

Jody Sears:

All right, I'd like to introduce myself and our panel today. My name is Jody Sears. I am with the CPS application processing area in Federal Student Aid, and with me today is Ginger Klock, also with application processing and Federal Student Aid. And with me also is Terry Hunt. She is the CPS program manager and vice president of Macro International, for ICF Macro International, one of the contractors that works with us on the CPS mainframe. All right, and there are for those that are still coming in, there's still seats up in the front.

We have an action packed and very ambitious agenda for you today. We're not only going to cover the updates for CPS for 2012, '13, but we're also going to present an overview of how the CPS system works. For those of you that have been in financial aid for a year or less, could you raise your hand? The presentation will be of benefit to you, particularly if you haven't heard it before. We're also going to take some time to cover some of the top questions that our CPS help desk gets and provide some information about how to resolve some of those issues as well. And then at the end of the session, we have some information on our user documentation.

Many of the questions that we get at the CPS help desk are actually – we can trace the answers right back to the user documentation, so we want to take a moment just to make sure that you know that those documents are available to you, and at the very end of the presentation, we have a list of important dates that you want to take back with you at your campus. The very last slide of the presentation provides our contact information. So if you have questions after the session is over, after the fall conference is over, and you'd like to e-mail or call directly, you have our contact information on that very last slide.

All right. This slide here just lists some of the important major updates that we have for 2012, '13. We have a new homeless youth determination flag we'll talk about, a change to the allowance for making updates to a student's marital status. We're going to talk a little bit about some changes that we've made related to Reject 1 and the asset threshold screening, and also, the new threshold – income threshold for automatic zero determination. Okay. We'll start with the homeless youth determination.

An update that we have with the flag for homeless youth determination. Currently, students who meet the definition for homelessness but can't answer yes to one of the three homeless

questions on the FAFSA, and it's basically students who are homeless and are 23 – or 22 and 23 years old. They are considered independent, and right now, FAFSA on the web allows these students to use this special circumstance path for homeless youth in order to be able to submit their FAFSA without parental income and asset information.

And as you know, the resulting ISIR doesn't have an EFC calculated, but it has a special circumstance flag of three in those cases. So in order to apply the independent status for these records with the special circumstance flag of three, the financial aid administrator has to perform a dependency override. But for '11, '12, we don't distinguish the difference between a dependency override that's applied for other reasons and a dependency override that's applied specifically for this reason.

You just simply apply a flag of one in the dependency override field, and there's no distinguishing. But for '12, '13, we're adding a new dependency override flag of four, which is defined as homeless youth determination by the financial aid administrator. The slide that's currently displaying shows all the flags for dependency override, and we just wanted to highlight the new flag of four. One other thing we wanted to note is that FAA access and the paper FAFSA for '12, '13 will be updated so that it includes an opportunity to use this distinction for dependency override.

And for schools that submit correction applications through the EDE process, you simply would put in a flag value of four in dependency override, and that would work for you. Next, there's been a change in a regulation that allows schools to use their discretion in allowing a student to update their marital status after they've filed an original FAFSA. The CPS is going to allow a student to make a change via corrections on the web, but the record won't have an EFC calculated, and we will set a new Reject 21, which I'll describe in just a moment. For the students' experience while they're in FAFSA on the web making this correction to their marital status, they will see a popup message that tells them that their EFC won't be calculated, and that they'll need to see their financial aid administrator in order to proceed with the financial aid process.

In order for CPS to accommodate this new regulatory change, we've added a new reject reason of 21 to identify those applicants who have changed their marital status date after they've filed the FAFSA. So let me give you an example of what would happen. Let's say you have a student who filled out an original FAFSA on

February 1st, and they identified their marital status as single. In April, they come back and make a correction, and they identify that they've changed their marital status to married as of March 1st. We will allow that correction to go through. We will set Reject 21. The student will not have an EFC calculated, and when you receive the ISIR with Reject 21, it's at that point that you can use your discretion to determine if this is an appropriate update that more accurately reflects their ability to pay or their financial situation, and you can override Reject 21.

It is only an FAA override Reject 21. You'll also see comment code 119 on those records as well, and if you decide to go ahead and override, that'll send in a new correction, and then an EFC will be calculated. Because we've added Reject 21 and for the conditions for Reject 21, we've had to make some minor modifications to the current Reject 4. Please understand that Reject 4 is very uncommon. It's not a reject you're going to see very often. It can actually only happen through the paper process.

Currently, when processing transactions, we check to make sure that the marital status state is before the application receipt date, which is the original date of filing the FAFSA, and if the marriage – the marital status date is after that date, we would set Reject 4. But we're revising our system now to look at application and correction records differently, so we'll set Reject 4 if the marital status date is beyond the current transaction date. So to give you another example with that same student, let's say they filled out their FAFSA in February, identified their marital status as single, and then in April, they come in again and they make an update to their FAFSA and they change their marital status state, and they say that they're married, but they put a date of May 1st.

We would set Reject 4 in that instance, and that particular scenario could only happen on paper because web edits would prevent them from creating that scenario. However, we would set Reject 21 for that student if their marital status state was prior to the date they're making the correction. So hopefully, that feels a little not too confusing for you. All right. Next, we want to talk about the asset threshold questions. So we're going to take a walk down memory lane and discuss our experience with Reject 1. Last year, we were introducing some changes that we were going to make in skip logic.

