



[BROWN:] Good morning. I'm Michele Brown and my colleague Jody Sears and I would again on behalf of Federal Student Aid like to welcome you all to Nashville. I guess you have noticed that the conference has gone green this year as evidenced by my new recyclable briefcase. I'm sure each of you got one of these. Also, you have in your chairs a much reduced session handout. My staff actually threatened to revolt if we decided to go with the full presentation, so I beg your indulgence as we have tried to provide the salient points of today's session in the handout and we have also included room for you to take notes. I hope you find this new eco-friendly format helpful and if you don't, you can scream at my staff in the conference evaluation form.

Let's just get started. Today's topics will include the 2009-10 mid year enhancements. I provided an overview of some of the changes that we have implemented in late spring and summer of 2009-2010. I will provide details of the FAFSA, IRS data retrieval process. This will be launched in FAFSA on the Web in January. In addition to the information about the enhancements, I will provide information about the enhanced 2010-2011 FAFSA on the Web. Jody is going to cover the topics that you see listed on this slide. A new database match will be implemented aimed at identifying dependents of our war heroes. Jody will also cover our new system edits and changes to needs analysis, the ISIR and FAA access.

In February, once the new administration officials got settled in, we started to have some dialogue about ways that we might simplify the application process. We were encouraged to move forward immediately with changes that reflected the simplification agenda. We looked at things that could be implemented in a relatively short amount of time such that applicants could start to benefit from these changes sooner rather than later. Many of the mid cycle changes that I'm going to discuss are as a result of that early dialogue and were implemented between May and August of this year. It is now possible to access the FAFSA on the Website by simply typing in www.fafsa.gov. This is simply a redirect, so the www.fafsa.ed.gov will still appear in the browser and the old address continues to work. It is our hope that by providing a more conventional web address that our applicants will avoid going to pay sites to complete the FAFSA.

The confirmation page that is presented at the end of the application has been totally redesigned. The information is more comprehensive. It includes estimates of Pell Grant eligibility if applicable, information about other Federal programs including loans, and provides links to our college navigator site where families can access detailed information about the colleges that their students may be interested in attending. Applicants can now e-mail the confirmation page to the address that they provide on the FAFSA. Previously, that confirmation page had been kind of a one and done. They would see it at the end of the application submission and did not have further access. We thought it would be a good idea to allow them to e-mail that confirmation page for future reference.

For colleges listed on the application, the applicants were presented with each of the colleges reported, retention, graduation, and transfer rates. This information can be accessed in several different ways. Students can find it in the college look-up utility, so



when they go in, select a college, previously we provided contact information for those schools, their addresses, so this information can be found there as well. In addition, this information is also included on the FAFSA on the Web confirmation page. As a reminder, this information is the same information that colleges report to the National Center for Education Statistics. Here is a closer look at the redesigned confirmation page. To be honest, we have received a lot of feedback about the addition of the graduation and retention information. We hope by including this consumer information within FAFSA on the Web, students and families can make more informed decisions concerning their college options. However, based on this feedback, we recognize that we may need to enhance the presentation and provide more context around this data. In the interim, we continue to provide the link to the college navigator site, and there students and parents can access the full compliment of information about colleges they select.

We implemented further enhancement to our skip logic. If an applicant indicates that he is male and his date of birth indicates that he is 26 years old or older, FAFSA on the Web will skip the question regarding registration with Selective Service. This enhancement reduces the overall length of application entry for male students. Additionally, if an applicant is determined to be independent based on the date of birth and marital status, only two dependency questions will be presented, and those are questions 53 and 54 which talk about having children or other dependents. We believe by including these dependency status questions, that it assists applicants in reporting accurate information in terms of the household size.

For 2009-2010, we introduced three new homeless questions. Almost immediately, we realized that these questions were complex and applicable only to a limited amount of applicants. We worked to fix that though. What we have done to reduce the complexity is that we have introduced a homeless screening question. The screening question asks the applicant if they are homeless or at risk of being homeless. The three homeless determination questions will only be presented if the applicant is 21 or younger and answers yes to the filtering question. Applicants may select then the homeless question that best describes how they receive their determination of homelessness. We also identified two situations that needed to be addressed for homeless students. The first was for homeless students that did not have a determination. The second is for homeless applicants that did not meet the definition of youth. These applicants that answered yes to the homeless filtering question are provided an alternate path, they are able to submit their application without parental information, and they are advised to follow up with the financial aid administrator at their school. This new treatment provides a more customized approach for homeless applicants.

