
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 a 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 U.S. Department of Education (Department, ED), and “federal student aid” and “Title IV aid” are synonymous terms for the financial aid offered by the 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 2014–2015

On page 9 we added a margin note about the new phone number you can use to contact any of several FSA contact centers for schools.

On page 12 we modified the margin note on pseudo-Social Security numbers for persons from the Freely Associated States. We emphasized that students who are issued such a number beginning with 666 should use the same number every year they fill out a FAFSA.

Also on page 12, as a consequence of the 2013 Supreme Court decision on same-sex marriages (*United States v. Windsor*), we updated the previous guidance about the Defense of Marriage Act (DOMA); see DCL GEN-13-25.

We modified the guidance on page 13 about high school completion and included new tests similar to the GED: the High School Equivalency Test or HiSET and the Test Assessing Secondary Completion or TASC, both of which will be used in some states beginning in 2014 as a substitute for or alternative to the GED test.

We mentioned at the end of the second paragraph on page 15 that e-mails encouraging the use of the IRS Data Retrieval Tool (DRT) were sent in April and beginning in May, respectively, to those who indicated on the FAFSA that they would yet file a tax return or that they had filed a return but had not used the DRT.

On page 16 we added guidance about how to answer questions 33 or 81 on the FAFSA when the student and spouse or the parents file separate and different returns and guidance about how to figure the AGI when one of the spouses does not file a return at all.

We added a margin note to page 21 about extended foster care benefits. These count as untaxed income to the student unless they are made under the authority of Title IV, Part E, of the Social Security Act, in which case they are excluded from the FAFSA.

On page 22, under “Money received,” we deleted the words “and loans” in the explanation of what should be reported on line 45j since loans are not income and question 45 captures the student’s untaxed income.

We noted on page 27 that beginning this year if both legal (biological or adoptive) parents of a dependent student are living together but are not married, their status is unmarried and living together and both must report their information on the FAFSA. This is true for parents of the opposite and same sex.

To clarify how attendance at the U.S. service academies affects household size and number in college, we added a margin note to page 29 and removed related guidance from where it appeared in the bodies of the pages dealing with the issue.

On page 31 we modified the guidance for divorced and legally separated parents of dependent students who are still living together. Now they will report their status as unmarried and living together unless one or both of them have remarried.

On page 38 we shortened the description of the requirements for an automatic zero EFC by contrasting them to those for the simplified formula.

We removed the note about EFCs of 99,999, which was in the margin of page 39. The income fields in the Central Processing System are now seven spaces, and the EFC field is six, so there is no longer a need for hand calculations of the EFC with very large income values.

Many of this year’s changes occur in Chapter 4, where new guidance about verification appears; we discuss this in detail as follows. We also reorganized and removed some material, such as the page on tax documents and special situations. Some of the text on that page was redundant, while much of it we moved elsewhere in the chapter.

On page 79 we added the new verification category, Household Resources Group, with tracking flag V6 and removed the SNAP Verification Group with tracking flag V2, which is now reserved. Also on this page, we

explained the new requirement for schools to report their results for students they verify who have flag V4 or V5.

On page 81 we listed in the margin which items the IRS Data Retrieval Tool imports to a student's FAFSA.

On page 82 we incorporated in the margin note on requesting a tax transcript the changes to how the IRS will handle transcript requests for 2013 returns. We also added a margin note about schools' use of transcripts obtained from participants in the IRS's Income Verification Express Service.

In the margin of page 83 we added notes about using "per computer" amounts from the tax return transcript and about verifying qualified roll-overs, which are not taxable and are not to be included on the FAFSA as untaxed income.

Our verification guidance for tax filers who are victims of identity theft has changed; now they call the IRS, authenticate their identity, and receive a printout of their tax information in the mail. See page 84.

We added guidance on page 84 to assist persons who cannot use the IRS DRT or get a tax transcript, who did not save their tax information, and whose tax information can't be found by the IRS or the pertinent government agency (if they filed a non-IRS return).

We removed some of the text from page 85 since it was presented elsewhere. The rest of the guidance we moved: the paragraph on immigrants and the ITIN went to page 84, guidance on non-tax filers was expanded and moved to the body of page 83, and the guidance about electronic filing went to page 84.

On page 86 we gave guidance on documenting other untaxed income.

On page 87 we included as a type of legitimate documentation records of electronic child support payments made.

We added to the list of documentation for proof of high school completion the HiSET and TASC (page 88), both similar to the GED test, which, if approved by the student's state, demonstrate high school completion for students who achieve a passing score on the tests. We also added the option for students who excelled in high school but did not finish, as well as the secondary school leaving certificate that students who completed their secondary school in a foreign country might have earned (page 88).

We gave guidance on page 88 to assist students when documentation of high school completion is not available.

On page 88 we also wrote that the identification used for verification of identity must be unexpired, and we added a margin note stating that the ID does not have to comply with the REAL ID Act of 2005.

On page 88 we noted that schools may convert a student's statement of educational purpose into an electronic record after examining it.

We removed the email address for the OIG Hotline on page 126 and directed readers to file a complaint online at the Hotline’s webpage.

Also on page 126 we added a margin note about the new comments that may appear on the ISIR and SAR when there is a discrepancy between the reported marital status and tax filing status (a new FAFSA question for 2014–2015). These comments do not constitute conflicting information, but we do encourage schools to review applications that they appear on.