So in '11, '12, parents of dependent students and independent students are presented with the asset threshold screening question if they're not eligible for automatic zero or simplified needs test

and the student is a legal resident of a state that allows skipping the asset questions. And for those applicants, if they answer yes to the asset threshold screening question, meaning they're presented with an amount, an asset protection allowance amount, if they say yes, they have assets that exceed that, we then do present the asset questions. If they answer no to the asset threshold screening question, meaning they don't have assets that exceed the asset protection allowance, then we don't present the asset questions.

And obviously, then they're not considered in the calculation of the EFC. What we learned as – or what we decided to do with Reject 1 in order to accommodate that ability to skip asset questions in certain conditions, we had to modify Reject 1 so that in the instance where a student answered no to the asset threshold screening question and we didn't present the asset fields, we didn't trigger Reject 1, and we sent out an ISIR that had blank values in the asset fields, and no Reject 1 was triggered. What we learned from some school vendors and software developers is that they had some difficulty receiving an ISIR where Reject 1 wasn't triggered, and they were receiving blank values in the asset fields. So in order to assist schools and software developers with that issue, we implemented a temporary fix, and we added two new comment codes, 901 and 902.

They were non-text comment codes, but they identified parents of dependent students and applicants who answered no to the asset threshold screening question. For '12, '13, we're implementing a permanent solution for Reject 1 by adding two new fields to the ISIR. They won't be included on the SAR, but the two new fields are the parent asset threshold exceeded and student asset threshold exceeded fields. These fields are correctable, and I'll explain that in a moment. But because we've added these two fields, we'll no longer need to continue with the comment codes 901 and 902, so those'll be eliminated. So as I mentioned, the two new fields that we're adding, the parent and student asset threshold exceeded fields are correctable.

So you need to be aware of some assumptions that CPS is going to make when a student or parent corrects a transaction where they have answered no to the asset threshold exceeded question. In the cases where they've answered no to that question and they're making a change to the student's marital status or the parent's marital status or a change to the age of the older parent or to the student's age by more than three years, the CPS will assume that the value to the asset threshold screening question shouldn't be no. It should be blank, and we'll put forward the Reject 1 edits.

We're adding this new assumption – or these new assumption edits to make sure that we're using the correct APA value based on what the student answered. What we're trying to say here is that if the student makes a correction to that particular transaction where they had answered no and they're making changes to those very fields that determine the calculation of the APA, we want to make sure that they answered no correctly to the right amount. So we're using those assumption edits.

The next three slides are going to cover a little bit of information we wanted to share with you about IRS request flags. As you know, the IRS request flags are designed to describe the display and use of the IRS data retrieval tool. Just as a reminder, the IRS request flags describe when applicants and parents are eligible to link to the IRS website, who they respond when they're presented with the IRS data retrieval tool option, and if they've made changes to the tax information that has been transferred from the IRS website into their application.

For the IRS flags 00 through 04, we've reworded the definition of those flags to make them more clear to the financial aid administrator and to the student, but we've also added two new flags, 05 and 06. So I'm going to highlight those as well. But the rewording of the flags are displayed on this slide 16 and 17, so we won't spend time going over the rewording. We're going to go right over to slide 18, and I do want to introduce the two new IRS data retrieval flags. 05 indicates that the student and – the students and parents were presented with the option to use the IRS data retrieval tool but chose not to use it.

And flag 06 indicates that students and parents did use the IRS data retrieval tool to transfer their data, but then they made changes to other CPS data that then made them ineligible to use the IRS data retrieval tool, just further refining the information about the use of the IRS data retrieval tool. And one last point I wanted to identify before we go over the CPS overview is that the income threshold for automatic zero EFC calculation has increased from 2000 – for 2012, '13 from 31,000 to 32,000.

All right, we are going to go into the second part of our presentation, an overview of the CPS processing system, so I'm going to turn it over to Ginger.

Ginger Klock:

Thank you, Jody. Good morning to everybody. We're glad to see so many people here, anxious to hear about how the CPS works

and much more. Several years ago, we invited Terry, as a matter of fact, to come and speak to some auditors and explain how our processes work with assumptions and warnings and rejects and all these kinds of things, and I thought that was really some valuable information and that it would help our customers, you, the financial aide administrators sort of understand the processes, too.

While I was reviewing this process, it reminded me of a birthday card I saw recently where this one woman said to the other woman, she said, "I just learned the most wonderful thing. I just learned that you can make ice cubes out of leftover wine." And the other lady said, "I didn't know there was such a thing as leftover wine." Well, nobody knew the CPS was doing all this stuff, so we're going to try and help you learn all about that today. So by doing that, we're going to walk through how we receive information from students and financial aid administrators.

We're going to talk about how we conduct the matches. You know we do matches with several major agencies and the government. We also perform what we call compute edits, and we arrive at an EFC calculation, and then we disseminate that information to you and the students and their families. So to get started here, everybody knows the primary objective of the central processing system is to process the financial aid applications to determine eligibility. We do this for millions of students. As of Saturday night, we had processed 19 million, seven hundred and some thousand applications just this year for '11, '12. So as you all know, our numbers have been climbing considerably each year here, but we are in business doing a lot of work for a lot of students and providing that information to a lot of institutions.

We also share that information with other federal agencies, contractors, and with private and state agencies so they can help disseminate some aid as well. You know there's several different ways for us to receive information in an application. Of course, the major way is FAFSA on the web. Who knew five years ago when our goal was 40 percent that we would be sitting at 99 point something percent of students applying on the web, which we're all very excited about. And as you can see as we walk through this process, the web allows us to reduce the amount of error that students make right there on the spot while they're doing the application. We do continue to receive information from other sources, though.