Lastly, applicants who are determined to be dependent but whose parents do not provide financial support or refuse to provide parental data on the FAFSA will have an option to submit the FAFSA and be considered for an unsubsidized loan only. FAFSA on the Web presents a path that allows these applicants to indicate that he or she will



not provide parental information. Again, these applicants are advised to follow up with the financial aid office.

This summer, we updated our FAFSA Forecaster Tool to make it consistent with the 2009-2010 application. Hopefully, you are all familiar with FAFSA Forecaster but this was a tool that we launched in 2007. The intent was to help students and families understand their eligibility to receive financial aid for post-secondary education. We recently monitored the use of the site and had made several changes in response to user feedback. Some early feedback suggested that users did not like providing their personal information for the purposes of using an estimation tool. Now, users can establish an account with a conventional user ID and password. Returning users are prompted to establish a user ID and password. With these new identifiers, they are able to access previously submitted records for review and update. While providing personal information is optional, we do explain to users what some of the benefits of providing those personal identifiers and primarily that is to assist them in completing the regular FAFSA. So, at the end of FAFSA Forecaster, we do offer them an opportunity to provide their date of birth and Social Security number, and so that information along with other data that they have entered in the FAFSA Forecaster can be rolled forward into an actual FAFSA application.

Previously, cost of attendance on FAFSA Forecaster was provided based on national averages for the major college categories, two-year colleges, four-year, public, and private. Users may now enter a specific cost of attendance, and this may be based on the cost of an institution that they have researched.

In addition, users may choose to see a side-by-side comparison of two college scenarios. Basically if somebody is looking at going to a two-year college as compared to a four-year or a public versus a private, they can do kind of a side-by-side comparison of those eligibility scenarios and basically get a better understanding of how far those aid dollars will go.

The final changes impacting the 2009-2010 products will be the implementation of IRS Data Retrieval Tool. Now, Secretary Duncan kind of stole our thunder yesterday, so I want you all to show that same excitement for us. This one has been a long time coming. I have been coming to these conferences for a number of years, and every year one of my colleagues will get up and talk about, well this year it looks hopeful that we will be able to deliver an IRS data share. I think that has gone on for about ten years. Finally, we had an opportunity in March to kind of jumpstart this initiative. We have had support for this data retrieval process from both agencies, both the Department of Education and from the Internal Revenue, and I would say even the Department of Treasury at all levels. I am pleased to announce that on January 24, 2010, we will be implementing this IRS data retrieval process from within FAFSA on the Web. It is really amazing just the amount of work that we have been able to get done in a short amount of time. For anyone here that has any doubts about how serious the Internal Revenue Service is about protecting your taxpayer information, I'm here to tell you, don't worry.



Let's take a tool and understand who can use it. First time, a renewal FAFSA on the Web applicants and their parents, those with a valid Social Security number and a Federal Student Aid pin. You must have completed and filed your 2008 tax return and have not reported a marital status change since 12/31/2008.

How does it work? Applicants proceed through the normal log-in and application entry process. They provide their student demographic information, determine their dependency status, and for applicants that are determined to be dependent, college parent demographic information. Once we have determined that a tax return has been completed and other criteria met, the FAFSA on the Web linked to the IRS page will be presented. We collect the parents' pin, and they can elect to link to the IRS. Now, for years, this has been kind of a major sticking point because the IRS believed that they could only provide that taxpayer information to the taxpayer. Through this solution, we are actually linking our FAFSA on the Web filers over to an IRS site, and this all will happen instantaneously, no lag. It is very similar to what the current FAFSA process and response times are. Those who do not wish to use the tool, we provide an option for them to skip. We do not recommend use of the tool by those that are married filing separately. The IRS tell us that there are about 5% tax filers that use that status and it is our belief that again with those using that status, they would only bringing back perhaps half of the information that is needed to complete the FAFSA. If you have filed an amended tax return, this database that we will be accessing for this solution will not have amended tax data. We do not recommend it for anyone that has filed a foreign tax return, because basically again it will only contain data for those that have filed taxes with the U.S. Internal Revenue Service. For those that opt to use the tool, they are ported over to an Internal Revenue website, and a tax filer must authenticate with the IRS. In addition, we are going to be moving over to that authentication screen, the user's name, their Social Security number and date of birth, and they will be requested to provide some additional information, their address and their tax filing status. If someone fails the authentication with the IRS three times, they are basically locked out of the system for 24 hours. Once they check the box that they want to go over to the IRS, the information that you see on this screen is what is going to be presented back to the applicant. They will have all of the relevant information that is needed to complete the FAFSA. This example is actually one for the 1040 or 1040A. These are the number of data elements that get repeated on the FAFSA. The IRS will require the user to affirm their desire to transfer their tax information onto the FAFSA, and they will need to select the Transfer Now button. This information will then be ported over onto the FAFSA application into the appropriate data fields. For those that opt not to use the data transfer, they can print the page and perhaps use the information for manual entry and select log out. For those that select the transfer option, the IRS session will end and their FAFSA on the Web session will resume. They will be notified of the successful data transfer and the relevant fields will be annotated, indicating that the data was transferred from the IRS. On this example, you can see that this person has filed a 1040, we brought that information forward into the FAFSA, and then at the top of that box it says "transferred from the IRS." If the applicants change any of the data after a successful transfer, the transfer indicators will be removed. If they go in, once they



