment Authorization Documents (Form I-688B or the I-766). None of these documents qualifies a student for FSA aid.

- **Students with "Temporary Protected Status"** stamped on their I-94 forms. This 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. These students are not eligible for FSA funds.

- **The Deferred Action for Childhood Arrivals (DACA)** status is conferred by the USCIS office in the Department of Homeland Security. While students granted DACA are normally assigned a Social Security number, they are not eligible for Title IV aid. However, DACA status students may still be eligible for state or college aid, and submitting a FAFSA can help them access those other types of aid. To complete the FAFSA, DACA status students must enter their Social Security number and answer the "Are you a U.S. citizen?" question as "No, I am not a citizen or eligible noncitizen." After submitting the FAFSA, the student should check with the school's financial aid office to see what types of financial aid they may be eligible to receive.

- **Students with a "withholding of removal" order** issued by an immigration judge or by the Board of Immigration Appeals. This is used to protect a person from return to a country that threatens his or her life or freedom. This status is similar to asylee, but provides no pathway to permanent resident status. These students are not eligible for FSA funds.

- **"U-Visa" holders** are not designated as qualified aliens under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), and are therefore not eligible for Title IV program funds. However, U-Visa holders may convert to lawful permanent resident (LPR) status after they have physically been present in the United States for a continuous period of at least three years after the date of admission given on their U-Visa.

Once LPR status has been granted, the holder of LPR status becomes a qualified alien under the PRWORA (see above), and thus potentially eligible for Title IV funds (assuming they meet all other eligibility requirements, for example, being enrolled as a regular student in an eligible program, having a high-school diploma or its recognized equivalent, etc). U-Visa holders should be encouraged to explore non-federal aid options to help them pay for school while waiting for their application for LPR status (I-485) to be approved. In addition to institutional aid, there may be scholarships, private funding, and state aid available to them. The website www.studentaid.gov contains information to help students search for possible scholarships and other resources.

If the document a student submits is for an ineligible status, you shouldn't submit the documentation for secondary confirmation. The USCIS can only confirm current immigration status based on the document presented; 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, or USCIS confirms the student's status as an eligible student, the student can't receive aid.

Using the G-845 for paper 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 10 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. See the USCIS website (**www.uscis.gov**) for more information on where to send the form and to download a copy of it.

To complete the G-845, fill in each item on the top half of the form (beginning on the next page of the Handbook, see "The G-845, Part 1"). **You must write the 15-digit DHS verification number that is printed in the match flag section of the SAR and ISIR in field number three, "Case Verification Number," on the G-845 form. Paper G-845 requests without this number will be returned unprocessed.** Also, in box five, write the "SSN" in the space provided. You must write your name as the submitting official in box 11 and your school's name as the submitting agency in box 12. Enter the DHS field office in the blanks under the "Attn: USCIS SAVE Program Status Verification Office" line (in the upper left-hand corner of Part 1) and your school's name and address in the "From" space (just below the "to" space) in the left column of page 1 of the G-845.

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. Never attach a copy of a Social Security card and/or driver's license, as these documents are not acceptable for documenting citizenship or National status. If the student submits only these documents, do not complete a G-845 form. DHS will not confirm the student's status without the supporting immigration document attached. The student is not eligible for federal student aid.

A student who lost documents or surrendered them when entering prison is responsible for getting copies of them before the G-845 is submitted. (See "Replacing Lost DHS Documents") 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.

Noncitizens may also present other 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 21 business days of receipt. We recommend that you document any mailings to the USCIS and, if you haven't heard back on a G-845 within 15 days, that you call DHS's Case Resolution Team at 1-877-469-2563 to make sure the G-845 was received (note: the Case Resolution Team and its contact information are available to SAVE registered agencies only. Do not give this number to students or anyone not authorized to submit the G-845). See **www.uscis.gov/save** for contact and other information. Do not send a duplicate G-845 unless the Case Resolution Team asks you to do so.

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 should 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 paper 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.

If 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 paper 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.

The ARN 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. You should write the verification number at the top of the new G-845. **If the student did not provide an ARN on the FAFSA, the match won't be made and he won't receive a DHS verification number.** He should make a correction to add the ARN so that the data match can be made and he can receive a verification number. If his ARN is eight digits, add a leading zero when making the correction.

U-Visa information

More information on U Visas may be found on the following website: *www.uscis.gov/green-card/other-ways-get-green-card/green-card-victim-crime-u-nonimmigrant.*

The G-845, Part 1: Information from the Registered Agency (the section you fill out)

All schools using the G-845 to verify information for Title IV eligibility purposes are considered Registered Agencies. The previous G-845 form expired on January 31, 2015, and may not be used after August 14th, 2015. The newly approved form expires on May 31, 2018. We describe in this chapter the contents of the revised G-845. Most of the items in this section are the same as the old form and are self-explanatory. The wording/numbering of some questions in Part 1 have changed, but the meanings correspond to the similar questions in Section A of the old G-845.

Put your school's name in the "from" field in Part 1 as you've done in the past. Under Applicant Information, "Immigration Document Number" has spaces to enter three numbers, the student's Alien Registration Number (ARN), I-94 (Arrival-Departure Record) Number, or other immigration number (if the other two are unavailable). Only one of these three needs to be entered, with the ARN being preferred, if available. In field 3, "Case Verification Number," enter the student's 15-digit DHS Verification Number. This number is found in the Match Flag section of the student's ISIR. Always leave fields 6 and 10 blank. In field 9, you must check "Education Grant/Loan/Work Study." Field 16 is an optional field for you to provide comments.

G-845 form response

The status verifier at the USCIS field office will note on the G-845 form the immigration status the student's documentation supports. **The form does not directly state whether the student is eligible for FSA funds.** 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.

The G-845, Part 2: USCIS Responses

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. Note that Section B has been revamped on the new G-845. Although the numbering and wording of some items has changed, the meaning has not changed. 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.

Status not confirmed example

On his original application, Hector didn't give his ARN and reported that he was a citizen. When the SSA didn't confirm this, Hector told the aid administrator at Rivero 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 administrator that he had applied for permanent resident status but didn't have documentation yet. The administrator told him that when he had documentation that his application was approved, he should bring it to Rivero so that it could be submitted to the USCIS for confirmation.

For descriptions of the following immigration statuses, see the earlier sections on eligible and ineligible noncitizens and their documentation:

1. "**Lawful Permanent Resident alien** of the United States" A student with this status is eligible for FSA funds.

2. "**Conditional Permanent Resident** of the United States" A student with this status is eligible for FSA funds.

3. **"Applicant is employment authorized in the United States as indicated"** This indicates the expiration date or that there is no expiration. Employment authorization alone/by itself doesn't make the student eligible for FSA funds. Unless some 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.

4. **"Applicant is not employment authorized 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 TIV aid. Citizenship and Immigration Services will initial and stamp

Procedures when ineligibility is determined after disbursement

34 CFR 668.136(c)

When a student provides new documentation

If you have received a completed G-845 for a student who was determined not to be an eligible noncitizen, but later he or she provides an updated immigration document, do not complete a new G-845 form. First, make a correction to verify name or date of birth/DOB on the student's FAFSA. This will resend the record to DHS for initial and secondary verification. If an eligible noncitizen code is not returned (in the usual time frame) on the resulting transaction, complete a new G-845 using the DHS verification number provided on the new transaction.

Making a correction on a student's record with an "N" primary verification match flag and a "C," "X," or "N" secondary verification match flag will produce a new ISIR with a new DHS verification number. This new number can be used if DHS is unable to process a student's G-845 due to problems in the SAVE system.

the front of the G-845 in the signature block.

5. **"Applicant has an application pending for the following USCIS benefit:"** 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.

6. **"Applicant was granted asylum or refugee status in the United States"** A student with this status is eligible for FSA funds.

7. **"Applicant was paroled into the United States under Section 212 of the Immigration and Nationality Act (INA)"** The student is eligible for aid if paroled into the United States for one year or more and if he has evidence from the DHS (such as having filed a valid permanent resident application) that he is in the United States for other than a temporary purpose and intends to become a citizen or permanent resident. If, for example, the start date was September 22, 2016, and the end date was September 21, 2017, the parole period would be for one year.

8. **"Conditional entrant of the United States"** A student with this status is eligible for FSA funds if they are in the United States for other than a temporary purpose.

9. **"Nonimmigrant (specify type or class and expiration date)"** Nonimmigrants are not eligible for FSA funds.

10. **"U.S. citizen"** 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. "**Cuban/Haitian entrant of the United States"** A student with this status is eligible for FSA funds.

12. **"American Indian born in Canada to whom the provisions of INA 289 apply"** These students are eligible for FSA funds if their documentation supporting their status is adequate; for details, see the Jay Treaty section earlier in this chapter.

13. **"Mexican Born Member of the Texas or Oklahoma Band of Kickapoo Indians"** If box 13 is checked, the financial aid administrator must contact U.S. Department of Education staff by emailing either Aaron Washington (Aaron.Washington@ed.gov) or Rene Tiongquico (Rene.Tiongquico@ed.gov).

14. **"Deferred Action for Childhood Arrivals (DACA)"** A student in this status is ineligible for FSA funds, but may be eligible for State or private aid. See DACA section earlier in this chapter in Ineligible Statuses and Documents section. Additionally, the Department provides information about DACA students in the "Financial Aid

for Undocumented Students" factsheet, which is available on StudentAid.gov.