The students can still use a paper application if they wish to. We will have the application online that they can download, or the

schools can order a small amount of paper applications if they need to have those available for students. So we do still receive paper applications. They go through our image and data capture center that converts this data into a record that can then be processed by the CPS just like the web does, and we also receive information. An initial application could be made on FAA access to CPS online, or some schools do continue to process with EDE, Electronic Data Exchange, with us where they create a file from their own software and submit it to the CPS.

In doing that, the first thing that we need to do when we get this information is we need to look at each one of the fields to make sure that we do what we call field editing here. We look and make sure that if it's an alphanumeric field that there's only numbers in it. I mean if it's an alpha field, there's only letters in it, and if it's a numeric field, there's only numbers in it and vice versa so that we aren't getting any data that would corrupt the CPS. We also check for incomplete and inconsistent data just to make sure that we're getting everything we need at this point.

The next thing we do is we go out and match with several agencies. The first and foremost one is with the Social Security Administration. We send information about students and parents from the record of dependent students to the Social Security Administration to verify Social Security numbers. And it also is a place where we verify citizenship. And Jodie is going to touch a little bit on that when we get into the issues part about things that you all have called us about to understand that, and I will also talk a little bit about some issues about the Social Security number and name and date of birth issues that we have. We also match with the Department of Homeland Security of eligible non-citizens. This is where if a student has indicated they're an eligible non-citizen and they've provided us with an ARN number, we send them to the Department of Homeland Security to verify their citizenship status.

We also of course work with the selective service system, and for those applicants who were born between 1960 and 1994 who answer, "Are you a male or female," as male or blank – and blank can only happen on paper now, we send those names over to the selective service to see that those students were properly registered, and/or to register a student if they wish for us to do that for them. We communicate with the Veteran's administration when a student indicates that they are a veteran on an application. We send their name over there. Everyone needs to understand that

the veteran's administration is being updated consistently everyday as someone becomes a veteran and applies for veteran's benefits.

So sometimes, there may be a lag time, and of course, there's information in the handbook that tells you how to resolve those issues if someone says they're a veteran but have not yet been established with them. We don't do any matches on active duty services because the Department of Defense has many, many databases we would have to reach out and kind of coordinate with. If someone who self-reports that they're in the armed services, we accept that self-service registration.

We also communicate with the National Student Loan Data System, and this is to verify if anyone is in default or has an over payment status on a grant, and we also receive financial history – financial aid history information that gets printed out on their ISIR for your benefit. We do what we call a pre-screening with NSLDS. So as a student comes in, we send their record to NSLDS, and we capture all that data and put it out on the original initial application ISIR.

If a student's status, financial history status changes, for example, they go into default or they go out of default, NSLDS will send us a notice and say, "This student that you've indicated has applied this year, has had a major change in their status, and we will go back out and do another retrieval of data from NSLDS, so you could get a system generated ISIR that says this student's financial history has changed.

In addition to these major agency matches that we do, we also match internally. We receive a file weekly from the Social Security Administration, and we call this the Social Security Death Master File. And if someone appears on this list as a deceased person who has a Social Security number within our system, we send that student's record back to Social Security again for it to go through the Social Security match to make sure that the student in fact is now deceased. And if we get notification that the student is a deceased student, an '05 on the Social Security match, then we generate an ISIR to let you know, but we do not send a SAR back out to the student.

In addition to that, we have another match that we conduct with the Department of Justice, and this match is based on students who have – we get this on a monthly basis, I think, and these are students who have been convicted in a court, usually a federal or a state court, and part of their sentencing is their ineligibility to

receive financial – any kind of federal aid for a certain period of time or maybe forever. But they usually have an expiration date on there of when they can then become re-eligible to receive benefits.

So if that student appears on this list, we let the student and you all know that this student is not eligible at this time. They might become eligible during the year, and if anybody has any questions, there's a phone number on the comment code that we send out that the student can reach out, and we have many students call us up and talk to us. But this is different than the drug question that's on the application. These are people whose part of their sentence has been that they are no longer eligible for federal benefits.

The last record that we do a match with is with the Department of Defense, and this is for students whose parent or guardian has died in the line of service. Let's see, I've got to read this correctly because it comes out very carefully. Has a parent or qualifying guardian who was a member of the armed forces and died as a result of service in Iraq, in Afghanistan after 9/11/01. If these names appear on this list, then those students are of course eligible for the Iraq and Afghanistan grant award, and we will notify you of those students as well.

The next step in the process is where we get down to the meat of the process, and this is where we begin to do what we call compute edits. Here we look for – these are substantive edits to determine if an EFC can be calculated. So first thing, we look at some basic eligibility requirements. Is there a name on the application? Does the Social Security number fit a standard for the Social Security, a date of birth, their citizenship? And we look at the drug conviction, and that is from the drug question that they've answered.

We also look at what financial and asset data is required in order for us to be able to determine dependency status and whether they meet auto zero or SNT, Simplified Needs Test. Here we're editing for relevant, financial data and to check for validity and consistency again. This takes us down to the three major edits that we do. The first one is assumption edits, and as you can see, in order for us to continue a calculation, we may have to make some assumptions about missing or inconsistent data. We also do reject editing next, and then we of course provide some warning edits to you.

Let's talk a little bit about the assumption edits that we do. Sometimes a student might leave a field blank, or they might put some kind of information in there that is inconsistent. In order for us to keep marching ahead with doing their calculation, we don't want to stop them and we want to do the best job that we can. So we make some assumptions by looking at the rest of the data on the applications' answers to other questions. We can sort of make some assumptions here.