have done the data transfer, and for example if their AGI was \$30,000 and the information that was reported back from the IRS, they want to update that information, and it could be a legitimate reason, maybe they filed an amended tax return and their AGI turned out to be less. Again, we will look at this as self-reported data and those indicators saying the information had come from the IRS will be removed from all of the data elements that were ported over from the IRS. The applicant then goes on to complete the remainder of the application. Again, the relevant FAFSA on the Web logic remains in effect, and for those students who need to provide income information, they will also be provided a link that works much the same as the one for the parents.

When will the IRS tool be available and for whom? This graphic basically shows kind of the 18-month application cycle. Again, for the 2009-2010, for those remaining applicants, and we estimate that there will be approximately 3 million students that will still be using the 2009-2010 application, again those that come starting on January 24 will be able to access this IRS data retrieval tool. That middle bar, that again is for the 2010-2011 cycle. Then, starting in July of 2010, we hope to make this tool available for those applicants.

I invite you to come to Session 24. This is just the high-level overview of the solution, but we do go over it in a lot more detail and that session is today I think at 3:15. Anybody who wants more information, come to the IRS Data Retrieval Session, Session 24.

I just want to quickly cover some of our processing statistics. You probably know that this is a banner year for application volumes. You have probably experienced some considerable increase on your own campuses. We generally see an increase in applications at the beginning of each cycle, but almost always those numbers seem to normalize as we progress through the year. For this year, we are sustaining approximately 20% in the numbers of applications processed and received. For all of 2008-2009, we processed 16.4 FAFSA applications and for 2009-2010, we have already exceeded those numbers.

Now I will briefly cover our 2010-2011 system enhancements. For 2010-2011, the paper application is available for review at www.ifap.ed.gov. We are currently in the final phase of our office and management budget clearance review process and hope to have final approval of the form and related products by mid December. The paper application is blue as indicated on this slide and contains minimal changes. So, paper is still available. We have expanded student marital status to include the following options: Single, married, remarried, separated, divorced, widowed. As required by the Higher Education Opportunity Act, we have removed the questions about the type of veteran benefits received and any values associated with military housing or military housing allowances from untaxed income. We have also excluded some income from work under Cooperative Education Program.

As you can see from the changes to the paper FAFSA, there have been minimal legislative changes that impact the application. We have both a legislative and



administrative mandate to simplify the application. Go figure. We were not deterred. With the support of the administration, the FAFSA on the Web has undergone a major redesign for 2010-2011. Our redesign principles were to make the application student-focused, maintain the integrity of the application so no questions have been eliminated, use technology to improve the navigation and flow, decreasing screens by about 60%, and use data to inform, design, and eliminate redundancies. Updated navigation reduces the number of pages and length of the applications. Display of help text and instructions will be enhanced to include the use of field level instructions, fly-over texts for glossary terms, and modal boxes.