15. **"Temporary Protected Status (TPS)"** A student in this status is ineligible for FSA funds.

16. **"Deferred Action Status"** DHS has prosecutorial discretion to not pursue the removal of a person from the United States. Unless some eligible status is also checked or the student can provide other documentation that can be confirmed by DHS-USCIS, the student is ineligible for FSA funds.

17. **"VAWA Self-Petitioner"** See GEN-10-07. If 17.a is checked, the financial aid administrator must contact U.S. Department of Education staff by emailing either Aaron Washington (Aaron.Washington@ed.gov) or Rene Tiongquico (Rene.Tiongquico@ed.gov). If 17.b is checked, the student is eligible for federal student aid.

18. **"Withholding of Removal"** A student with a withholding of removal status is ineligible for FSA funds.

19. **"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.

20. **"This document is not valid because it appears to be: (check all that apply) A. Expired, B. Altered, or C. Counterfeit."** Notify the student that unless 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.

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

The G-845, Part 3: (USCIS Comments)

Only DHS-USCIS SAVE status verifiers complete this information, and the student's eligibility for federal student aid will be based on the DHS-USCIS response in Part 2, and if other action needs to be taken, Part 3 will also be completed.

1. **"Unable to process request without an original consent of disclosure statement signed by the applicant. Resubmit request."** Ignore this comment; it does not apply to FSA applicants.

2. **"No determination can be made because insufficient information was submitted. Obtain a copy of the applicant's most recently issued immigration document. Submit a new request."** Resubmit the G-845, this time with any pertinent data from the alien registration document (you've probably already submitted all available data, but in case you have not, do so). If the student has already submitted all available data, they are considered ineligible.

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

3. **"No determination can be made without seeing both sides of the applicant's immigration document."** Resubmit the G-845 with copies of both sides of each document.

4. **"Copy provided of applicant's immigration document is illegible."** Resubmit the G-845 with higher quality copies of the original documentation.

5. **"Unable to verify status based on the document provided."** If this is checked, DHS-USCIS was not able to verify the student's status based on the documentation provided. The student must contact the appropriate agency, i.e., USCIS, Immigration and Customs Enforcement (ICE), or Customs and Border Protection (CBP) to correct their records.

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.

Verification Request

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

USCIS
Form G-845
OMB No. 1615-0101
Expires: 05/31/2018

► **START HERE - Type or print in black ink.**

Part 1. Information From the Registered Agency

NOTE: Only the Registered Agency should complete this information.

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

Attn: USCIS SAVE Program Status Verification Office

Stamp, type, or print the name, address, and ZIP Code of the Registered Agency. **(Print clearly since USCIS may use agency address below with a No. 10 window envelope.)**

From:

Applicant Information

Immigration Document Number

1.a. Alien Registration Number (A-Number)
A- ►

1.b. Form I-94 Number (Arrival-Departure Record)
►

1.c. Other Immigration Number

1.d. Name or Form Number of Document Containing the Other Immigration Number

Applicant's Full Name as Shown on the Immigration Document

2.a. Last Name

2.b. First Name

2.c. Middle Name

3. Case Verification Number

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

5. Social Security Number
►

6. Student and Exchange Visitor Information System (SEVIS) Number

7. Citizenship or Nationality

Documents Attached (Select all that apply)

8.a. ☐ Photocopy of most recently issued immigration document attached. Ensure copies are legible and made from an original document. If the immigration document is printed on both sides, attach a copy of the front **and** back.

8.b. ☐ Other Information Attached (Specify Documents)

Benefits Sought

9.a. ☐ Background Check
9.b. ☐ Driver's License/ID
9.c. ☐ Education Grant/Loan/Work Study
9.d. ☐ Employment Authorization
9.e. ☐ Food Stamps
9.f. ☐ Housing Assistance
9.g. ☐ Medicaid/Medical Assistance
9.h. ☐ Social Security Number
9.i. ☐ SSI or RSDI
9.j. ☐ TANF
9.k. ☐ Unemployment Insurance
9.l. ☐ Other (Specify)

Form G-845 05/20/15 N

Please see next page for additional information.

Page 1 of 3

Applicant's Last Name | Applicant's First Name | Case Verification Number

Part 1. Information From the Registered Agency (continued)

Registered Agency Information

10. Registered Agency Case Number

Full Name of Agency Official

11.a. Last Name

11.b. First Name

12. Title of Agency Official

13.a. Daytime Telephone Number (Include Area Code)

13.b. Extension Number (if applicable)

14. Fax Number (if any) (Include Area Code)

15. Date Request Completed (mm/dd/yyyy)

16. Registered Agency Comments (if any)

Part 2. USCIS Responses

NOTE: Only USCIS should complete this information.

Upon review of these documents, information submitted, and our records, we find the following for the applicant:

1. ☐ **Lawful Permanent Resident** of the United States
2. ☐ **Conditional Permanent Resident** of the United States
3. ☐ Applicant is **employment authorized** in the United States as indicated:
   - ☐ No Expiration Date (Indefinite)
   - ☐ Expiration Date (mm/dd/yyyy)
   - ☐ Previous Employment Authorization Dates

Start Date (mm/dd/yyyy)	End Date (mm/dd/yyyy)

4. ☐ Applicant is **not employment authorized** in the United States
5. ☐ Applicant has an **application pending** for the following USCIS benefit:
6. ☐ Applicant was **granted asylum or refugee** status in the United States
7. ☐ Applicant was **paroled** into the United States under section 212 of the Immigration and Nationality Act (INA).
   - ☐ No Expiration Date (Indefinite)
   - ☐ Parole Granted Date (mm/dd/yyyy)
   - ☐ Parole Expiration Date (mm/dd/yyyy)
8. ☐ **Conditional entrant of the United States**
9. ☐ **Nonimmigrant** (Specify type or class and expiration date)

   Type or Class

   Expiration Date (mm/dd/yyyy)
10. ☐ **U.S. Citizen**

Form G-845 05/20/15 N

Please see next page for additional information.

Page 2 of 3

Applicant's Last Name | Applicant's First Name | Case Verification Number

Part 2. USCIS Responses (continued)

11. ☐ **Cuban/Haitian entrant** of the United States

12. ☐ **American Indian** born in Canada to whom the provisions of INA 289 apply.

    Date Status Recognized (mm/dd/yyyy)

13. ☐ **Mexican Born Member** of the Texas or Oklahoma Band of **Kickapoo Indians**

    a. ☐ I-872 Issuance Date: (mm/dd/yyyy)

    COA (KIC or KIP)

    b. ☐ Other foreign born American Indian Date of Entry: (mm/dd/yyyy)

    COA

14. ☐ **Deferred Action for Childhood Arrivals** (DACA)

15. ☐ **Temporary Protected Status** (TPS)

16. ☐ **Deferred Action Status**

17. ☐ **VAWA Self-Petitioner**

    a. ☐ Pending prima facie VAWA self-petition

    b. ☐ Approved VAWA self-petition

18. ☐ **Withholding of Removal**

19. ☐ USCIS is searching indices for further information

20. ☐ This document is **not valid** because it appears to be: (Select all that apply)

    a. ☐ Expired

    b. ☐ Altered

    c. ☐ Counterfeit

Part 3. USCIS Comments

NOTE: Only USCIS should complete this information.

1. ☐ Unable to process request without an original consent of disclosure statement signed by the applicant. Resubmit request.

2. ☐ No determination can be made because insufficient information was submitted. Obtain a copy of the applicant's most recently issued immigration document. Submit a new request.

3. ☐ No determination can be made without seeing both sides of the applicant's immigration document. Attach copies (front and back) of the applicant's most recently issued immigration document and submit a new request.

4. ☐ Copy provided of applicant's immigration document is illegible. Submit a new request with legible documents.

5. ☐ Unable to verify status based on the document provided. If this is the applicant's most recently issued immigration document, refer the applicant to the document issuing authority.

6. ☐ Other

USCIS Stamp

Form G-845 05/20/15 N Page 3 of 3

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

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; see the margin note) but are not eligible for FSA loans. They should indicate on the FAFSA that they are eligible noncitizens and leave the ARN item blank. If the student doesn't have an SSN, he enters 666 and ED will give him a number to use, or if he was given a number in the previous year, he should use that (for a more extensive discussion of SSNs, see Chapter 4 of this volume). Such students must continue to use the same ED-assigned SSN due to Pell Lifetime Eligibility Used (LEU) rules. Because he isn't giving an ARN, 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.

Pseudo-SSNs for Pacific Islanders and the FAFSA
Electronic Announcement Nov 20, 2013
For more details on SSNs for Citizens of the Freely Associated States, see Chapter 4 of this volume.

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 2016-17 award year.

Citizens of the Freely Associated States whose applications were 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 ARN.

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 along with 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.

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. You may disburse aid without the USCIS response if the USCIS doesn't respond in time, but you can't count that lack of response as confirmation for the following year.

Exclusion from subsequent secondary confirmation
34 CFR 668.133(b)

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 nearest USCIS District Office.

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 website at **www.uscis.gov**. A temporary I-94 may be issued while the replacement documents are pending.

