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 will 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 for schools in the form of Dear Colleague Letters (DCLs). These and other releases, such as Federal Register notices and electronic announcements, contain system updates and technical guidance, and are available on the Information for Financial Aid Professionals (IFAP) website (ifap.ed.gov).

The FSA Handbook does not cover the operation of software. For schools using software provided by the Department, there are technical references on IFAP that explain how the software operates. Schools using third-party software should consult the vendor’s reference materials for technical guidance.

Program and systems information on IFAP

IFAP’s Software & Other Tools
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
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: https://ifap.ed.gov/fsa-coach
COACH for foreign schools will be updated in the future; monitor IFAP for forthcoming training announcements.

COVID-19 GUIDANCE AND WAIVERS
The Department of Education recognizes that the ongoing COVID-19 pandemic has created many unique challenges for postsecondary institutions. The Department has provided a variety of special guidance and regulatory flexibilities due to the President’s declaration of the COVID-19 national emergency on March 13, 2020. In addition, Congress has passed legislation offering relief from certain statutory requirements related to the Title IV, HEA programs.

For COVID-19 related guidance, including waivers and exemptions of normally applicable Title IV rules, please see the following webpages:

- Office of Postsecondary Education COVID-19 Title IV FAQ: https://www2.ed.gov/about/offices/list/ope/covid19faq.html

One significant COVID-19 provision relevant to Volume 1 and student eligibility is a special allowance for satisfactory academic progress (SAP). Section 3509 of the CARES Act allows schools to exclude from the quantitative component (pace measurement) of SAP any attempted credits that a student was unable to complete as a result of the COVID-19 national emergency.

It is not necessary for a student to have filed a SAP appeal for a school to exercise this flexibility. However, to exclude attempted credits from SAP, you must have reasonably determined that the student’s failure to complete those credits was the result of a COVID-19 related circumstance. Allowable circumstances include, but are not limited to, illness of the student or family member, need to become a caregiver or first responder, economic hardship, added work hours, loss of childcare, inability to continue with classes via distance education, and inability to access wi-fi due to closed facilities.
If, due to COVID-19, your school temporarily ceases operations during a period of enrollment, attempted credits for all affected students (specific to that enrollment period) may be excluded from the qualitative component of SAP evaluations. For more detail on the COVID-19 related SAP provisions, please see the Electronic Announcement of May 15, 2020.

**RECENT CHANGES**

Here are some of the significant changes to *Volume 1 for 2020-2021*:

**Chapter 1:**

- All the material formerly in sidebars is now integrated into the body text.
- Added a citation to the Electronic Announcement on how to check the validity of high school completion.
- Added a link to the Student Aid Eligibility Worksheet for FAFSA Question 23.

**Chapter 2:**

- All the material formerly in sidebars is now integrated into the body text.
- Updated guidance on how to update status for U.S. citizens born abroad.
- Clarified guidance on how various categories of parolees may gain Title IV eligibility.
- Updated technical guidance on how to complete third-step verification using the SAVE system.
- Updated guidance on interpreting the SAVE response, including updated contact information for the application processing division.
- Added links to several USCIS websites which can assist in the process of replacing lost citizenship documents.

**Chapters 3-5:**

- All the material formerly in sidebars is now integrated into the body text.
Chapter 6:

- All the material formerly in sidebars is now integrated into the body text.

- Added citation to Dear Colleague Letter on Pell for incarcerated students.

- Added guidance on setting the flag in FAA Access for students who receive benefits under the Children of Fallen Heroes Scholarship Act.

- Added a link to the new Adverse Credit History webpage.

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