The 2010-2011 FAFSA entry pages have been updated to assist applicants more easily determine whose data is being reported. Five banners have been color coded to specify student or parent entry. We have implemented a status indicator across the top of the page. It tracks progress throughout the application. Instructions are provided for each FAFSA question in the Help and Hints section on the right side of the page. The new flow maximizes the use of responses to previously answered questions, to skip questions that an applicant is not required to answer based on their profile. An example of how this logic was deployed. For the drug question, we know that a drug conviction only counts towards your eligibility to receive aid if you had conviction for sale or possession while you were receiving Federal aid. One of the things that we have done, if someone indicates on the application that they are a first-time college student, they will not be presented with a drug question. It is those kinds of things that we have done to actually reduce the amount of questions that students need to see and respond to. Additional financial information and untaxed income, these questions will be presented in a much simplified check box format. Key words will replace the specific live references, and applicants will be prompted to report amounts they confirm receipt of from an easy to scan list. These are high level examples of the transformation, and we invite you to go to the PC Lab. We have representatives from our Federal Student Aid Information Center as you heard in the earlier announcement, and they are there to help you prefer the site. You can actually sit down and do a demo if you like. Our FAFSA on the Web site goes live on December 13, and there you will have your opportunity to really go out and play around with this site.

We have also included a draft of the FAFSA on the Web worksheet in your conference booklet. For anybody who wants to see the worksheet, it is there in the back of the booklet. We redesigned the worksheet. We have streamlined it to four pages and to make it more consistent with the actual application flow.

Just a few other changes, in addition to simplification, we have worked to enhance the system security so we have introduced the virtual keyboard for the entry of personal identifiers. We hope that this will assist with some of the key logger issues that we have experienced with the use of FAFSA on the Web. We will no longer be displaying Social Security number on the Student Aid Report or confirmation page. New random identifiers have been established.



Finally, minimal changes have been made to the Student Aid Report but they also include the removal of a Social Security number and we have added clear messaging for questions where the data are as of the time that the applicant completed and signed their application.

In closing, I just wanted to say as a department, we are thinking about simplification as more of a journey. I mean, it didn't start today, didn't start yesterday, didn't start with this administration. I think that we have been working very hard over the last year to look at some of the things that needed to be improved and to make some of those enhancements to the application and the application process. The FAFSA is only one part of it. You heard Secretary Duncan yesterday talk about the need to increase awareness more at the earlier stages, to help students and families be more prepared to navigate the application and the aid delivery process. We look forward to working with you to maybe integrate more of these processes to offer a continued streamlined experience for our student applicants and the parents that are assisting them. Jody?

[SEARS:] Thank you, Michele. It is my pleasure to be here with you today. As Michele mentioned, I will be talking about some additional changes we will be making to the 2010-11 award year. I am going to start with the description about a new database match that Federal Student Aid will be doing with the Department of Defense to identify applicants who have lost a parent or guardian in service to Iraq or Afghanistan since September 11, 2001. I will also discuss some changes we are making to our system edits in FAFSA on the Web and the CPS, as well as some minor changes we are making to the need analysis formulas that are part of CPS. Once I have covered those topics, we will review some changes we are making to the ISIR including some changes to the ISIR record layout, some additions we are making to the NSLDS history information that is part of the ISIR record, and some new flags related to the IRS data retrieval tool that Michele just discussed. Then, I'll wrap it up by talking about a few changes we are making to FAA Access to CPS online. While I'm not going through it today, you will see the handouts for this session posted on IFAP. Toward the end, you will see some slides that list some important dates and some relevant publications that you will want to review before you begin processing for 2010-11.

As you all know, with the passage of the HEOA, students who have lost a parent or guardian as a result of military service to Iraq or Afghanistan since September 11, 2001, may be eligible for increased eligibility for Federal Student Aid. Beginning with the 2009-10 award year, the new provisions affects students who were 23 years or younger at the time of their parent's death or 24 years and older and enrolled in college at the time of their parent's death. Both of these categories of students may be eligible for increased Federal Student Aid.

I will go through their increased eligibility quickly because this information is going to be covered at length tomorrow in the Federal Update general session. In addition, on November 6, we posted a detailed electronic announcement to IFAP that describes the new provisions and the operational details of how CPS and COD would be handling these changes. In 2009-10, if an affected student is Pell eligible, he or she may be able



to receive up to the maximum Pell Grant scheduled award of \$5,350 regardless of the EFC or CPS calculated EFC. In addition, when packaging these students, you should use the zero EFC when determine their eligibility for the other Federal Student Aid programs. Then, for 2010-11, Pell eligible students will continue to be eligible to receive the maximum Pell Grant scheduled award and the zero EFC for the other Federal Student Aid programs, but in addition, students who don't have a Pell eligible EFC but are otherwise Pell Grant eligible, meaning they have completed the 2010-11 FAFSA and they haven't already received their first bachelor's degree may be able to receive the Iraq/Afghanistan Service Grant in an amount equal to the Pell Grant scheduled award for 2010-11. However, for this group of students, you would use the CPS calculated EFC to determine their eligibility for the other Federal Student Aid programs.