And one of these would be, for example, if there were – if the marital status field of the parent was left blank and there were three or more people in the household, we're going to assume that this student's parents are married. We're just going to make that assumption. We will tell you and we will tell the student by highlighting these fields that we have assumed this information and categorized this student as such and move ahead with this application. These can be overridden by the student or the FAA. Certain of these blank items for required fields couldn't be left blank on the web, but they could be on paper. And as you know, we continue to get paper applications and we continue to get EDE records, so we have to keep these edits in the processing in order to be able to catch those.

But most of the things we're going to talk about upfront here, we triggered the edit on the web, and the student has an opportunity right then and there to correct that information so that we can move ahead and keep processing the application. Each year, we take a look at the assumption edits and make sure do they still make sense, are these the right things that we should be doing. We sort of do that with all of our processes here just to make sure this is stuff that we still need to be taking a look at.

The next thing we do is we determine if there's missing information or significant conflicts in key information that would trigger a reject. And so if a reject edit is hit, we can't calculate an EFC. A correction is required in some data element in order for us to continue. Again, we tell both you and the student by highlighting the fields and putting a comment on the SAR and the ISIR so you know what the issue is and what was wrong with that. And there are two different types of reject edits. There's the verifiable reject, and there's the non-verifiable reject.

When we talk about a verifiable reject, the conditions here are where the data is questionable, but could actually be correct, and the applicant will have the option of verifying that this data is correct, or they can re-enter the information and correct whatever

error they made. And most of the time, we're just looking at logical kinds of reasons of why this data doesn't seem correct. An example would be a Reject W, and if you notice, for verifiable rejects, we use alpha characters. This tells us that this is a verifiable reject. It tells you that it's a verifiable reject, and the Reject W would be triggered if the student had reports that they have a household of 15 or more. Now this is possible.

As Jodie said yesterday, this could be the Duggars applying for aid here, but more than likely, it's not correct, and somebody may have just hit the wrong key or accidentally wrote in an answer that they thought was for a different question, and we want to make sure, "Is this really true? Are there really 15 or more people in your household?" And all we're asking is this doesn't seem logical. Tell us again. And if you tell us again, we'll accept that information. A non-verifiable reject is one where the data cannot be correct, and therefore, must be changed.

An example of this – and these are numeric reject codes. An example of this would be Reject 11, where a student reported that they were single – well, a student or a parent reported that they were married – were unmarried, but indicated that they had income in the spouse field. Now maybe they accidentally filled in the spouse field and didn't mean to, or maybe they didn't correctly reflect their marital status. One of those people that got married on January 1st in Las Vegas. But anyway, we're going to trigger a reject because we can't determine whether they were married and reported spouse's income or whether they're single and they accidentally provided spouse's income. So this has to be corrected.

They have to either change one or the other of the fields. And as again with the assumption edits, we take a look at these each year to make sure that they're accurate information that we should be checking. The final type of major edit that we do is a warning edit, and this is where the information is somewhat questionable, but not severe enough for us to reject it. This could be some of the edits that we look across year edits. For example, if a student said that their parent made \$100,000.00 last year, and we look across year, and this year, they're saying they're only making \$20,000.00 as their AGI, this could definitely in this economy be true.

But we want you and the student to be aware maybe I made a mistake. Maybe I didn't put enough zeroes in or something like that. Just say, "This seems kind of odd. Did this really happen?" And they of course can override that. Another example is where

they would report AGI in a non-tax taxable income field as exactly the same amount of money. We of course don't want the student to double report income, so we say, "Warning. This doesn't seem right. Are these fields – did you get paid exactly the same amount of money that you got in a non-taxable source of income?" We just want to make sure the student is aware of anything that potentially might have been an accidental entry that would create an error, and of course, that would hurt the student to indicate that much more.

As I said earlier, some of the – a lot of these errors can only happen on paper because – and we still have to process paper, so we still have to have these rejects in place. Excuse me. But you sort of have to understand where most of our applications are, and we're doing them on the web. We're actually popping these questions up. They might be at the end of a page that a student is on, or they might be at the end of the application where we've collected information all along the way, and now we have enough information to say there's a conflict here. And so we'll pop up and edit on the screen, and they can go back to the question in question and correct it, or they can – if it's a verifiable reject, they can verify the information is correct by re-entering it, and that allows them to keep moving through the application.

There are just a couple of edits that we don't suppress. We do – we let the student – we pop it on the web, we let the student answer it, but we let that go on to the CPS, and that may be some of our cross your edits or things like that where the student says, "No, this is still correct," but then it may still come out on their ISIR and their SAR, but we just have asked them once, and we just want to make sure that the information is correct. So we go ahead and pass that information on to you. Now of course is the most important part of the process. We've been – this is where we want to create records that have successfully passed through all the edits and are not rejected. They may only need a signature in order for the application to be finished, and we want to calculate the EFC. This is what everybody is interested in knowing about.

And there are a variety of formulas that we use to determine the EFC formula, and that's based on dependency status, simplified needs test, family size, and marital status. So this drives us down the path of which one of these formulas should we use to calculate the student's EFC. When a student is eligible for the simplified needs test based on the answers to the question on the FAFSA and they aren't required to provide assets, but they do choose to provide assets, we will calculate a primary and a secondary EFC

for you so that you will know what it should be in either case. Some schools like to have that information for the secondary EFC for their own personal institutional dollars.

