



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF POSTSECONDARY EDUCATION

THE ASSISTANT SECRETARY

JUN 30 2014

GEN-14-11

Subject: 2015–2016 Award Year: FAFSA<sup>®</sup> Information to be Verified and Acceptable Documentation

Summary: This letter provides information to supplement the 2015–2016 Award Year verification information provided in the *Federal Register* notice published on June 25, 2014.

Dear Colleague:

Consistent with the U.S. Department of Education's (Department's) regulations at 34 CFR 668.56 and 668.57, on June 25, 2014, we published a *Federal Register* notice announcing the 2015–2016 Free Application for Federal Student Aid (FAFSA) data items that may require verification for an applicant selected for verification by the Department and the acceptable documentation for those items. The *Federal Register* notice did not include any changes to the FAFSA items that may need to be verified. However, there was one change to the acceptable documentation from the 2014-2015 requirements as published in last year's *Federal Register* notice on June 13, 2013, and summarized in Dear Colleague Letter GEN-13-16, also published on June 13, 2013. In this letter, we provide additional guidance on State-approved tests that would meet the requirements of being equivalent to a high school diploma. Finally, as we have done in the past, this letter provides institutions with additional information on the upcoming (i.e., 2015–2016 award year) FAFSA verification process, including, at the end of the letter, information about the 2015–2016 Verification Tracking Groups.

Suggested Verification Text

We will not provide verification worksheets for 2015–2016. We will, however, as we have done in the past, provide suggested text for each of the required 2015–2016 verification items, which will subsequently be posted on the Information for Financial Aid Professionals (IFAP) Web site. With the exception of the “Statement of Educational Purpose” for applicants selected for Verification Groups V4 and V5 (see below) for which the exact *Federal Register* language is required, using this suggested text is not required. Please note that the “Notary’s Certificate of Acknowledgement” section, which may appear on the same document as the “Statement of Educational Purpose,” does not require the use of the exact language provided, although it must include a copy or description of the identification presented by the applicant to the notary. Institutions may meet the regulatory verification requirements using their own alternative language; however, using the suggested text will help institutions ensure that they meet the regulatory verification requirements.

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### 2015–2016 Verification – Additional Information

Based on suggestions from the financial aid community, the following provides clarification and additional guidance for some of the verification items and acceptable documentation for the 2015–2016 award year.

#### *Obtaining a Duplicate Internal Revenue Service (IRS) Form W-2*

In instances where an applicant or parent is required to provide copies of IRS Form W-2, and the applicant or parent did not save their copy, the applicant or parent should request a replacement copy from the employer who issued the original W-2.

#### *Determining Adequacy of Income – Verification Tracking Group V6*

Institutions should use reasonable judgment when evaluating the validity of the income information provided by students and parents who are placed in Verification Tracking Group V6, and are therefore asked to provide information on how they financially supported themselves or their families. We understand that the term “reasonable” may differ among institutions, and may depend on student demographics and experiences. Just as institutions are given the option to accept a statement from students and parents as acceptable documentation for household size, number in college, untaxed income, etc., institutions may choose to accept a signed low-income statement, an income-to-expenses comparison, or other documentation as determined by the institution. Such documentation will allow students or parents to clarify how they supported themselves and, if applicable, their families. This support may include: receipt of public assistance, veteran’s educational benefits, or other income that is not included on the FAFSA; shared-living arrangements that drastically reduce living costs; instances of poverty or homelessness; or documentation of low-living costs.

#### *Other Untaxed Income and W-2s*

##### *Tax Filers*

All applicants placed in Verification Tracking Group V6 must provide a copy of their IRS Form W-2 for each source of employment income received for tax year 2014 to verify other untaxed income that was not transferred using the IRS Data Retrieval Tool or that did not appear on an IRS Tax Return Transcript. The IRS Form W-2 is used to verify whether there was any such income that should have been reported on the FAFSA or if it was reported correctly.

##### *Nontax Filers*

If an institution questions a claim that an applicant or parent has not, will not, and is not required to file a 2014 IRS income tax return, the institution must require the applicant to submit a “Verification of Nonfiling Letter” from the IRS indicating that the tax filer did not file a 2014 IRS income tax return. A request to the IRS for a Verification of Nonfiling Letter can be made

using the IRS “Get Transcript Online” tool at [www.irs.gov/Individuals/Get-Transcript](http://www.irs.gov/Individuals/Get-Transcript) or by submitting IRS Form 4506-T and checking box 7.