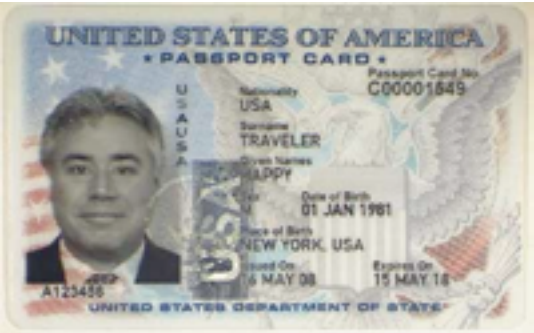
In cases of undue hardship, where the student urgently needs documentation of his status, the Freedom of Information Act (FOIA) allows him to obtain photocopies of the documents from the USCIS District Office that issued the original documents. The student can submit a Form G-639 to make this request 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.)



U.S. Passport Card

This resembles a credit card in size and form. Though it cannot be used for international air travel, it is, like the passport book, proof of U.S. citizenship.

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.

Certificate of Naturalization

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

A revised version of the Certificate of Naturalization (Form N-550) was created in 2010.

All previously issued certificates remain valid.

Certification of Birth Abroad

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

CITIZEN NOT BORN IN U.S./NONCITIZEN NATIONAL PERMANENT RESIDENT/OTHER ELIGIBLE NONCITIZEN

Form CBP I-94

Here is a sample paper form. Although such are no longer normally issued for air and sea arrivals, legacy paper forms are still valid and in use, and one may still encounter recently issued valid paper forms.

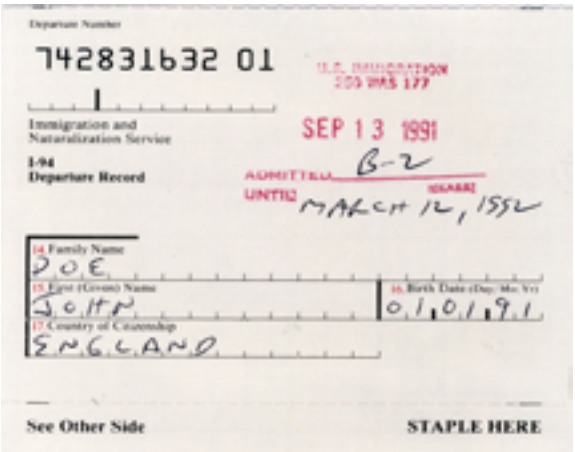
Form CBP I-94A

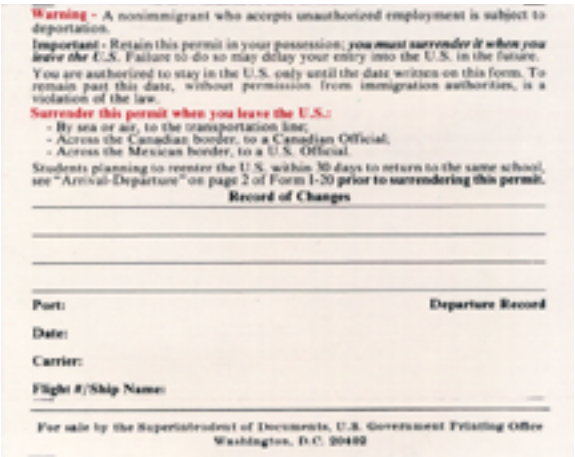
Below, the computer-generated Form CBP I-94A replaces the paper Form I-94 that was completed manually. For eligible noncitizens, it must be annotated as described earlier in this chapter.

See also the I-94 website at: www.cbp.gov/I94. The website allows you to look up I-94 student data, if the student grants you permission to do so.

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.





United States Travel Document

(front cover)

This contains 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.

Re-entry permit NEW

USCIS issues the Form I-327, Re-Entry Permit to permanent residents and conditional residents to allow them to re-enter the United States for a period of two years. The re-entry permit is found in the U.S. Travel Document.

PERMANENT RESIDENTS

Permanent residents are issued identification cards that they are required to have in their possession at all times. The first Alien Registration Receipt Card was introduced in 1946 and through various revisions was primarily green, which caused it to be known as a "green card." This term is still used, though the cards have changed color over the years.

Alien Registration Receipt Card I-151

(front and back)

Issued prior to June 1978 to permanent residents. Note: As of March 20, 1996, Form I-151 is no longer acceptable to USCIS as evidence of permanent residence, though it may be used to receive FSA funds.

Resident Alien Card I-551 ***(two versions, front only)***

The I-551 is a revised version of the I-151. It was phased in beginning in January 1977 and was revised in 1989. The "Conditional Resident Alien Card" is identified by a "C" on the front and an expiration date on the back.

(1989)

Permanent Resident Card I-551 ***(front only for older versions, front and back for the current version)***

The Permanent Resident Card was introduced in December 1997 and revised in 2004. In 2010 it was again updated, with the color green used once more in the design of the front of the card.

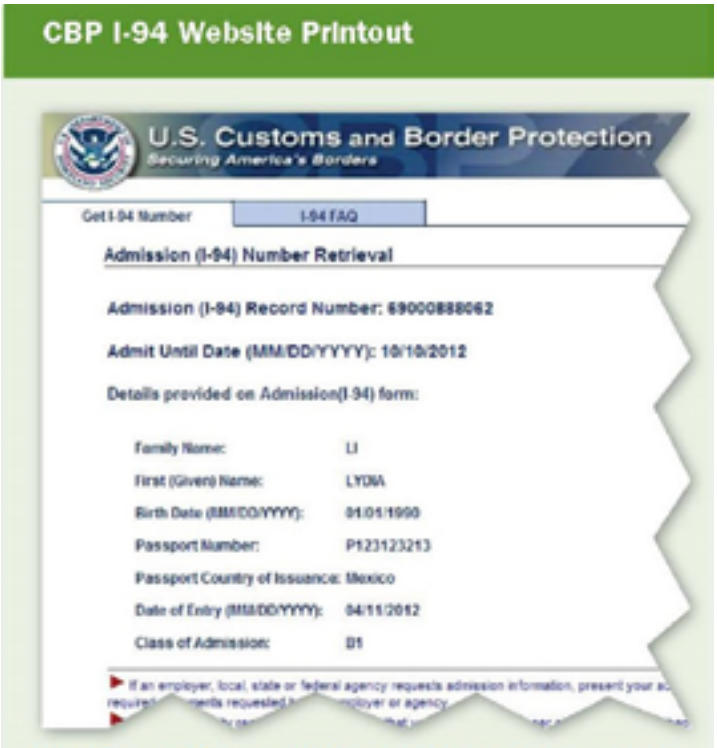
(1997)

(2004)

(2010)

CBP I-94 Website Printout

Travelers have access to their electronic I-94 via www.cbp.gov/I94. The website printout serves the same purpose as any other I-94. A sample of what the printout looks like is shown here.



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.

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. When this occurs, you must identify the loan(s) that resulted in the overborrowing and discuss the overborrowing with the student. The student can regain eligibility by repaying the extra amount borrowed or making arrangements, satisfactory to the loan holder, to repay it. See Dear Colleague Letter GEN-13-02 and *Volume 4* of the *FSA Handbook* for more details.

A student who has been convicted of, or has pled no contest or guilty to, a crime involving fraud in obtaining FSA funds must have completely repaid the fraudulently obtained funds to the Department or the loan holder before regaining aid eligibility. Any Perkins or Direct Loan so obtained is not eligible for rehabilitation. You can handle this requirement as you would a judgment lien—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) has 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

- Direct Subsidized Loans and Direct Unsubsidized Loans
- Direct PLUS Loans (for parents or for graduate/professional students)
- Direct Consolidation Loans
- Federal Perkins Loans

The following loan types from earlier programs also appear in NSLDS:

- Federal Stafford Loans (subsidized and unsubsidized)
- Federal PLUS Loans
- Federal Consolidation Loans
- Federally Insured Student Loans (FISL)
- Guaranteed Student Loans
- Supplemental Loans for Students (SLS)
- National Direct Student Loans and National Defense Student Loans (predecessors of Perkins Loans)
- Income Contingent Loans (ICL)

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, Chapter 5* for loan limits
HEA Sec. 484(f),
34 CFR 668.32(g)(2), 668.35(d)
DCL GEN-13-02

Financial aid history

34 CFR 668.19
Dear Colleague Letter GEN-96-13

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.

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 is some data associated with her SSN. Bennet checks with the NSLDS CSC and learns that a guaranty agency is reporting a loan made 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, so she has no financial aid history in NSLDS. Bennet also suggests that Lydia provide documentation that the SSN belongs to her so the school can request that NSLDS data be corrected to prevent problems for her later.

Adding a school and the NSLDS match

When a school is added after the FAFSA has been submitted, it goes through the NSLDS match again rather than being processed in real time. This ensures that the new school receives the latest financial aid history (FAH) on the ensuing transaction. This does not affect schools' responsibility to use transfer student monitoring.

To supplement the ISIR and ensure a student's history is considered, some schools submit entire rosters of FAH requests. See the TSM/FAH processes and batch file layouts posted on the IFAP website at the NSLDS Reference Materials link under Processing Resources.

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 FSA funds.

NSLDS MATCH

To help you identify students with problems such as defaulted loans or overpayments, the CPS matches the student against the NSLDS database to obtain her financial aid history. You must resolve any conflicts between NSLDS and other information you have about the student before disbursing FSA funds (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 expected family contribution (EFC) indicates problems that must be resolved. See Appendix B of the ISIR Guide for the complete tables of NSLDS match results.

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. Note that for "real-time" processing—if a student uses Corrections on the Web or an aid administrator uses FAA Access to CPS Online—the CPS does not match against the NSLDS database (except when a school is added; see the sidebar), but the output document will show NSLDS data from the last transaction that did match against NSLDS. The ISIR might not, therefore, reflect the most current information.