So we're going to continue to help provide that information to you. We actually calculate 11 other EFCs besides the standard nine month EFC based on any of the other months less than or greater than the nine months so that you have that information if the student is enrolled for a shorter period of time. If the student is eligible for an auto zero EFC, we will provide that to you as a zero, of course, but we also give you information about total income so that you can use that information on your phys app reporting.

The last step in the process now is for us to go out and determine is this a student that would fall into a category that we have established that would need for us to verify the student. We have risk models that we take a look at that we've tweaked for many, many years. We have an analyst that works for Terry that runs many, many different processes, calculations through all this to determine is this a student who could be error prone. And those are the students that we select for verification.

We do select a very small 2.5 percent, so that's .025 percent of the applications are selected randomly for verification. It's a very small number. But the rest of them, the remainder are selected based on targeted criteria, and it's based on this extensive statistical analysis. The good news is for 2012, '13, if a student is selected for verification and they or their – and/or their parents or a dependent – independent student for themselves were eligible to go out to the IRS and retrieve data from the IRS, they chose to move it back into their application, and they didn't make any changes to it. And the IRS request flag is set to two, then those students would be – you would not have to verify those data elements for those students.

You can consider that information verified as, I think, Jeff spoke about that on the first day during the federal update session. Of course, the final function for the CPS is to disseminate the information to you, and as we've been walking through each one of these steps, we've been updating the CPS database as we do the matches, as we do the calculations, as we determine whether they have any rejects or warning edits, et cetera. We've been constantly updating the database.

So now, we're ready to tell you and the student that their information is available. So for applicants who give us an e-mail

address, we send them a Student Aid Report through e-mail. If they are an electronic applicant – in other words, they went to FAFSA on the web, but they did not provide us with an e-mail address, we will send them a SAR acknowledgement. This just repeats the information they gave us. We assume that if they had access to create an original application, they have access to come back in and make a correction, so we just give them their information. Of course, if a student applied by paper or a few other minor reasons, we will mail them a paper SAR so they have a way to make a correction back to the CPS should they need to.

We e-mailed the students and the parents to let them – dependent students to let them know that a SAR is still available so they can go out. We're trying to get the parents to help us get the students to go look at – to know that there's SARs there and to go out and look at it. And finally, of course, we send this information to all the schools that were listed on the application that the student wanted the information sent to. And I'm sure most of you know that if an application was selected for verification, if a correction was made that changes the EFC, if a SAR C-flag changes for some reason and somebody went into default or out of default or something, or the reject status changes, or the transaction is system generated, we push those ISIRs to you. We put them in your ISIR mailbox whether you want them or not. They're there.

And but you do have the option of going into the SAIG web enroll and indicating whether you want daily ISIRs sent to you where every ISIR the student processes with your school's name on it goes to you, or whether you want to request them – the rest of these, the balance of these when you want to get them. There's a few instances I tell – give examples about in my FAA access sessions when I do those about how to do the ISIR data mart. If anybody has any interest in that, I'd be happy to talk to them about that at a later date. That is the end of our processing explanation to you. Now we're going to – Jody is going to start walking through some of the issues that are the most frequent calls that our SAIG help desk receives from you all about issues that you have trouble resolving with CPS. So I'm going to turn it back over to Jody.

Jody Sears:

Thanks, Ginger. One of the first things I wanted to talk to you about actually isn't in the slides because the information was shared with us relatively recently. We've noticed a dramatic increase in the number of instances where either students or schools have notified us about PIN issues for students, specifically students sharing their PIN numbers with the school or the school requesting the PIN numbers of the student and/or the parent.

Mostly for the purposes of process. In other words, to expedite, making sure things get signed when they're supposed to. We've received this information not only from the CPS help desk, but also from the call center for students for Fed Aid and our institution reviewers or institutional reviewers, where they're literally seeing the PIN numbers on student records and student files, so I'm issuing just a general comment to everyone. Help students safeguard their PIN. Remind students that it's exactly like a PIN number associated with their debit card, and they certainly wouldn't be sharing that with everyone.

And also, of course, there is a lot of turnover in the financial aid community as people retire or move on to different jobs and you hire new folks, helping reinforce that it is never appropriate to ask a student for their PIN, no matter how much easier it'll make your job to make sure they sign their forms. We need to safeguard the PIN. It's part of a security issue. So I'm using this opportunity because there's so many of you in here just to help spread the word. And just helping making sure your staff knows that as well, and reminding students to safeguard their PINs. So that's issue number one.

The next thing I wanted to talk about is one of the top questions that the help desk receives are related to C codes that result from Social Security Administration and Department of Homeland Security match issues. So we're going to tackle this one first, and Ginger is also going to cover one about resolving Social Security number issues as well. As you know, all applications are matched with the Social Security to determine a student's US citizenship, and also, all applications that have an alien registration number, an ARN number, are also sent to the Department of Homeland Security to determine their eligible non-citizenship status. So if DHS can't confirm citizenship on the first attempt, then the record is held for three days so that DHS can check some other secondary databases.

And if the secondary confirmation flag that you see will indicate whether or not there was a success or failure of a match in the secondary confirmation. If DHS fails to make a match after the automated primary and secondary confirmation, then the school has to take a step, a manual step to collect documentation from the student and complete a G-845 form to make the determination about the student's citizenship status, and that's what we're going to talk about.

The first step to resolve match issues with Social Security Administration and Department of Homeland Security is to request the documentation from the student. One thing I wanted to take just a moment to point out is that the Federal Student Aid Handbook, Volume 1, Chapter 2, has been revised to make it even easier for you to be able to identify what kind of documentation you can collect that's going to be acceptable to accurately determine the student's US citizenship or eligible non citizenship. If you haven't already looked at that volume this year, please take a look at it.