While we don't expect there to be a lot of these students, at least we hope there won't be for several more years, we do know that there are some of them out there and we need to have a way to let you know who they are so that you can reach out to those students and adjust their awards as appropriate. The way we are going to do that is through a database match with the Department of Defense or DoD. However, in order for us to match our CPS applicant records with the DoD, the two agencies need to develop and sign a legal document called a computer matching agreement. The development of this kind of agreement can take some time. The good news is that we are very close to having a signed documentation with the Department of Defense, but we're not quite there yet. For the remainder of 2010 application processing year up until we do have a computer matching agreement, the only way you will know of an affected student is if they come into your office and they self-identify. If that happens, you will need to contact the Director of Application Processing, Marilyn LeBlanc. Her information for contact information will be posted at the end of this application. She or one of her staff will work with our DoD contacts to confirm that the student is part of the DoD record file. If we do find that that the student is, we will let you know about that so that you can reach out to your student and adjust their award as appropriate.

Once we do have a CMA in place for 2009-10 for the remainder of the year once a month DoD will send us a file of names of the surviving children, their dates of birth, their Social Security numbers, and the date of death of their parent or guardian. Then, we will manually match that file against our 2009-10 CPS applicants. If we find a match, we will do a couple of things. First, we will send a personalized letter to the student. The letters will be slightly different for those students who already have zero EFCs and for those who don't. Then, we will also contact all the schools that the student listed on their FAFSA, including any schools that the student would have added through the corrections process. We will call you and let you know that you may have one of these students at your school and will also send you an encrypted password protected file containing the student's identifiers and the date of death of the parent or guardian. On one other note, in 2009-10, there won't be any changes to the ISIR of the student's SAR for these affected students.

Now, for 2010-11, we will be implementing the automated process for matching CPS records to the DoD files. We will begin by notifying you on the ISIR about applicants in



the DoD file through the new DoD match lab. Again, every month the DoD will send us files of individuals whose parents or guardians have died and we will match that against the records in our CPS database. If we find a match, we will send you information about that student via the DoD match lab. A match lab value of Y means that a match was found for the aid applicant and a blank means that the student wasn't found in the DoD file. The ISIR will also contain the date of the parent's death if we have a match lab of Y so if necessary you can figure out for those students who are 24 years or older if they are enrolled in college at the time of their parent's death and thus potentially eligible for the additional Federal Student Aid.

In addition to notifying you on the ISIR, we will also send a personalized letter to the student the way we did in 2009-10, but for sensitivity reasons we won't include a SAR comment. The DoD will continually be adding names to this file over time unfortunately, so every time we get a new file from the DoD, we will match the entire file against all of our CPS records. If we find a CPS record that wasn't previously matched to a DoD file, records in the DoD file, we will go ahead and system generate an ISIR to you and send it to you for action, and again will send a personalized letter to the student.

Let's spend a few minutes talking about some changes we are making to edits in FAFSA on the Web, Corrections on the Web, and the CPS system. Let's start with a couple of edits students will encounter in FAFSA on the Web. First, in 2010-11, we will begin requiring applicants to answer the question, will you have your first bachelor's degree before July 1, 2010? By always having an answer to this question, it will help us be that much more precise when we are setting the Pell eligibility flag to yes on the ISIR. In addition, we have modified reject one. In the past, students and parents encountered this reject when they have left all the asset questions blank. In 2010-11, will start getting this edit whenever they leave any of the asset questions blank and they are not eligible for the simplified needs test. FAFSA on the Web will display an error message and an error icon to the left of all the fields that they have left blank to let the applicant and then parent know where they need to provide additional information so that they can complete filling out the FAFSA application.

Another new edit for 2010-11 has to do with the marital status state which is now required for both students and parents if their marital status is anything other than single. Making this a required field in FAFSA on the Web will help us determine if the student or parent is a good candidate for the IRS data retrieval process. Individuals who have had a change in their marital status are not good candidates for the IRS data retrieval process because the information that they would have provided to the IRS for their 2009 taxes wouldn't be the information they should be providing on their FAFSA.