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 or 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 them submit correct information, which will be sent through the match again. If the student did not submit incorrect identifying information, you can call the NSLDS customer support center (see sidebar) for help with determining the identifiers with the SSN in the NSLDS database. 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 request that the data in NSLDS be corrected by providing relevant supporting documents. NSLDS will work with the previous data providers to correct the identifiers. You aren't required to request a correction; however, doing so will prevent the same FAFSA response in subsequent award years.

▼ *Student not in database.* If a match with NSLDS is completed but there's no information on the student in the database, the output document will comment that the student's SSN is not associated with any financial aid history. You can assume this is correct unless you have conflicting information. If you believe NSLDS should show a loan history, help the student by contacting the appropriate loan servicer or, for FFEL, guaranty agency.

▼ *No relevant history.* If a student's SSN matches a record in the NSLDS database but there's no relevant financial aid history to report, no information will be on the output document, because it isn't needed to determine the student's aid eligibility for the current award year. Conversely, if a student has relevant prior data, for example a prior Pell award, that will appear on the SAR/ISIR. The SAR and ISIR will have a comment 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 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 her to contact the financial aid administrator. You must get the student's financial aid history before disbursing aid. If she has to make corrections of any kind, her information will go through the match again when the corrections are submitted, and you can use the results of that match to determine her eligibility.

Postscreening—changes after initial match

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

NSLDS Customer Support Center
1-(800)-999-8219

Example of misreported information on the FAFSA

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

Getting 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 the NSLDS Professional Access website and access the data online for a student,
- for multiple students, use the FAT 001 Web report, which you submit from the Reports tab on the NSLDS site (you retrieve the results through the 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 under Processing Resources.

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 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 ISIR on which that number is higher than the one on the ISIR you used to determine the student's eligibility, you must review the NSLDS data on the new ISIR to be sure there are no changes affecting the student's eligibility (be aware of the new Pell LEU limits and codes; for more on Pell LEU, see *Volume 3, Chapter 3*). There will be postscreening codes (see *The ISIR Guide* for the list) to help determine what changed.

Unusual enrollment history (UEH)

Unusual enrollment history
DCL GEN-15-05
DCL GEN-13-09

There is a flag in NSLDS for students whose pattern of enrollment and/or award history for either Federal Pell Grants or Direct Loans (other than a Direct Consolidation Loan or Parent PLUS Loan) is identified as unusual. You are required to respond to the unusual enrollment history (UEH) status for Pell and/or Direct Loans as described below.

The CPS will flag the UEH on the student's SAR/ISIR. A value of "N" requires no action, as it denotes no unusual history. A value of "2" or "3" in the UEH field (aka SAR comment codes 359 and 360, respectively) requires review and resolution by your school (see below). UEH flags 2 and 3 do not necessarily mean the student has improperly received Pell or Direct Loan funds, but it is a sign of unusual activity, for example, receiving Pell and/or Direct Loans at multiple schools in the same semester, or receiving aid and then withdrawing before earning any credit.

UEH change for Undergrad to Graduate Student Progression
E-Announcement January 20, 2016

For the 2016-17 award year, UEH will be assessed separately for undergraduate enrollment and graduate enrollment. This will reduce the number of UEH flags, but still correctly flag students whom the UEH flags are intended to further scrutinize.

This change will eliminate the improper flagging of students whose normal course of academic progression leads directly from undergraduate to graduate coursework, which does not constitute what the Department considers an unusual or suspicious pattern of enrollment.

To resolve a UEH flag of "2," (SAR comment code 359) you must check the student's enrollment and financial aid records to determine if, during any of the four award years prior to the current award year (i.e., 2012-13, 2013-14, 2014-15, and 2015-16), the student received a Pell Grant or Direct Loan at your school. If so, no further action is required unless you have reason to suspect that the student in question remains enrolled just long enough to collect student aid funds before disappearing. In such a case, you must follow the guidance below for UEH flag "3."

To resolve a UEH flag of "3," (SAR comment code 360) you must check the student's academic records to determine if they received academic credit at the schools attended during any one of the four award years prior to the current award year (i.e., 2012-13, 2013-14, 2014-15, and 2015-16). Using data from NSLDS, you must determine, for each prior attended institution for each student, whether academic credit was earned during the award year in which the student received Pell or Direct Loan funds. Academic credit is considered for this purpose to mean completing one or more clock-hour or credit-hour.

For UEH flag 3, if the student **did** earn academic credit at all of the schools previously attended for a relevant award year, no further action is required unless you have reason to believe that the student has had a practice of enrolling just long enough to receive credit balances before disappearing. In such cases, follow the guidance below for cases when academic credit is not earned (next paragraph).

For UEH flag 3, when academic credit is **not** earned at a previously attended school, and, if applicable, at your school, you must obtain documentation from the student explaining why the student failed to earn academic credit. You must determine whether the documentation provided supports the reasons described by the student and that the student did not enroll only to receive credit balance funds. Acceptable reasons may include personal illness, a family emergency, a change in where the student lives, and military obligations, or an academic complication, such as unexpected academic challenges, or the student having determined that the academic program in question did not meet their needs. You should, to the maximum extent possible, obtain third party documentation to support the student's claim.

In similar fashion to the exercise of professional judgment, you must determine whether the circumstances of the failure of the student to receive academic credit, as evidenced by the student's academic records and documentation, support the continuation of Title IV eligibility. If the student with a UEH flag of 2 or 3 fails to provide compelling reasons and documentation for a failure to receive academic credit for a period for which they received Title IV funds, you must conclude that their eligibility is terminated. Your determination is final and is not subject to appeal **to the Department**. You must document and maintain a file of reason(s) for the decision for possible review.

When a student's eligibility is terminated in this way, you must provide information to the student on how they may subsequently regain eligibility, and the student must be given an opportunity to question and appeal the decision **to your school**, consistent with the opportunities to question and appeal similar determinations such as SAP and professional judgment determinations. Since the basis for denial is lack of academic performance, successful completion of academic credit may be considered basis for renewing the student's Title IV eligibility, assuming they are in all other ways eligible for the aid in question. This could include meeting the requirements of the plan that you established with the student, although such a plan is not necessarily required. When a student regains eligibility after losing it in this manner, the student's eligibility is retroactive to the beginning of the current period of enrollment, for Direct Loans, and for all other types of Title IV aid, retroactive to the beginning of the current payment period.

If you approve the student's continuing eligibility, you may choose to require the student to establish an academic plan, similar to the type of plan used to resolve SAP appeals. You may also wish to counsel the student about the Pell Lifetime Eligibility Used (LEU) limitation and the impact of the student's attendance pattern on future Pell Grant eligibility (see *Volume 3, Chapter 3* and DCL GEN-12-01 and GEN-12-18)

Resolving UEH flags in a subsequent Award Year

NEW

When a student receives a UEH flag that includes an award year(s) that was resolved by the reviewing school for a previous award year, that school must determine if there was a change in the schools the student attended for that award year(s). If there were no changes to the schools the student attended, no further action is necessary. If the student attended another school(s) that was not previously reviewed and received Pell Grant and/or Direct Loans at that school(s), the reviewing school must determine if the student earned academic credit at the additional school(s) under review. If the student did not earn academic credit at the additional school(s) under review, the student must provide documentation explaining why academic credit was not earned.

Documenting credits earned when a school has closed

For UEH flag 3, or when you believe that the student remains enrolled just long enough to collect a credit balance (refund), you must review the student's academic records to determine if the student earned any academic credit at each school the student attended during the prior four award year periods (i.e., for 2016-17, assess 2015-16, 2014-15, 2013-14, and 2012-13).

If the student informs you that they previously attended and received Title IV aid at a school which has closed, you must first verify that the school has closed. You may determine this using the Department's Closed School Reports, at: *www2.ed.gov/offices/OSFAP/PEPS/closedschools.html*.

If the student states that academic credits were earned at the closed school, you must request documentation that indicates academic credits were earned. Acceptable forms of documentation could include a grade report, or an official or unofficial transcript.

If the student does not have any documentation of academic credit earned at the closed school, and you have obtained documentation that shows the student earned academic credit at all the other schools corresponding with the UEH flag, you may accept a signed and dated statement from the student to substantiate their claim. The statement must provide the name of the closed school, the academic period or calendar year in which the academic credit was earned, and, if known, the type and number of academic credits which were earned. If the student is unsure of the number and/or type of academic credits earned at the closed school, the student must state, in general terms, that academic credit was earned at the closed school. If the student has *not* earned academic credits at the closed school, you must follow the guidance in Dear Colleague Letter GEN-15-05.

CHECKING THE FINANCIAL AID HISTORY FOR TRANSFER STUDENTS

Before disbursing FSA funds to a transfer student, you **must** obtain his financial aid history if he may have received aid at another school since your latest ISIR. The NSLDS Transfer Student Monitoring Process was established to allow schools to use NSLDS information for its transfer students.

▼ *Reviewing the student's NSLDS financial aid history.* If a student transfers to your school during the award year, you'll need to review her aid history on the ISIR or online at the NSLDS website. From this, you can determine:

- Whether the student is in default or owes an overpayment on an FSA loan or grant;
- The student's Pell Grant and the amount already disbursed for the award year;
- Data pertaining to TEACH grants, including those converted to loans;
- 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" in "NSLDS match" section, earlier in this chapter).

▼ *Transfer student monitoring process.* You must send NSLDS identifying information for students transferring to your school during the award year 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 postscreening process—that may affect the student's current award(s). There are three steps: inform, monitor, and alert.