It's been revised. It is definitely more streamlined and makes it a little clearer and easier to follow so you know what documentation you can request. If the match issue is from Social Security Administration and the student provides you a US citizenship documentation like a certificate of naturalization or a US passport, it is completely acceptable for you to copy that documentation and maintain it in the student's file. It likely says, "Do not copy," on there, but for federal purposes, specifically this federal purpose, it is acceptable to copy that documentation and maintain it in the student's file, and then you can proceed with the student's financial aid. It will not clear the C code. You will still see the C code. But because you have taken the manual step to ensure that you have the right documentation, you can move forward.

If you have an SSA match issue and you also have comment 24 on the student's ISIR, then there's likely an issue with the Social Security number itself. Either the student entered an invalid Social Security number or the student's identifiers are not matching up with the Social Security number that they've provided. In that case, by looking at the student's documentation, you can determine the correct steps to take. And I'm going to hold off on defining exactly how you submit those corrections because Ginger will cover that in more detail in the next – covering the next issue. If you also see – if you have an SSA match issue and you have comment 146 – that also appears on the ISIR. It's likely that the student has made a change to their citizenship status or identified their citizenship status incorrectly.

For instance, if they identified that they are a US citizen, but in fact, they're an eligible non-citizen, they would need to make that correction and provide their alien registration number. Or if they've identified that they're an eligible non-citizen but they are actually only holding an H1 work visa, they're actually not an eligible non-citizen, and you would need to help the student understand that that particular characteristic, they're not an eligible

non-citizen, and they're not eligible for Federal Student Aid. It's also possible that the student identified themselves as an eligible non-citizen but incorrectly recorded their alien registration number.

And again, a review of their documentation will help you know what kind of correction needs to be made. If you're resolving a match issue resulting from the Department of Homeland Security, there are two flags to determine if and when you can move forward with the student's financial aid. This slide displays the section of the ISIR where the DHS match results and the secondary match results will appear. If you have a match flag of Y, you can proceed with the students' financial aid and issue their disbursements. But if the Department of Homeland Security match flag is blank and you have a C code, you'll also see comment codes 141 or 142, and those comment codes will help you know why that C code is there.

It's indicating that the student has changed their citizenship answer. Perhaps it was already matched earlier, and they change your citizenship answer, and they shouldn't have, or they've made a change to their alien registration number that was previously matched and acceptable, and they made a change to it, and they're alerting you to that because now it no longer matches, and it's no longer confirmed. These would require confirmation documentation from the student. And again, you'll need to know what kind of correction to submit when you do the comparison. If you have a DHS match flag of N, you'll also see comment code 141, indicating that the citizenships – the citizenship status couldn't be confirmed because DHS is conducting a secondary confirmation process, and the outcome of that secondary match confirmation process will help inform the next step that you need to take.

So let's look at the next slide. When the DHS match flag is N, then you will also see these flags, these secondary confirmation flags in that match field. These flags help you know when you need to complete a G-845. If you see a match flag of P or C as described in this slide, you'll need to wait ten days before you complete and submit a G-845 form. If you see a match flag, a secondary match flag of X or N, you have to complete a G-845 form right away.

So we'll look on the next slide. The next obvious question is where do I get a G-845 form? You can obtain a G-845 form from the FSA handbook, Volume 1, Chapter 2, or by going to IFAP and retrieving the electronic announcement that we've noted on this slide. One thing I will note is we are asking you to use the version

with the expiration date of 6/30/2008. Yes, that is expired. However, it is appropriate to use this version. I believe the version that expires at the end of December of 2011 is missing a field that is actually needed – you need to complete in order for the DHS to be able to give you an accurate response. So the G-845 form is being updated, and we will notify you by electronic announcement when the new version is available. But until then, use the version that we've noted on this slide. To complete the G-845 form accurately, and this is another issue that we're highlighting because often, the G-845 form when they're sent in are sent in incomplete.

You must include the 15-digit DHS verification number, and we've provided the inset from the ISIR in the match flag section where you find that verification number. You'll also need to provide the student's Social Security number, and you'll also need to provide the school's complete name and mailing address in the submitting agency section. And then finally, you'll need to include copies of the documentation that support the student's claim to be an eligible non-citizen. Again, looking at the Federal Student Aid handbook, Volume 1, Chapter 2, you'll be able to see all the acceptable forms of documentation that you can request from the student to copy and submit with the G-845 form.

When you receive a response back from DHS, you'll need to review Part B of the form, and again, we've provided an inset on this slide so you can recognize what Part B looks like. When you review Part B, you'll also need to compare that information to the Federal Student Aid handbook, literally Page 1-32. You'll be able to interpret the response from DHS to know whether or not that student has been determined to be eligible or not. If you have determined that the student is eligible, an eligible non-citizen, because you've made that determination through a manual process, you'll need to also go to COD and update the student's citizenship status manually.

And you would update that citizenship status code in COD202 for an eligible non-citizen. The reason you would need to take this step manually in COD is because the information from CPS in the abbreviated applicant file that's shared with COD won't be updated, again, because you made this determination manually, so you'll have to manually update COD. If you're not familiar with how to do that process, and perhaps you have a record like this that you're working with, it would be a good idea to go to the PC lab area where the support staff is there for COD to get a demonstration about how you would make that manual change for a student's citizenship status.

All right, turning the mic back over to Ginger to talk about FSA match issues.