Since we are on the subject of marital status, let's talk about a couple of other changes we are making about that for 2010-11. As you all know, the answers that applicants provide on their FAFSA are supposed to represent what is going on at a specific point in time, kind of like a snapshot, so once the information has been provided, it shouldn't be updated unless it was wrong in the first place. This includes answers about marital status. The rule is that answers to the marital status and the marital status date should



reflect the student or parent's marital status information as of the time they are signing the FAFSA. Again, the questions should only be changed if the original answers were incorrect. If applicants were allowed to update the FAFSA every time their information changed, you would be packaging and repackaging every other week. We already know, you don't have time to do that. For several years now, when students or parents change their marital status or change their marital status date to a date that was prior to when they signed the FAFSA, they would encounter a message on Corrections on the Web advising them that they should only change the answer if it was reported incorrectly. The edit message encourages applicants and parents to make sure that they really need to make that correction and if not, it tells them to change the answer back to what it was originally. However, since it may be a legitimate correction, the applicant if they choose to make the correction anyway, Corrections on the Web will accept and process that change. In 2010-11 though, while we will still process the change if the student or parents request it, we are going to start sending you a comment code on the ISIR to let you know that one of those fields have changed. You can use the comment code to follow up with your students or parents if you choose. But you will start seeing comment code 302 for students and 308 for parents if they have changed either their marital status or their marital status date.

What is new with the need analysis for 2010-11? Fortunately, not a whole lot. On June 2, 2009, we published the changes to the need analysis in the Federal Register including adding cooperative education earnings to the offsets of total income and making the normal annual updates to the allowances against total income for students and parents. One other note, in mid November, we posted the 2010-11 EFC guide to IFAP.

Now, let's take a moment to talk about changes we are making to the ISIR to 2010-11. First, we are modifying the format of the ISIR record layout so that we can more easily implement data element changes without significantly impacting the financial aid software systems that you use to administer student aid programs. As you know, the ISIR is currently organized by like data element blocks. Whenever we need to make a change to the record layout, we implement those revisions to the applicable section of the record layout or in the case of new fields, we append them to the end of the record layout. However, whenever we do this, that changes the starting and ending positions in the record layout for those fields that are affected or it also increases the overall length of the entire record layout. We understand that these changes can significant impact schools and servicers and third party system developers who code their systems based on our EDE record layouts. To minimize the impact of such changes, for the 2010-11 cycle year and forward, we have added filler spaces after existing data blocks such as the student demographic information, financial information, the dependency determination questions, and the parental information. If we have to make changes or last minute changes like we have had to do in the past couple of years, or if we are ever in a position where we need to make mid year cycle changes that will affect the ISIR record layout which we try to avoid at all costs, we can use the filler field positions to add or remove or revise those data elements. Our goal here is to limit the impact of the change to just the existing filler blocks only and not to the entire record layout.



However, in order to implement this change, it has increased the overall length of the record layout for the ISIR from 3,700 bytes to 4,150 bytes, but maybe after that it will be less than [inaudible] We also posted an announcement on IFAP about this change on July 16, and we discussed it at length at the software developer's conference. In addition, we posted the record layouts themselves in the EDE technical reference that we posted in August to IFAP. As we do every year, we incremented all the date fields on the ISIR and we updated all the cycle year references in the message classes but there won't be any new message classes this year, or for 2010-11. Once again, the ISIR will continue to come to you in flat file format. The ISIR will follow the order of the questions that appear on the FAFSA as it has done for the past several years. The two veteran benefit questions that have been deleted from the FAFSA have also been deleted from the record layout, and we have added the new cooperative education fields for students and parents. Lastly, we have modified the field values for the student marital status field. A value of 1 now means single, 2 means married or remarried, 3 the student is separated, and 4 a new value means the student is divorced or widowed.

Michele talked about how we are now using more extensive skip logic in the 2010-11 version of the FAFSA, the prefilled questions based on answers from earlier questions. For example, we are now using the date of birth, marital status, and year in school to prepopulate three of the dependency questions. Were you born before...? Are you married? And will you be enrolled in a graduate program? In addition, we are allowing students to skip answering questions that don't need to be answered because of the answers to earlier questions like the remaining dependency questions if we have already determined that the student is independent or the income and asset questions that don't need to be answered because the applicant is eligible for the automatic zero EFC or the simplified needs test.