- *Inform*. 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 (see the margin note) through SAIG. You may use either or both methods, and a change in method does not require prior notification to the Customer Service Center.

Sending batch files

To begin sending batch files, you must sign up at *www.fsawebenroll.ed.gov* for the Transfer Student Monitoring/Financial Aid History (TSM/FAH) batch service. Then you must designate a profile for your school 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.

Transfer student monitoring

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

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 (because NSLDS issues alerts weekly) after you've submitted the student's information for monitoring to receive an alert if data has changed.

NSLDSFAP
www.nsldsfap.ed.gov

Resolving grant overpayments

Because FSA 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, she must return the overpayment. As noted at the beginning of the chapter, a student with an outstanding FSA grant overpayment is ineligible for aid until she repays it or makes satisfactory repayment arrangements. See *Volume 4* for a complete discussion of resolving overpayments and overawards.

No defense of infancy
Students who are minors may receive federal student loans, and they may not refuse to repay those loans based on a "defense of infancy," i.e., that they were too young to enter into the contract of signing the promissory note. See HEA Sec. 484A(b)(2).

Repopulate Transfer Monitoring List
NSLDS Professional Access offers a Transfer Monitoring Repopulate web page that enables you to repopulate your TSM list of students from the Inform list used during a prior monitoring period so you can continuously add from one monitoring time period to another. For more information see NSLDS Newsletter 23.

Checking Discharge Status with loan servicer
When it is not possible to determine the precise status of a potentially discharged loan in NSLDS, you should contact the Department's Total and Permanent Disability (TPD) servicer, Nelnet*:
Phone: 1-888-303-7818
Fax: 303-696-5250
E-mail: *disabilityinformation@nelnet.net*

*Nelnet is referred to in NSLDS as "DDP," or Disability Discharge Provider.

Perkins writeoffs
Note that Perkins writeoffs don't make a student ineligible. See *Volume 6* for more information.

- *Monitor*. 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 transfer student monitoring, as they are already covered in the postscreening process. If the student has not listed your school in Step Six when filing the FAFSA, he has to add your school for you to receive the postscreening information.

- *Alert*. Finally, if changes are detected for one or more of your students and NSLDS creates an alert, it will also send an email 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 NSLDS for Financial Aid Professionals website or download a batch file, if batch alerts were requested, through SAIG in report or extract format.

▼ *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 for 30 to 120 days (depending on the monitoring duration you've established) 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 4* for information on resolving overpayments.)

EFFECT OF BANKRUPTCY OR DISABILITY DISCHARGE

A student who has filed for bankruptcy or had a loan discharged for disability may need to give 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 to be eligible. The Bankruptcy Reform Act of 1994 prohibits denial of aid based solely on filing for, or having a debt discharged in, bankruptcy.

A borrower who lists a defaulted FSA loan or grant overpayment in an active bankruptcy claim is not eligible for further FSA funds unless she 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 (TPD) discharges

▼ *Qualifying for TPD Discharge:* Perkins, FFEL, and Direct Loan borrowers may qualify to have their loans discharged if they become totally and permanently disabled. Except for veterans who qualify for a total and permanent disability (TPD) discharge based on a determination by the Department of Veterans Affairs (VA) that they are unemployable due to a service-connected disability, the Department of Education monitors the status of borrowers who have received a TPD discharge for a three-year period.

Borrowers whose discharge applications are received on or after July 1, 2010, receive a final discharge followed by a *post-discharge monitoring period* that begins on the date the discharge was granted and lasts for up to three years.

Borrowers whose discharge applications were received before July 1, 2010, received a conditional discharge followed by a *conditional discharge period* that begins on the date the borrower's physician certified the disability discharge application and lasts for up to three years. If the borrower fails to meet certain eligibility requirements throughout the post-discharge monitoring period or conditional discharge period, the Department reinstates the borrower's obligation to repay the discharged loan(s) or returns the conditionally discharged loan(s) to repayment status. The same criteria and procedures are used to discharge and reinstate the service obligation for TEACH grant recipients who become totally and permanently disabled.

Total and permanent disability

The condition of an individual who:

- is unable to engage in substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death; has lasted for a continuous period of at least 60 months; or can be expected to last for a continuous period of at least 60 months; OR
- has been determined by the Department of Veterans Affairs (VA) to be unemployable due to a service-connected disability.

Total and permanent disability discharge

www.disabilitydischarge.com/faqs/
34 CFR 674.61(b) (Perkins)
34 CFR 682.402(c) (FFEL)
34 CFR 685.213 (Direct Loan)

Substantial gainful activity

The phrase "substantial gainful activity" means a level of work performed for pay that involves doing significant physical or mental activities or a combination of both. If a physician's certification does not appear to support this status, the school should contact the physician for clarification.

▼ *Taking out another loan:* If a borrower whose prior loan was discharged due to a total and permanent disability wishes to take out another FSA loan or wishes to receive a TEACH grant, he must obtain a physician's certification (the student only needs to obtain the physician certification once; the school keeps a copy of it in the student's file. But the school must collect a new borrower acknowledgment from the student each time he receives a new loan) that he has the ability to engage in substantial gainful activity, and he must sign a borrower statement acknowledging that the new FSA loan or the TEACH grant service obligation can't later be discharged for any present impairment unless it deteriorates so that he is again totally and permanently disabled.

If the borrower requests a new loan or TEACH Grant during the post-discharge monitoring period or the conditional discharge period, he must also resume payment on the old loan before receipt of the new loan or TEACH grant. If the loan on which the borrower must resume payment was in default when it was discharged or conditionally discharged, it remains in default upon reinstatement, and the student must make satisfactory repayment arrangements before receiving the new loan, in addition to meeting the other requirements described.

A borrower who received a TPD discharge based on a determination from the VA that he is unemployable due to a service-connected disability is not subject to a monitoring period and is not required to resume payment on the discharged loan as a condition for receiving a new loan. But he must still provide the physician's certification and borrower acknowledgement described above.

RESOLVING DEFAULT STATUS

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

▼ *Repayment in full (including consolidation).* A student can resolve a default and regain eligibility for FSA funds by repaying the loan in full (loan status code DP). If the school writes off a regulatorily permissible amount that the student repays (for Perkins), that counts as paying the loan in full (code DC). If a defaulted loan is successfully consolidated, it is also counted as paid in full (code DN). However, if the loan holder just writes off the entire loan (except for Perkins), it isn't paid in full, and the student remains ineligible for FSA funds (code DW). The student regains eligibility whether repayment was completed voluntarily or involuntarily (that is, through IRS offset or wage garnishment).

For the Perkins Loan program, while a student who has repaid her defaulted loan in full is eligible for aid if the repayment was voluntary, you *can* still consider the default to be evidence of a student's unwillingness to repay loans and deny the student additional Perkins Loans. If the repayment was involuntary, you *should* consider the default as such evidence and deny the student additional Perkins Loans.

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, he must give you documentation proving that the loan was paid.

▼ *Satisfactory repayment arrangements.* A student in default on an FSA loan can be eligible for FSA funds if he has made repayment arrangements that are satisfactory to the loan holder. After he makes six consecutive, full, voluntary payments on time, he regains eligibility for FSA 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. A student may regain eligibility under this option only one time.

You can pay the student as soon as you have documentation that she has made satisfactory repayment arrangements. For example, the loan holder 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.

▼ *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. 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, Chapter 6* for more information on rehabilitation in the Perkins/NDSL program.

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)

Other ways of reestablishing 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, Chapter 6*.

Example: documenting loan "paid in full"

Eddy had a Direct 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.

NSLDS Loan Status Codes

2016–17 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 [Note that there is no status code for Perkins write-offs, which are for amounts less than $50; see 34 CFR 674.47(h)]
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 FSA funds	No (note: Code FR may indicate identity theft)
FX	Loan once considered fraudulent but is now resolved	Yes (note: Code FX may indicate identity theft)
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
PD	Permanently Disabled	Yes, borrower considered permanently disabled
PF	Paid in Full	Yes
PM	Presumed Paid in Full	Yes
PN	Non-defaulted, Paid in Full Through Consolidation Loan	Yes
PZ	Parent PLUS loan for a student who has died	No for the student, yes for the parent
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
VA	Veterans Administration Discharge	Yes
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/ED servicer

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 and dependent parents' Social Security numbers (SSNs) so that the Central Processing System (CPS) can validate the numbers 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 *2016-2017 SAR Comment Codes and Text* (**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 their local Social Security office for help. There is one exception to the requirement to provide SSNs (see the Exception for the Freely Associated States section later in this chapter). 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
HEA Sec. 484(p)
Student Assistance General Provisions
34 CFR 668.32(i), 668.36

Contacting the SSA
For more information (in English and Spanish), students should call the SSA at 1-800-772-1213 or go to its website (*www.ssa.gov*).

Parents without SSNs
When the parents of a dependent student don't have a Social Security Number, enter 000-00-0000 to prevent or remove a reject code.

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. The FAFSA will not be processed without a valid SSN for the aid applicant.

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.

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

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.

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. A student can file a new FAFSA to correct the original SSN, but since the Common Origination and Disbursement (COD) System will use the current SSN to process records, changing the original SSN is not always necessary (however, see Applicants Using Same SSN later in this chapter).

COD replaced the Direct Loan and Pell 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.

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.

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, 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.

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").

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 aid administrator 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 administrator tells Tod to correct his name on the application to Warren.