**IMPORTANT NOTE:** A response to a request for a Verification of Nonfiling Letter for the 2014 tax year generally will not be issued until after June 15, 2015. However, because there are limited circumstances when the IRS will provide a Verification of Nonfiling Letter before June 15, 2015, for purposes of verification, the Verification of Nonfiling Letter for the 2014 tax year must be dated on or after June 15, 2015. Finally, receipt of a Verification of Nonfiling Letter does not address whether or not the tax filer was required to have filed a tax return.

#### *Dependency Status and Number of Household Members*

Institutions are reminded that the FAFSA reported household size may need to be coordinated with one of the dependency questions on the FAFSA and any necessary corrections should be reported to the CPS. An example is when an applicant who answers “yes” to the dependency question about having “dependents other than a spouse” reported a household size of one. Should such an applicant verify that the household size is actually one, the answer to the “dependents other than a spouse” question on the FAFSA should be changed to “no.” It is important that these elements be accurate and corrected with the CPS since they have a direct effect on dependency status and the Expected Family Contribution (EFC) calculation.

#### *FAFSA Parental Information*

As with the 2014–2015 FAFSA, parental information for the unmarried parents of a dependent student must include both of the student’s legal (biological or adoptive) parents if those parents live together, regardless of the gender of the parents (see [Dear Colleague Letter GEN-13-12](#)). This includes not only the reporting of income and other financial information, but also nonfinancial information such as number of household members.

#### *The Defense of Marriage Act*

In [Dear Colleague Letter GEN-13-25](#) we provided guidance on the implications of the Supreme Court’s decision on the Defense of Marriage Act (DOMA) in *United States v. Windsor*, 570 U.S. \_\_\_, 133 S. Ct. 2675 (2013), as it applies to completion of a FAFSA and the calculation of a student’s EFC. As noted in [Dear Colleague Letter GEN-13-25](#), for purposes of the Title IV Higher Education Act programs, a student or parent is considered married if the student or parent was legally married in any domestic or foreign jurisdiction that recognizes the relationship as a valid marriage. This applies to all parents or students, regardless of the couple’s gender, where the couple resides, or where the student will be attending school.

#### *High School Completion Status*

Applicants placed in Verification Tracking Groups V4 and V5 must provide documentation verifying their reported high school completion status. Institutions have asked for additional guidance for applicants who have taken State-authorized examinations (e.g., the GED test,

HiSET, TASC, or other State-authorized high school equivalency examinations). Test transcripts submitted by an applicant are acceptable documentation of high school completion only if:

- The official test transcript specifically indicates that a State has determined that the test results are considered by the State to meet its requirements of high school equivalency; or
- The official test transcript includes language that the final score is a passing score.

2015–2016 Verification Tracking Groups

As with 2014–2015 award year verification, the Department will continue to use data-based statistical analysis to select applicants for verification. A Verification Tracking Flag will be set on the applicant’s Institutional Student Information Record (ISIR) to indicate placement into one of the 2015–2016 Verification Tracking Groups. An applicant will remain in the original 2015–2016 Verification Tracking Group for the entire 2015–2016 award year regardless of subsequent corrections to the applicant's record.

Although 2015–2016 applicants will not be assigned to Verification Tracking Group V2 (formerly Supplemental Nutrition Assistance Program (SNAP) Verification Group), SNAP must be verified for applicants placed in Verification Tracking Groups V1, V4, V5, and V6, if the receipt of SNAP is indicated on the ISIR.

The individual verification items from the 2015–2016 *Federal Register* notice that an applicant must verify are based upon the Verification Tracking Group to which the applicant is assigned. See the following chart of the 2015–2016 Verification Tracking Groups.

