
Introduction



This publication is intended for financial aid administrators and counselors who help students begin the aid process—filing the Free Application for Federal Student Aid (FAFSA), verifying information, and making corrections and other changes to the information reported on the FAFSA.

Throughout the Handbook we use “college,” “school,” and “institution” interchangeably unless some more specific use is given. Similarly, “student,” “applicant,” and “aid recipient” are synonyms. “Parents” in this volume refers to the parents of dependent students, and “you” refers to the primary audience of the Handbook: financial aid administrators at colleges. “We” indicates the United States Department of Education (Department, ED), and “federal student aid” and “Title IV aid” are synonymous terms for the financial aid offered by that department.

We appreciate any comments that you have regarding the Application and Verification Guide (AVG), as well as all the volumes of the Federal Student Aid Handbook. We revise and clarify the text in response to questions and feedback from the financial aid community, so please contact us at fsaschoolspubs@ed.gov to let us know how to improve the Handbook so that it is always clear and informative.

CHANGES FOR 2012–2013

The biggest change to this year’s edition of the AVG is to verification. The program integrity regulations package that was published in the *Federal Register* on October 29, 2010, contained a new Subpart E for verification, but the effective date of just that subpart was delayed until July 1, 2012. Consequently, we have rewritten *Chapter 4* to account for the new regulations, which are effective beginning with the 2012–2013 award year.

In margin notes on pages 5 and 10, we explain the effects of changes to the awarding of Social Security numbers that require us to change the first three digits of pseudo-Social Security numbers we use for Pacific Island students from “888” to “666.”

On page 13 in the margin, we say that when a person has a tax return from both the United States and a foreign country, they should use the U.S. return to fill out the FAFSA.

We clarified on page 18 that child support payments made for children in the household size are not counted under item 43 or 91 of the FAFSA.

We received questions about the treatment of health savings accounts (HSAs). Some thought that they should be excluded from the need analysis just as flexible spending arrangements are, but because HSAs are like tax-deferred pension and savings plans, they should be treated similarly. See the margin note on page 19.

On page 21 we added text explaining that welfare benefits are state or federal supplementary assistance that is means-tested.

We emphasized on page 23 that an emancipation must be adjudicated by a court—not by an attorney—for a student to be independent by that criterion.

We reorganized some of the material in chapters 2, 4, and 5: *Chapter 4* now contains guidance on updating and corrections, while *Chapter 5* has been retitled Special Cases and now includes the guidance formerly in *Chapter 2* on dependency overrides and financial aid administrator (FAA) determinations of homeless unaccompanied youth.

The maximum income a student or parent can have and remain eligible for the automatic zero expected family contribution (EFC) is now \$23,000 (a result of The Consolidated Appropriations Act, 2012). We updated this on page 36, as we did for other values elsewhere in *Chapter 3* that are part of the EFC calculation, such as the employment expense allowance.

We provided guidance in the margin of page 37 on what to do when a student has an EFC of 99,999 and the cost of attendance is higher than that or higher than the reported alternate EFC.

At the top of page 101, we noted that you must complete verification for selected students before you process a professional judgment (PJ) adjustment, and you must set the FAA Adjustment flag after you have used PJ.

We clarified the guidance on pages 101 and 102 about dependency overrides, and we added DCL GEN-11-15 to the margin note on page 101 since that letter gives further information and examples about when schools might perform overrides.

On page 106 we noted that there is now a separate option for FAAs to indicate when a student is determined to be a homeless youth, on the paper FAFSA, in FAA Access to CPS Online, and via the Electronic Data Exchange. We revised the image from the paper FAFSA on page 102 to show the new feature.

In November 2012 we updated the sidebar note on page 79 about filing an amended tax return. We added on pages 80–81 a section titled “When a tax return transcript is unavailable,” and we removed the related but passe margin note. We also added guidance in the margin on page 82 about what to do when a tax filer has been a victim of identity theft.