



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

THE ASSISTANT SECRETARY

May 25, 2017

GEN-17-05

Subject: 2018–2019 Award Year: FAFSA[®] Information to be Verified and Acceptable Documentation

Summary: This letter provides information that supplements the 2018–2019 award year verification information provided in the *Federal Register* notice published on May 5, 2017.

Dear Colleague:

On May 5, 2017, we published a *Federal Register* notice (Vol. 82, No. 86 p. 21204 –21208) announcing the 2018–2019 *Free Application for Federal Student Aid* (FAFSA) items that may require verification for an applicant selected for verification by the Department, as well as the acceptable documentation for those items. The 2018–2019 FAFSA items that may require verification are the same as those for the 2017–2018 award year. However, there were some changes to the acceptable documentation requirement for 2018–2019, as specified in the *Federal Register* notice. The specifics of these changes are discussed below.

Departmental Verification Selection

As in prior years, the Department will use data-based statistical analysis to select for verification the 2018–2019 FAFSA applicants with the highest statistical probability of error and the greatest impact of such error on award amounts. The Central Processing System (CPS) will set a Verification Tracking Flag on a selected applicant's *Institutional Student Information Record* (ISIR) indicating that the applicant was selected by the Department for institutional verification. The ISIR will also indicate the Verification Tracking Group for the applicant. See below for a listing of the 2018–2019 Verification Tracking Groups.

Suggested Verification Text

In a subsequent posting on the [Information for Financial Aid Professionals \(IFAP\) website](#), we will provide suggested verification text that institutions may use to collect information required for verification of the 2018–2019 FAFSA items.

Acceptable Documentation

Specific information on the acceptable documentation for all 2018–2019 FAFSA items is included in the May 5, 2017, *Federal Register* notice. Following are the significant changes from 2017–2018:

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The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

Availability of the Internal Revenue Service Data Retrieval Tool (IRS DRT)

Because of privacy and security concerns, the IRS suspended use of the IRS DRT and it remains unavailable to 2016–2017 and 2017–2018 FAFSA filers. However, we announced in the [May 3, 2017, Electronic Announcement](#) that the IRS and Federal Student Aid (FSA) intend to implement a solution that will reinstate the use of the IRS DRT beginning with the 2018–2019 FAFSA cycle (October 1, 2017).

Completing Verification for Applicants Granted an IRS Tax Filing Extension

With the move to “prior-prior year” tax data, most students are able to complete their FAFSAs using information from an already completed tax return, which significantly reduces the need to use estimated income and tax information. Also, once an applicant files the FAFSA, is selected for verification, and then is notified by the institution of the documentation needed to complete verification, the automatic six-month extension of time to file a 2016 tax return will have passed. For these reasons, individuals who have only been granted an automatic six-month extension (until October 18, 2017) by the IRS for tax year 2016 must verify 2016 income and tax information either by using the IRS Data Retrieval Tool or by submitting to the institution an IRS Tax Return Transcript.

Only individuals granted a filing extension by the IRS beyond the automatic six-month extension for tax year 2016 may submit the documentation for extension filers specified in the May 5, 2017, *Federal Register* notice, for example, a copy of IRS Form 4868, “Application for Automatic Extension of Time to File U.S. Individual Income Tax Return.”

For an individual who was called up for active duty or for qualifying National Guard duty during a war or other military operation or national emergency, in lieu of IRS Form 4868, an institution must accept a statement from the individual certifying that he or she has not filed an income tax return or a request for a filing extension because of that service.

Dependent Students Who Are Nontax Filers

A dependent student who is a nontax filer is excluded from the verification requirement to provide confirmation of the dependent student’s nonfiling status from the IRS or other relevant tax authority.

Unexpired Valid Government-issued Photo Identification

One of the requirements for applicants placed in Verification Tracking Groups V4 or V5 is to verify their identity by providing the institution with an unexpired valid government-issued photo identification. For this purpose, an unexpired valid government-issued photo identification is one that is issued by the U.S. government, any of the 50 States, the District of

Columbia, the Commonwealth of Puerto Rico, a federally recognized American Indian and Alaska Native Tribe,¹ American Samoa, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau.

Verification Requirements for Individuals Who Are Eligible for an Auto Zero Expected Family Contribution (EFC)

For Auto Zero EFC-eligible applicants placed in Verification Tracking Group V1 or V5, the FAFSA information that must be verified varies slightly between dependent and independent students. Only the following FAFSA/ISIR information must be verified:

For dependent students—

- The parents' adjusted gross income (AGI) if the parents were tax filers;
- The parents' income earned from work if the parents were nontax filers; and
- The student's high school completion status and identity/statement of educational purpose, if placed in Verification Tracking Group V5.

For independent students—

- The student's and spouse's AGI if they were tax filers;
- The student's and spouse's income earned from work if they were nontax filers;
- The student's high school completion status and identity/statement of educational purpose, if placed in Verification Tracking Group V5; and
- The number of household members to determine if the independent student has one or more dependents other than a spouse.

For all Auto Zero EFC-eligible applicants placed in Verification Tracking Group V4, the student's high school completion status and identity/statement of educational purpose information must be verified.

Table of 2018–2019 Verification Tracking Groups

The individual FAFSA items from the 2018–2019 *Federal Register* notice that an applicant must verify are based upon the Verification Tracking Group to which the applicant is assigned as outlined in the following chart.

¹ A list of the federally recognized American Indian and Alaska Native Tribes can be found at www.gpo.gov/fdsys/pkg/FR-2017-01-17/pdf/2017-00912.pdf.

2018–2019 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><u>Tax Filers</u> Adjusted Gross Income U.S. Income Tax Paid Untaxed Portions of Individual Retirement Account (IRA) Distributions Untaxed Portions of Pensions IRA Deductions and Payments Tax Exempt Interest Income Education Tax Credits</p> <p><u>Nontax Filers</u> Income Earned from Work</p> <p><u>Tax Filers and Nontax Filers</u> Number of Household Members Number in College</p>
V2	Reserved	N/A
V3	Reserved	N/A
V4	Custom Verification Group	High School Completion Status Identity/Statement of Educational Purpose
V5	Aggregate Verification Group	<p><u>Tax Filers</u> Adjusted Gross Income U.S. Income Tax Paid Untaxed Portions of IRA Distributions Untaxed Portions of Pensions IRA Deductions and Payments Tax Exempt Interest Income Education Tax Credits</p> <p><u>Nontax Filers</u> Income earned from work</p> <p><u>Tax Filers and Nontax Filers</u> Number of Household Members</p>

		Number in College High School Completion Status Identity/Statement of Educational Purpose
V6	Reserved	N/A

***Note:** We estimate that the technical specifications for the 2018–2019 ISIR record layout, which includes the Verification Tracking Flag values, will be available on the IFAP website this coming July.*

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

Sincerely,

/s/

Lynn B. Mahaffie,
Acting Assistant Secretary
for Postsecondary Education