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 administrator talks to Elizabeth, she explains that she recently got married and changed her last name. Elizabeth gives the administrator a copy of her marriage certificate. The administrator 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.

DEATH MASTER 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. 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.

When a student dies

For full discussion of how to handle Title IV aid when a student dies, see the FSA Handbook appendix on student death.

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.

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.

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 1 (800)-423-3243 if you believe that a correction application may be needed; one can be mailed to your office or to the student.

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

Pseudo-SSNs for Pacific Islanders and the FAFSA
Electronic Announcement November 20, 2013

Persons from the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau (the Freely Associated States) typically do not have SSNs. First-time FAFSA filers who indicate on the FAFSA that their state of legal residence is one of the above Pacific island groups should enter "666" for the first three digits of their SSN, and the CPS will assign them an identification number. They should use this number in place of the SSN throughout their financial aid years.

For returning FAFSA filers from one of the Freely Associated States, any FAFSAs must be submitted under the same nine-digit pseudo-SSN assigned originally by the CPS when the earlier award year was processed. Returning filers and FAAs should not provide only the first three digits of the pseudo-SSN, as this will result in the inappropriate creation of an entirely new SSN.

The Department is exploring options for communicating this directly to FAFSA filers, through changes to FAFSA on the Web or the paper FAFSA. In the interim, we strongly encourage you to follow this guidance when submitting application data through the FAA Access to CPS Online website, and to share this guidance with Pacific Island applicants who used a pseudo-SSN in prior years and plan to submit another FAFSA (either online or paper).

Selective Service

CHAPTER 5

Any male required to register with Selective Service at any time must have done so to receive federal student aid. The Central Processing System (CPS) performs a match with Selective Service to confirm a student's registration status. In this chapter we discuss that match and the registration requirement.

REGISTRATION REQUIREMENT

Males (any person assigned the sex of male at birth) aged 18–25 are required to register with the Selective Service System (SSS). This requirement covers males residing in the United States who are U.S. citizens or noncitizens, except that a male 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 FAFSA; there is a question that asks if the student wants Selective Service to register him. If he indicates that he wants to be registered, we will submit his registration information to the Selective Service. If he doesn't answer this question, he can do so later on the student aid report (SAR) and submit the correction (the answer to the question "Are you male?" must be answered "yes"). The student may also register online at the Selective Service website (*www.sss.gov*) or by filling out a form available at the post office.

Generally, a male student who is 18–25 and who has not registered previously may register using the FAFSA or SAR. Students who have questions about Selective Service registration may contact the Selective Service at 1-(847)-688-6888 or on the Web.

EXEMPTIONS

Males 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);
- 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);

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 persons assigned the sex of male at birth are required to register. If a student's gender identity is now female but she was assigned the sex of male at birth, the student must register with the SSS, unless one of the exemptions described in this chapter apply, regardless of subsequent sexual reassignment surgery or any other gender transition process. If a student's gender identity is now male but he was assigned the sex of female at birth, the student is not required to register with the SSS, regardless of subsequent sexual reassignment surgery or any other gender transition process.

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 18–25, he was not required to register with Selective Service.

*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.

- 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.
- Transgender males who were assigned the sex of female at birth.

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 is clearly not required to register, you must document this, but do not have him request a status information letter from the Selective Service. You should only ask the student to provide such a letter to document an exemption from the requirement to register if it is not clear that he is exempt. For example, noncitizens who first enter the U.S. after the age of 26 aren't required to register. Only those immigrant males who enter and live in the U.S. at ages 18–25 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.

Documentation for exempt noncitizens includes: proof of birth date on a passport, birth certificate, or U.S. driver's license or state ID; proof of immigration date into the U.S. from an entry date stamp on the I-94 form or in the passport, or a letter from the USCIS indicating the entry date; and, for those here on a valid visa who are at least 18 and less than 26 years old, a student visa form (I-20) or other valid U.S. passport visa stamp on a foreign passport with expiration date (the dates must be from entry until after the male turned 26).

SELECTIVE SERVICE MATCH

The CPS performs a match with the SSS to determine if relevant students are registered. The output document displays the match result in the FAA Information section, as well as a comment about the result.

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" code 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, he must either register or provide evidence that he is registered or is exempt from registration. His Selective Service Registration Acknowledgement or letter of registration shows that he is registered. You can also go to the Selective Service System web page at *www.sss.gov* and check on the student's status—a printout of the web page is acceptable documentation that the student is registered. If he doesn't have an acknowledgement or letter of registration and the web page doesn't confirm his registration, he'll have to contact Selective Service to resolve the problem. If the conflict is resolved in his favor, he'll receive a letter from the Selective Service documenting that he is registered or 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, but may qualify for a status information letter from the SSS. 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 male 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 18–25).
- **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 18–25) 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.

Out of concern for privacy, the SSS only displays the last four digits of the Social Security number on correspondence.

FAILURE TO REGISTER

Failure to register
34 CFR 668.37(d), (e)

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 aged 18–25, 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.

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 aid administrator explains to Hector why he wasn't required 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 Selective Service. 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 "Appeals" sidebar in this chapter.

Determining if non-registration was knowing and willful

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

Unless you can document that the student meets one of the registration exemptions or that he served on active duty in the armed forces (with a character of service other than dishonorable), he 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 *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.

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.

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 aged 18–25.** 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 aged 18–25.**

Exception if SSS does not respond in 30 days

As of this writing, the Selective Service System does not have a delay in responding to requests for status information letters. However, you may award aid while waiting for the letter from the SSS if their response time is longer than 30 days and if you have no evidence that a student intentionally failed to register. If the SSS response or other subsequent information causes you to conclude the student did knowingly and willfully fail to register, then he becomes ineligible for federal student aid and he, not your school, is responsible for returning the aid he received.

Appeals

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)

Eligibility for Specific FSA Programs

CHAPTER 6

Most of the student eligibility requirements we have discussed so far apply to all or most of the FSA programs. In this chapter we'll describe some additional eligibility requirements which are program specific.

FEDERAL PELL GRANTS

In general, a student must be enrolled in an undergraduate course of study at a non-foreign institution 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 cannot receive a Pell Grant.

A student who completes a master's program has earned a degree beyond the baccalaureate level (in many instances a professional degree), making the student ineligible for a Pell Grant even if he or she does not have a bachelor's degree and enrolls in an undergraduate program.

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.

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, you may determine that he does not have a bachelor's degree. Documents supporting such a conclusion may include information about the type of school the student attended and total years of education leading to the degree.

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 (regardless of whether the student accepted the degree), then the student is no longer eligible to receive a Pell Grant.

Undergraduate student definition

34 CFR 668.2(b)

A student enrolled in a program of study that is usually four, or sometimes five, academic years and that leads to a baccalaureate degree. A student enrolled in a program that lasts longer than five years, typically first professional degree programs such as a six-year pharmacy program, can be considered an undergraduate for only the first three or four years.

Students enrolled in dual degree programs that confer a bachelor's degree and either a graduate or first professional degree are undergraduates for at least the first three years of the program. The school determines at what point after three years the student ceases to be an undergraduate.

For the FSEOG, Pell, and TEACH Grant programs, a student is an undergraduate only if he has not earned, or completed the requirements for, a bachelor's or professional degree. Students enrolled in an eligible postbaccalaureate program as described on the next page are still undergraduates for receiving TEACH and Pell Grants.

34 CFR 668.2(b), 690.6, 686.2(d)

Incarcerated Students and Pell
DCL GEN-14-21
HEA Sec. 401(b)(6)
34 CFR 668.32(c)(2),(3)
http://ifap.ed.gov/dpcletters/attachments/GEN1421FAQAttachment.pdf
Costs for incarcerated students:
HEA Sec. 472(6)

Incarcerated students and sex offenders

Students incarcerated in federal and state penal institutions **aren't** eligible for Pell Grants, but those incarcerated in local and county penal institutions **are** potentially eligible for Pell. A student confined or incarcerated in a juvenile justice facility is potentially eligible for Pell. 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 (and thus barred from potential Pell eligibility) if he or she is in a halfway house or home detention or is sentenced to serve only on weekends, or if he/she is confined in any sort of facility prior to the imposition of any criminal sentence or juvenile disposition while awaiting trial.

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, Chapter 2*. A student cannot receive a Pell Grant if he is subject to an involuntary civil commitment following incarceration for a sexual offense (as determined under the FBI's Uniform Crime Reporting Program).

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.M. or J.D.).

Duration of eligibility

All students may receive Pell Grants for up to 12 semesters, measured by percentage of Scheduled Award(s) disbursed ("Lifetime Eligibility Used," or "LEU" field in COD up to 600%). This limitation is not limited to students who received their first Pell Grant on or after July 1, 2008, as was the previous limit. For more information on duration of Pell eligibility and LEU, see *Volume 3, Chapter 3* of the *FSA Handbook*.

Eligible postbaccalaureate program and the FAFSA
34 CFR 690.6(c)
HEA Sec. 484(a)(4)(B)
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, 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.

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 enrolled in an undergraduate program. He is eligible for federal work-study and fifth-year undergraduate (not graduate student) Direct Loan limits. He is not eligible for an FSEOG.

Prohibition of Pell for concurrent enrollment
34 CFR 690.11
20 U.S.C. 1070a
A student may not receive Pell Grant payments concurrently from more than one institution or from the Department and a school.