2015–2016 Verification Tracking Groups  
FAFSA Information Required to be Verified

Verification Tracking Flag	Verification Tracking Group Name	FAFSA Information Required to be Verified
V1	Standard Verification Group	<p>Tax Filers</p> <ul style="list-style-type: none"> <li>• Adjusted Gross Income</li> <li>• U.S. Income Tax Paid</li> <li>• Untaxed Portions of Individual Retirement Account (IRA) Distributions</li> <li>• Untaxed Portions of Pensions</li> <li>• IRA Deductions and Payments</li> <li>• Tax Exempt Interest Income</li> <li>• Education Tax Credits</li> </ul> <p>Nontax Filers</p>

		<ul style="list-style-type: none"> <li>Income Earned from Work</li> </ul> <p>Tax Filers and Nontax Filers</p> <ul style="list-style-type: none"> <li>Number of Household Members</li> <li>Number in College</li> <li>SNAP, if indicated on the ISIR</li> <li>Child Support Paid by the student (or spouse), the student's parents, or both, if indicated on the ISIR</li> </ul>
V2	Reserved	N/A
V3	Child Support Paid Verification Group	<ul style="list-style-type: none"> <li>Child Support Paid by the student (or spouse), the student's parents, or both, if indicated on the ISIR</li> </ul>
V4	Custom Verification Group	<ul style="list-style-type: none"> <li>High School Completion Status</li> <li>Identity/Statement of Educational Purpose</li> <li>SNAP, if indicated on the ISIR</li> <li>Child Support Paid by the student (or spouse), the student's parents, or both, if indicated on the ISIR</li> </ul>
V5	Aggregate Verification Group	<p>Tax Filers</p> <ul style="list-style-type: none"> <li>Adjusted Gross Income</li> <li>U.S. Income Tax Paid</li> <li>Untaxed Portions of IRA Distributions</li> <li>Untaxed Portions of Pensions</li> <li>IRA Deductions and Payments</li> <li>Tax Exempt Interest Income</li> <li>Education Tax Credits</li> </ul> <p>Nontax Filers</p> <ul style="list-style-type: none"> <li>Income earned from work</li> </ul> <p>Tax Filers and Nontax Filers</p> <ul style="list-style-type: none"> <li>Number of Household Members</li> <li>Number in College</li> <li>SNAP, if indicated on the ISIR</li> <li>Child Support Paid by the student (or spouse), the student's parents, or both, if indicated on the ISIR</li> <li>High School Completion Status</li> <li>Identity/Statement of Educational Purpose</li> </ul>

V6	Household Resources Verification Group	<p><b>Tax Filers</b></p> <ul style="list-style-type: none"> <li>• Adjusted Gross Income</li> <li>• U.S. Income Tax Paid</li> <li>• Untaxed Portions of IRA Distributions</li> <li>• Untaxed Portions of Pensions</li> <li>• IRA Deductions and Payments</li> <li>• Tax Exempt Interest Income</li> <li>• Education Tax Credits</li> </ul> <p><b>Nontax Filers</b></p> <ul style="list-style-type: none"> <li>• Income Earned from Work</li> </ul> <p><b>Tax Filers and Nontax Filers</b></p> <ul style="list-style-type: none"> <li>• Other Untaxed Income on the 2015–2016 FAFSA–             <ul style="list-style-type: none"> <li>○ Payments to tax-deferred pension and savings (Questions 45a and 94a)</li> <li>○ Child support received (Questions 45c and 94c)</li> <li>○ Housing, food, and other living allowances paid to members of the military, clergy, and others (Questions 45g and 94g)</li> <li>○ Veterans noneducation benefits (Questions 45h and 94h)</li> <li>○ Other untaxed income (Questions 45i and 94i)</li> <li>○ Money received or paid on the applicant’s behalf (Question 45j)</li> </ul> </li> <li>• Number of Household Members</li> <li>• Number in College</li> <li>• SNAP, if indicated on the ISIR</li> <li>• Child Support Paid by the student (or spouse), the student’s parents, or both, if indicated on the ISIR</li> </ul>
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Technical specifications for the ISIR record layout and the Verification Tracking Flag values (V1–V6) will be available on the IFAP Web site.

With your support, we are confident that we will continue to reduce the burden on applicants, their families, and institutions while maintaining the integrity of the Title IV Federal student aid programs.

Sincerely,

A handwritten signature in black ink, appearing to read "Lynn Mahaffie", followed by a horizontal line extending to the right.

Lynn Mahaffie  
Acting Assistant Secretary