What responses to these types of questions will you see on the ISIR as a result of the prefilling and the skip logic? As it turns out, the answer is pretty straight-forward. If the answer to the question has been prefilled on FAFSA on the Web based on an answer to an earlier question, the ISIR field values will equal the prefilled values. For example, if a student's answer to the date of birth question makes him or her 24 years or older, the answer to the dependency question, were you born before... will be prefilled with yes, and the field value on the ISIR for that question will also be yes.

Now, if the question has never been presented to the student because the answer to an earlier question makes answering that question unnecessary, then the ISIR field value will be blank. For example, if a student is 24 years old, we already know that he or she is independent, so there is really no reason to ask the student the remaining dependent questions. Therefore, the field values on the ISIR will be blank for the remaining dependency questions that weren't served up to the student.

I would like to spend a couple of minutes to close the loop on students with special circumstances. As Michele reminded everyone, in 2009-10, we created a new special circumstance path in FAFSA on the Web and began sending you a new flag on the ISIR so that you could easily identify those students who believe they have special



circumstances. In August of 2009, we expanded the number and types of special circumstances paths for students, so now dependent students who are homeless or at the risk of being homeless or dependent students who parents refuse to complete the FAFSA or provide support are presented with their special circumstance path and will also have the option to complete the FAFSA without providing parental information. To avoid having to make mid-year changes to the ISIR, for the remainder of 2009-10, all students who go down the special circumstances path or the new homeless or unsub loan paths will have a special circumstance flag value of 1 on their ISIR or 2 if they go back through FAFSA on the Web through Corrections and provide parent information.

In 2010-11, in addition to seeing the special circumstance flag values of 1 and 2 that you currently see in 2009-10, you will also see a special circumstance flag of 3 for students who indicate that they are homeless, along with comment code 299. For students who want to be considered for the unsub loan only, you will see special circumstance flag 4 along with comment code 300. You as a financial aid administrator can use those flag values to follow up with your homeless students, for example, and begin collecting the appropriate documentation to make your determination about providing a dependency override. For those students who want to be considered for the unsub loan only, you can use that information to reach out to those students to begin the documentation collection process before awarding and disbursing an unsub loan for those students.

If you decide to do a dependency override, it is very simple. You go to FAA access to CPS online and set the dependency override flag for that student. If you decide that it is not appropriate to do a dependency override, that's okay too, but remember in order for the student to have an EFC calculated for them, they will either need to provide the parent information as a correction through FAFSA on the Web or you will need to set the dependency override flag. Otherwise, the student's ISIR will remain in rejected status and the EFC won't be calculated. One other note, you should never do a dependency override for special circumstance flag values of 4 for dependent students who want to be considered for the unsub loan only.

As you know with the beginning of the 2009-10 award year, the HEOA authorized schools to disburse up to two Pell Grants in a single award year for certain Pell eligible students. In 2010-11, we have added a new field to the NSLDS section of the ISIR labeled additional eligibility indicator. This field when set to Y will help you identify and track students who have received funds from their second scheduled award under that new provision. Again, as we have discussed earlier, the ISIR will also contain the new DoD match flag as well as a parent's date of death for those in the DoD file.

In 2010-11, the ISIR will also contain two other new flags, the IRS data retrieval flag for students and for parents. Before I talk about the new flags in 2010-11, I would like to spend just a moment tell you what we are doing in 2009-10 to communicate information to you about applicants and parents who use the IRS data retrieval tool.



As Michele mentioned, in January of 2010, we will implement the tool for the 2009-10 application processing year. In order to minimize the impact to you, none of these mid-year changes will affect the 2009-10 ISIR record layout. Instead, we will add six new comment codes which will be set if the student or parent use the IRS data retrieval functionality. The comment codes will indicate if the ISIR contains IRS information that was transferred by the student or parent into FAFSA on the Web and was unchanged before submitting to CPS, or if the ISIR contains IRS data that one or more of the IRS data elements was changed before sending to CPS. Finally, another set of comment codes will indicate if the student and parent transferred IRS data into their FAFSA on the Web application, sent it in without changing it, but then on a subsequent transaction through Corrections changed one of those IRS data elements. For more information about what you will see in 2009-10, please review the electronic announcement that we posted on IFAP on November 5.