IRAQ AND AFGHANISTAN SERVICE GRANTS & ZERO EFCS

A student whose parent or guardian died as a result of U.S. military service in Iraq or Afghanistan after September 11, 2001, may receive increased FSA funds if at the time of the parent or guardian's death the student was either less than 24 years old or was enrolled in college.

- If the student is eligible for a Pell Grant, you award and package all Title IV aid based on an EFC of zero.
- If the student is ineligible for a Pell Grant only because his EFC is too high, he may receive an Iraq and Afghanistan Service Grant. As with Pell Grants, there is a receipt limit of 12 semesters (600% Lifetime Eligibility Used/LEU in COD), and this limitation is not limited to students who received their first Pell Grant on or after July 1, 2008. Payments are adjusted for students enrolled less than full time. Unlike Pell Grants, these non-need-based grants do not count as estimated financial assistance. A student is tracked for LEU separately for Pell and IASG, and may concurrently have a running LEU tally for each.

See *Volume 3*, *Chapters 3* and *7* for more details on awarding and packaging these students.

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.

Direct Loan program
34 CFR 685

Preparatory coursework example
34 CFR 685.203(a)(6)
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 Direct Loan for this coursework.

Refusing or reducing loans
34 CFR 685.301(a)(8)
DCL GEN-11-07
A school may refuse to originate a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan or may reduce the borrower's determination of need for the loan if the reason for that action is documented and provided to the borrower in writing, and if—
(i) The determination is made on a case-by-case basis;
(ii) The documentation supporting the determination is retained in the student's file; and
(iii) The school does not engage in any pattern or practice that results in a denial of a borrower's access to Direct Loans because of the borrower's race, gender, color, religion, national origin, age, disability status, or income.

Preparatory coursework at a different school
A student may take the preparatory courses at School A (as long as they are part of an eligible program there) 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.

DIRECT LOANS

To be eligible for Direct Loans, undergraduate students attending a school that participates in the Pell Grant Program must first receive a determination of their eligibility for Pell Grants. 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 Direct Loans.

Direct Subsidized Loans and Direct Unsubsidized Loans are two components of a single loan program. Therefore, a school may not choose to make only Direct Subsidized Loans or only Direct Unsubsidized Loans available to its eligible undergraduate and graduate students. A school may choose whether to participate in the Direct PLUS Loan Program. A school that chooses to participate in the Direct PLUS Loan Program and that has both undergraduate and graduate/professional students must make Direct PLUS Loans available to both the parents of its dependent undergraduate students and to its graduate/professional students. That is, such a school may not limit Direct PLUS Loan borrowing only to parents or only to graduate/professional students.

Preparatory coursework

A student may apply for a Direct Subsidized/Unsubsidized Loan (or a parent may apply for a Direct PLUS Loan on behalf of a dependent student) for coursework the school has documented is necessary for the student 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, the student 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.

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

Teacher certification coursework

Chapter 1 explains when a student may receive a Direct Subsidized/Unsubsidized (or a parent may receive a Direct PLUS Loan, among other aid, for courses necessary for an elementary or secondary school teaching credential or certification).

Parent borrower eligibility

To borrow a Direct PLUS Loan for a student, the parent must be the student's biological or adoptive mother or father, (regardless of whether he or she is the "custodial" parent or provided financial information on the FAFSA), or in some cases, a stepparent (see below). More than one parent may get a Direct PLUS Loan for the same dependent student as long as the total aid package does not exceed the student's cost of attendance.

A stepparent is eligible to borrow a Direct PLUS Loan if he or she is considered to be a parent in accordance with the instructions on the FAFSA for purposes of reporting financial information on the FAFSA. A legal guardian is not considered a parent for FSA purposes.

In all cases, the dependent student on whose behalf a parent has applied for a Direct PLUS Loan must have filed a FAFSA. This requirement ensures that student eligibility data matches are conducted to verify that the dependent student on whose behalf the parent is borrowing:

- Is not in default on an FSA loan and does not owe an overpayment on an FSA grant;
- Has had his or her Social Security number verified by the Social Security Administration;
- Has had his or her citizenship status confirmed by either the Social Security Administration or the Department of Homeland Security; and
- If required, has registered with the Selective Service System.

Note that this requirement is for the **student** to submit a FAFSA. It is not a requirement for the parent borrower to submit a FAFSA in his or her name, and it does not preclude a "non-custodial" parent whose information is not included on the FAFSA, from obtaining a Direct PLUS Loan.

Before originating a Direct PLUS Loan for a parent borrower, schools must review the Institutional Student Information Record (ISIR) or Student Information Record (SAR) of the dependent student to determine that there are no student eligibility issues that must be resolved before the parent can receive the Direct PLUS Loan.

Both parents may get a Direct PLUS Loan as long as the total aid package does not exceed the student's cost of attendance. Stepparents are also eligible to borrow a Direct PLUS Loan if their 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. A parent may receive a Direct PLUS Loan only to pay for the education 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 Direct PLUS Loan unless he has made satisfactory arrangements to repay the grant or loan. Yet the parent's ineligibility for a Direct PLUS Loan does not affect the student's eligibility for other FSA funds. If the parent had a prior FSA loan that was cancelled for total and permanent disability, he or she must adhere to the same eligibility requirements outlined for borrowers in *Chapter 3*.

Finally, a parent is not eligible for a Direct PLUS Loan if the federal government holds a judgment lien on her property or if she is incarcerated.

150% Limit on Subsidized Loans

January 17, 2014 E-Announcement (Final regs)

Due to the Moving Ahead for Progress in the 21st Century Act, a new borrower on or after July 1, 2013, cannot receive subsidized loans for more than 150 percent of the published length of the borrower's educational program. The law also provides that a borrower who becomes ineligible for subsidized loans because of the 150 percent limit is ineligible for interest subsidy benefits on all subsidized loans first disbursed to that borrower on or after July 1, 2013.

Schools must begin using the new file layouts in NSLDS showing student enrollment in specific programs of study by July 1, 2014 (and may begin doing so April 14, 2014); for more details on the new NSLDS record layouts, see the November 25th E-Announcement on 150% Direct Subsidized Loan Limit Electronic Announcement #6 on IFAP. For more on the 150% limit, known formally as the "Subsidized Loan Eligibility Time Limitation," see *Volume 3, Chapter 5*. You can also email your questions regarding the 150% limit to: *150Percent-Questions@ed.gov*.

You can also see the latest updates and FAQs on the 150% limit at the Department's dedicated page on IFAP for this issue: *ifap.ed.gov/150PercentDirectSubsidizedLoanLimitInfo/index.html*.

Medical internships and residencies

A student is ineligible to receive a Direct 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.

Direct PLUS adverse credit history
34 CFR 685.200(c)
E-Announcement January 27, 2015
"Charged off" means, for purposes of FSA aid, a debt that has been written off as a loss, but that is still subject to collection action.
"In collection" means, for purposes of FSA aid, a debt that has been placed with a collection agency by a creditor or that is subject to more intensive efforts by a creditor to recover amounts owed from a borrower who has not responded satisfactorily to the routine demands of the creditor's billing procedures.

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

Required counseling for endorser or extenuating circumstance PLUS loans
As of March 29, 2015, any PLUS Loan applicant who has an adverse credit history but who qualifies for a PLUS Loan through the process for reconsideration due to extenuating circumstances or by obtaining an endorser for the loan must complete PLUS Loan counseling provided by FSA. While the counseling is mandatory only for these borrowers, FSA offers voluntary counseling for all PLUS Loan borrowers. Note that this special PLUS Loan counseling is separate and distinct from the PLUS Loan entrance counseling that all graduate and professional student PLUS Loan borrowers must complete.

Adverse credit history for Direct PLUS

A parent or graduate/professional student with an adverse credit history is prohibited from obtaining a Direct PLUS Loan unless he meets additional criteria. 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:

- The applicant has one or more debts with a total combined outstanding balance greater than $2,085 that are 90 or more days delinquent as of the date of the credit report, or that have been placed in collection or charged off during the two years preceding the date of the credit report; or

- During the five 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.

An applicant cannot be rejected for a Direct PLUS Loan because she has no credit history—i.e., the absence of a credit history cannot be construed as an adverse credit history. For more detail on adverse credit history, see **https://studentloans.gov/myDirectLoan/faqs.action**, then click "credit check," then "what is considered adverse credit" (note the "s" in the http**s** portion of the URL).

Someone with an adverse credit history can qualify for a Direct 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 who has been determined to have an adverse credit history may submit documentation to the Department showing that there are extenuating circumstances (see **https://studentloans.gov/myDirectLoan/whatYouNeed.action?page=credit**). The Department has the final decision on whether to make a loan to the person. A borrower who qualifies for a PLUS loan by obtaining an endorser or documenting extenuating circumstances must also complete PLUS counseling provided by FSA before receiving the loan; see the sidebar on this page.

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

CAMPUS-BASED AID GENERAL REQUIREMENTS

Unlike the Direct and Direct 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 may not receive an FSEOG. See the "No FSEOG and FWS" sidebar note in *Chapter 2* of this volume 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 Direct 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* of this volume.

PERKINS LOANS

Perkins Loan eligibility
34 CFR 674.9
Remaining Perkins loan authority
DCL GEN-16-05
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)

Both undergraduate and graduate students may receive Perkins Loans, but those with *exceptional financial need* (as defined by your school) have priority. To receive a Perkins Loan, a student must meet the general 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. For students to receive a Perkins Loan, they must provide the school a driver's license number (if they have one) when they apply for the loan, and they must have their eligibility for a Pell Grant determined if they are undergraduates.