Ginger Klock:

Sorry about that. As we said earlier in the presentation, we go to the Social Security Administration for two things. One is to verify the student is who they are based on their Social Security number, their date of birth and their name, and the other reason is citizenship. The top issue with the SAIG help desk is around the citizenship issues with Social Security, but many schools call in with issues about the number match. And so if you look at the screen, the 1 through 6 indicates that there was an invalid Social Security number used. Twos indicate that there is no match on the date of birth, and number three, there was no match on the name at Social Security, and number five, again, is that this applicant – or this Social Security number belongs to a deceased person.

So if the student has accidentally filled out their application and indicated the wrong Social Security number on there or the student has indicated all the correct information and they need to go to Social Security and update that, we help you with this process by making some suggestions. If the student's application is correct, they have put all the correct information, you're looking at documentation that is correct, such as a birth certificate or something that shows their name and date of birth or their Social Security card maybe even, then the student needs to go back to the Social Security Administration.

And I always told students on my campus, "You need to resolve these issues." Financial aid is a very minor part of having an issue with Social Security. This is your life history of your financial eligibility with Social Security and you need to get it straightened out, and now is a good time to do it. If understanding that Social Security may take a while to get those updates done, we again allow you to do a manual process to look at the documentation, keep it in your files on your campus, and go ahead and process that application knowing that that student's information is correct and hopefully will be updated at Social Security at some time.

If the student entered an incorrect Social Security number, they can correct this number. But it gives them a current Social Security number and an original Social Security number, and we use that original Social Security number as their key, and they travel all the way through CPS and COD, et cetera. And it causes a lot of confusion. We sort of feel like we recommend that if the student filled out the Social Security number incorrectly, they should just

start a new, clean application because that gives them a good key with their good number, so that's our recommendation around doing that. So if you have any questions about that, we can talk about that at the end.

We also as we said earlier do matching on the parent's Social Security number. We don't generate a C code and we don't reject an application. The ISIR is rejected if there's no full match for the parent. In other words, if there's two parents reporting information, we need to get at least one of those parents fully matched on Social Security number, name, and date of birth. And these rejects must be resolved if there isn't at least one good, full record. And of course, parents should contact Social Security Administration if they think their information is correct and SSA has it wrong.

Reject J and K result when a parent enters all zeroes as their Social Security number, which they can do. But they've indicated elsewhere on the application that they are tax filers. They can be tax filers, and they can not have a Social Security number and use their tax ID to have filed their taxes. And so all zeroes could be correct, but we want to make sure that's right. So this is a correctable field by re-entering all zeroes. This will override that, and if it's submitted on a correction, we will fix that for that parent. While we're on SAIG help desk issues, we would like to remind you that we are currently in a process right now of doing active confirmation.

In other words, we're asking all of the primary destination point administrators to go in and say that everybody under them that has access to any of the federal systems that are under participation management verify that this person is still on their campus and still needs this access. If you are a primary destination point administrator and have not conducted your active confirmation, you can go to the help desk. There are people there from the SAIG help desk who can walk you through the process of validating all the people on your campus. If not, you need to return to your campus and be sure that you ask your primary destination point administrator if in fact they have validated that you still need access.

Because at some point, we will be cutting you off, and you'll have to go through a process of getting re-instated, so you want to be sure that you don't lose a day of doing business because you haven't been actively confirmed that you're still at this campus, that you still need this access. So we just want to remind

everybody this is another issue that's not on our slides here. The next thing I want to do is quickly show you that the documents we do provide information to you about all of the answers to many of these questions.

Of course, the SAR comment guide is the 2012, '13 SAR comment codes and text has already been published. It's out there. You can go out and read whatever comment code numbers you see. We've updated that. The ISIR guide is another valuable place to go look along with the Electronic Data Exchange technical reference that we produce that helps you understand the ISIR and all of the information, see the ISIR record, and do that. A really important document that we produce is called the summary of changes of application processing systems.

We used to put out three documents. We've now combined them into this one. This is the most important place that you can go and see what changes are being made to the CPS for next year for both you and the students. So we highly recommend that you go back and take a look at this information that we've published there for your benefit. And of course, Jody pointed out that the Federal Student Aid handbook it has pretty pictures about what documentation you can collect from a student for DHS and many other things, and they are valuable information for you to get updated on about that.

Yes. The last set of slides here are just some important dates that we want to make you aware of, of the dates that these documents are published, the date the CPS will come up next year, the web will be available, et cetera. And those are there for your leisurely reading at some later date. We do now continue to have a little bit of time, and so if anybody has any questions they would like, there are microphones in – I'm sorry. They're back in the back center here, and we would ask that you go to the microphone because the sessions are being recorded.

If you do feel like you need to leave, please do so very quietly so that the people asking questions can get their questions answered. Thank you very much for joining us today.

Jody Sears:

First question at this microphone.

Audience:

Hi, I'm Jill King from the University of Vermont. I just have one question about the IRS flag. If they choose, "Will not file," will it be blank or 00?

Jody Sears: Could you repeat the question, please?

Audience: When they're filing their FAFSA, if they say, "Will not file," will the IRS retrieval flag say it would be blank, or will it be 00?

Jody Sears: We're checking. Just a moment. You'll see 00.

Audience: Thank you.

Jody Sears: Microphone over here, next question.

Audience: All right. For the students who apply real early, you apply in January 1st, 2nd, they wouldn't have done their taxes yet. And so if they were selected for verification and then went back in in a few weeks and actually did the IRS retrieval, is it possible that you would undo the verification flag? That would be a real idea because you have students who do that. That would be certainly a place to go, I would think, in the future.