For 2010-11, the comment codes will be replaced with the IRS data retrieval flags. The flags will be similar to the information conveyed in the 2009-10 comment codes but are a little bit different. As I said, there will be an IRS flag for the student and an IRS flag for the parent. Because students and parents can do different things with the tool, it is possible that you will see different flag values for the student than you will see for the parent. If you see a flag value of 0-0, that will mean that the student or parent was given the option to use the IRS data retrieval tool process, but for whatever reason opted not to use it. A flag value of 0-1 means that the student or parent was sent to the IRS but for whatever reason, no IRS data was transferred back into the FAFSA on the Web application. An 0-2 will mean that the IRS data was transferred by the student or parent into the FAFSA on the Web application, and it remained unchanged before submitting to CPS. An 0-3 will mean that IRS data was transferred into the FAFSA on the Web application but at least one of the IRS data elements was changed. An 0-4 means that the student or parent came back through Corrections on the Web and changed one or more of the data elements that came from the IRS. These codes are important, especially 2, 3, and 4, because at some point in the future, we hope to use the IRS data retrieval tool to minimize and reduce the verification burden on you and your students. Know that when we are ready to do that, and we're not ready yet, it will be important for us to know that the data on the FAFSA came straight from the IRS or if it was altered in some way.

Because of all of the other items that we had to discuss today, we have only had a limited amount of time to talk about the IRS data retrieval tool, but we are offering a session specifically to talk about this tool, to cover it in much more detail. I would like to encourage you all to attend. It is held at 3:15 today and tomorrow in the Delta-A room. According to the presenters who left me a note here, they are asking you to come with lots of questions and suggestions for the future.

The last topic I would like to cover is FAA Access to CPS online. This is a web product I hope you are all familiar with. It was designed with the needs of financial aid administrators in mind. It can be used to enter and submit FAFSA information online on behalf of your students or to send in electronic corrections for your students. It can also



help you verify applicant data using the verification tool which is also a part of the web product and from FAA Access to CPS online's main menu, you can also get to the return of Title IV funds website, R2T4, or the ISIR analysis tool website. In 2010-11 version of FAA Access entry, we have made all the same changes Michele mentioned that were made on FAFSA on the Web. Those changes are listed on this slide. The same data element changes that you see here have also been added or deleted from FAA Access correction entry.

As I mentioned a few minutes ago, the data reported on the FAFSA represents a snapshot in time and most of the information on the FAFSA should not be updated. One item that should not be updated ever is the student's marital status. When students apply for aid, they should report whatever their marital status is at the time they are completing the FAFSA. For the past several years, we have not allowed students who are using FAFSA on the Web to enter a marital status date that is later than the date they would be signing the FAFSA, but we will have some paper filers, and we don't have a way to prevent them from entering that later marital status date. Paper filers have been getting and will continue to get reject 4 if they meet that condition. In the past, we gave you the option to override reject 4 in FAA Access and accept that later marital status date, but we can't really think of a situation why that would ever be correct, so starting in 2010-11, we are eliminating the override for reject 4 in FAA Access. In order to clear a reject 4, you would have to work with the student to figure out what that correct date should be and send it in through corrections.

As we discussed, there will be some new special circumstance flags in 2010-11 for students who are homeless or students who want to receive the unsub loan only. As I mentioned, these flags will appear on the 2010-11 ISIR but you will also be able to view them in FAA Access. You will be able to see them in corrections entry, student inquiry, and ISIR compare, and this slide shows you the text that you will see in FAA Access. Note that you won't actually see the flag values but instead you will see the text that describes the flag values that tells you about the special circumstance for that student.

One other note, if you would like to see a demonstration of FAA Access, please go to the PC Lab. Also, we have the demo site which I hope a lot of you take advantage of using. It has a demo site for FAA Access and also the demo site for FAFSA on the Web. It will ask you for a username and a password, we have provided this on the slide for your reference. A couple of other sessions we thought you might be interested in regarding EDEXpress sessions for those of you who are considering using EDEXpress to implement the direct loan program, sessions 12, 13, and 14, you could make an opportunity to visit in those sessions.

In closing, we would like to remind you to complete the evaluations. We value your feedback and your comments and questions about the information that was presented to you today. We would also like to have your comments about the handout that we have used today that Michele pointed out. We would like to know if you thought it was useful as well. Remember, these slides are posted to IFAP. You can use it to reference for later reference or for other staff that weren't able to attend today. That



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concludes our session. That was a ton of information. You have earned your coffee break. Enjoy the rest of the conference.