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.

Perkins eligibility—willingness to repay
34 CFR 674.9(e)

As with Direct Loans, if a borrower received a discharge of a Perkins Loan or NDSL due to total and permanent disability and applies for another Perkins Loan or NDSL, she must follow the procedure explained in *Chapter 3* of this volume. Note that Perkins loans will only be available until September 30, 2016 for graduate students, and September 30, 2017 for undergraduate students. For more on Perkins awarding, see DCL GEN-16-05.

Willingness to repay

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

In selecting Perkins Loan recipients, a school must consider evidence of a borrower's willingness to repay the loan. Delinquency, default, or other

failure to meet repayment obligations on a previous loan is evidence that the borrower is unwilling to repay a loan. 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

Due to 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, aid administrators have more latitude in making awards under the Perkins than the Direct Loan program because they may consider a student's willingness to repay. If a student has filed for or received a loan discharge in bankruptcy or has had an FSA loan determined dischargeable by a court of law, 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.

FEDERAL WORK-STUDY (FWS)

FWS eligibility
34 CFR 675.9

To be eligible for a Federal Work-Study (FWS) job, a student must meet all general eligibility criteria and must have financial need, that is, his cost of attendance 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 procedures discussed in *Volume 3*, *Chapter 6*.

Additional FWS criteria
For information on eligible FWS jobs, see *Volume 6*.

A student can be employed in an FWS job during a period of non-attendance, such as a summer term. He must be planning to attend school during the next period of enrollment and must have financial need for that period—his current FWS earnings must be used to cover expenses for it and will count as estimated financial assistance. See *Volume 6*, *Chapter 2* for more information.

FSEOG

To receive a Federal Supplemental Educational Opportunity Grant (FSEOG), a student must have financial need and must meet the general eligibility requirements discussed in the other chapters of this volume. Students with the lowest EFCs who will also receive Pell Grants for the award year have primary consideration for an FSEOG. If, after giving FSEOG awards to all its Pell recipients, a school has FSEOG funds remaining, it can award those funds to eligible students with the lowest EFCs who will not receive Pell Grants. See *Volume 3*, *Chapter 6*.

Additionally, to receive an FSEOG, one must be enrolled or accepted for enrollment as an undergraduate student and must not have previously earned a bachelor's or first professional degree. A school must make FSEOG funds reasonably available (to the extent that funds remain) to all eligible students.

FSEOG eligibility
34 CFR 676.9 and 676.10
34 CFR 668.32(c)(1)

TEACH GRANTS

The Teacher Education Assistance for College and Higher Education (TEACH) Grant Program provides $4,000 annual grants to students who plan to become teachers. As a condition for receiving a TEACH Grant, students must agree to teach full-time in a high-need field, for at least four academic years at an elementary school, secondary school, or educational service agency that serves low-income families. The grant recipient must complete the required four years of teaching within eight years of completing (or otherwise ceasing to be enrolled in) the course of study for which a TEACH Grant was received. If a grant recipient does not meet that obligation, the TEACH Grant funds received are converted to a Direct Unsubsidized Loan that must be repaid with interest.

TEACH Grant Program
34 CFR 686

Amount of grant funds available

A full-time TEACH Grant recipient may receive four scheduled awards of $4,000 each, or a total of $16,000, for the student's *first* baccalaureate and first postbaccalaureate programs combined. Programs after the first baccalaureate are not eligible. A graduate student may receive two scheduled awards, or a total of $8,000, for a master's degree program. Students who are enrolled less than full time have the same maximums, though the annual awards will be smaller: for example, a student enrolled half time in a master's program could receive an annual award of $2,000 for each of the four years it would take to complete the program. A TEACH Grant in combination with other assistance the student receives cannot exceed the cost of attendance; if it does, the aid package must be reduced.

Receiving a TEACH Grant

To qualify for a TEACH Grant, a student fills out not only a FAFSA but also an agreement to serve (explained later) and must be enrolled in a program and at a school that are both TEACH-grant eligible.

Students must adhere to an academic standard: they must have a grade point average of at least 3.25 on a 4.0 scale, or the numeric equivalent (see "Schools without a traditional GPA"), or must have scored above the 75th percentile on at least one of the batteries on a nationally-normed standard-

TEACH Grant definitions

High-need field—
1. Bilingual education and English language acquisition
2. Foreign language
3. Mathematics
4. Reading specialist
5. Science
6. Special education
7. Another field documented as high-need by the federal government, a state government, or a local education agency, and appearing on the Department's annual Teacher Shortage Area Nationwide Listing.

Postbaccalaureate program—a program for those who have completed a bachelor's degree that:
1. does not lead to a graduate degree,
2. consists of courses required by a state for a credential necessary for teaching at an elementary or secondary school in that state (this does not include any program offered by a TEACH Grant-eligible school that offers a bachelor's degree in education), and
3. is treated as an undergraduate program for FSA purposes.

Scheduled Award—the maximum amount of a TEACH Grant that a full-time student could receive for a year.

School or educational service agency serving low-income students (low-income school or educational service agency)—an elementary or secondary school or an educational service agency listed in the Department's annual Teacher Cancellation Low Income Directory (see *www.tcli.ed.gov*) because it—
1. is in the school district of a local education agency that is eligible for assistance under Title I of the Elementary and Secondary Education Act (ESEA); and
2. has been determined by the Secretary to have more than 30 percent of its children qualify for services under Title I of the ESEA.

ized undergraduate, postbaccalaureate, or graduate school admissions test. An undergraduate student uses, for the first year, her final high school GPA or the GPA for all the classes she has taken at college through the most recently completed payment period; after the first year, she uses the latter GPA. A graduate student uses her undergraduate GPA for the first payment period and her cumulative graduate school GPA thereafter.

You must have documentation of the GPA from the cognizant authority or from the student. For high school grades, the authority is typically the high school or, in the case of homeschooled students, the parents or guardians. If the student provides the document and you have reason to question its accuracy, you must obtain documentation directly from the cognizant authority.

Highly qualified teacher
The definition of "highly qualified" with respect to teachers is lengthy and is explained in Section 9101(23) of the Elementary and Secondary Education Act [USC 7801(23)] and Section 602(10) of the Individuals with Disabilities Education Act [USC 1401(10)].

The previous academic requirements do not apply to certain graduate students. This group comprises current teachers or retirees from another occupation with expertise in a high-need field who are seeking a master's degree, as well as current or former teachers who are completing a high-quality alternative certification, such as Teach for America.

TEACH Grant-eligible program
This is an eligible program as described in *Volume 2*, *Chapter 2*, that prepares one to be a highly qualified teacher in a high-need field and that leads to a bachelor's or master's degree or is a postbaccalaureate program. A two-year program acceptable for full credit toward a bachelor's degree is considered a program that leads to a bachelor's degree.

When you determine TEACH Grant eligibility for transfer students and calculate their GPA, you must, for at least the first payment period, include grades for courses accepted for transfer into the TEACH Grant-eligible program. For subsequent payment periods, follow your academic policy regarding the calculation of the GPA, whether that is to include grades for courses that transfer or to exclude them.

Agreement to serve

To receive a TEACH Grant, a student must sign an agreement to serve. This document explains that the student will do the following:

- Serve as a full-time teacher for a total of at least four academic years within eight calendar years of completing or otherwise ceasing to be enrolled in the course of study for which the TEACH Grant was received;
- Teach at a school or educational service agency serving low-income students;
- Comply with the requirements for being a highly qualified teacher (see the sidebar note);
- Teach (in the majority of classes) in a high-need field, which includes subjects on the nationwide shortage area list at **www.ed.gov/about/offices/list/ope/pol/tsa.html** that is updated each year by the Department;
- Upon completion of each year of service, provide certification of that service from the chief administrative officer of the school or educational service agency; and

- If the student fails or refuses to carry out the service obligation in the required timeframe, the student must repay as a Direct Unsubsidized Loan the total amount of all TEACH Grants received, with interest accrued as of the date of disbursement of each grant.

A TEACH Grant recipient must complete a four-year service obligation for each program of study for which a TEACH Grant was received. The eight-year period for completing this obligation begins when the student's enrollment in the program ends. Teaching may apply to more than one obligation: for example, a student who completes a bachelor's and a master's program consecutively and receives TEACH Grants for both would have two service obligations. The student could receive a suspension for completing the obligation for the undergraduate program while enrolled in the master's program. Once that is done, four years of qualifying teaching would satisfy the service obligations for both programs. However, a student who finishes the bachelor's program, completes the obligation for it, and later enrolls in the master's program would need to complete another four-year service obligation.

For each year of the service obligation, the TEACH Grant recipient must teach a majority of classes in a high-need field. Fields on the nationwide list must be designated as high-need by the state where and when the individual begins teaching or they must have been listed at the time a TEACH Grant was received. Teaching in a geographic region of a state or in a grade level not associated in the nationwide list with the student's field does not satisfy the service obligation.

Schools without a traditional GPA

Schools that do not use a standard 4.0 GPA scale for a program must have a written equivalency policy with a numeric scale and must make it available upon request. The policy must clearly differentiate student performance so that it can support a determination that a student has achieved at a level commensurate with at least a 3.25 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 3.25 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 FSA) 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 a traditional GPA

At Marble 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 school 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 TEACH Grant program. Moreover, a "B" grade generally corresponds to a GPA of 3.0, while TEACH Grants require a GPA of 3.25 or better.