Terry Hunt: Yeah, for '12, '13, no, we're not doing that. We're not going to unset them. Once they're selected, they're still selected. But if they go back in and retrieve their data, you'll get the request flag on that transaction that shows you that that's what they've done. And for '12, '13, if the data has been transferred and not changed, you can consider it verified. So you can consider it verified.

Audience: We wouldn't have to do the other verification items then?

Terry Hunt: We're not going to unselect them, but you know that that data has been verified.

Audience: That data has been verified, but we would still need to do the other verification items.

Terry Hunt: Right.

Audience: For the future, you ought to consider undoing it because I know you've never done that before. But we have lots of people who are pushing and try to apply early, and there's no way they could have had their taxes done.

Terry Hunt: Right, and we're looking at that for the following year, but for '12, '13, that's already done.

Audience: Thank you.

Audience: Cindy Swinson, South Dakota State University. I have a question on the Social Security match with the name and date of birth. I actually have a set of twins who have obviously the same date of birth, same last name. First name is not the same letter. For three years, they used the wrong Social Security number. Cleared the match. I've also had students who have the wrong date of birth by year, not by date. They clear the match, including when it makes them independent versus dependent by that year. How can they clear the Social Security match in those cases? What are they actually matching on a name and date of birth?

Terry Hunt: Actually, the Social Security Administration has an algorithm that they use for matching, and it's not an exact one-to-one match, so there are tolerances built into that match, one of which I know is the year and the date of birth can be off by one or more. I mean off in either direction by one, so they do have some tolerances, which cause some of those records to be matched incorrectly. That's the way they've set up their matching system.

Audience: So they aren't matching – oh, on the name issue, they aren't looking at first name ever. Because twins would always match each other's then.

Terry Hunt: Again, it's an algorithm, and so they look at so many characters of the last name, and if they match, they don't look at the first name, or if they don't match, or if two letters have been transposed, then they may look at some of the letters in the first name. I mean it's a very complicated algorithm, and it's their algorithm. We don't have any control over it.

Audience: Thank you.

Audience: Hi, I have a question kind of going off in the Social Security and name. I have a student that for the last two years has – we've received an unofficial ISIR for him, and all the information is correct.

Jody Sears: Could you repeat that part? Because we did not hear –

Audience: Yeah. Last two years, I've received a student with the same ISIR information, date of birth, Social Security. Everything is correct, but he still gets an unofficial ISIR coming through, and we go through five, six ISIRs before we're able to get an official one. He's called Social Security, and they haven't been able to do anything. They say everything is correct. Is there anything else

that's going on, or how can we help him so this next year we won't have to go through that?

Jody Sears: An unofficial ISIR? Is that what you're saying?

Audience: Yeah.

Ginger Klock: Does anybody know what that is? We don't know what you mean.

Audience: Yeah, it's being rejected for date of birth and Social Security, but all the information provided is correct.

Jody Sears: And he's getting information – it does sound like it's an issue with the Social Security because we're matching against the Social Security's records. It's not our records. So the issue is likely with Social Security, and in those instances, it does sound like a very isolated instance. This would be a good one for we work in our office in application processing on an individual basis. We can work with Social Security to help this student – you know, to help the Social Security and the student to be able to resolve whatever it is. It sounds like the field office is telling the student that their information is correct, and we can work with the headquarter office to help find where that issue is, but that's exactly what that sounds like, but it sounds like ultimately, you are getting an official ISIR.

Audience: Yes. Well, we think we are, but it's not giving us an EFC for it.

Jody Sears: I'd be happy to meet with you after this session, maybe get the student's identifiers, and actually look at that student's record also.

Audience: Okay, great. I have a couple more questions for you. On the form G-845, if a student does two back-to-back FAFSAs for '10, '11, and '11, '12, he gets tagged in both. Do I submit two different forms because they have two different verification numbers?

Jody Sears: Yes.

Audience: Okay. And my last question was for Code 2 and COD, when were we supposed to start doing that? '11, '12 year, or for '12, '13?

Jody Sears: You would do it now, but that's been in place. It's simply because the determination has been made manually, so it's not updated in CPS in any other way other than your manual process. So there's no way other than the manual step, and that's true this year, last year, next year. You'd have to do that. It's not new.

Audience: Thank you.

Audience: We have been getting a lot of rejects due to selective service for females. Is there any plans to make it a mandatory field on the FAFSA on the web that they answer female or male questions?

Jody Sears: The male/female question is mandatory online. It's a required field. You have to answer it. On paper, they could miss it, but online, if you did FAFSA on the web, you'd get an edit message if you didn't answer the question.

Audience: So they can leave it blank, and they would just get a warning?

Jody Sears: They cannot leave it blank on the web.

Audience: For '11, '12.

Jody Sears: For '11, '12. That is correct.

Audience: That's not our experience. We are getting loads of females with blank answers.

Ginger Klock: It is for '12, '13 for sure because I tested it.

Jody Sears: Yeah.

Audience: I'm sorry. I couldn't hear that.

Ginger Klock: I know that for '12, '13, answering the, "Are you male or female," question is now a required question. I'm sorry. I can't be sure whether it was in '11, '12, but it is now a required field. I just tested it last week. It's there. You can't move onto the next page without answering it. So we heard you, and obviously, we fixed it this year. We apologize.

Audience: Great. Thank you.

Audience: Yes, hello. I'd like to ask a question about the CPS test system for '12, '13. There was e-mail, I believe, posted to the FSA tech indicating there would be _____ [audio cuts out] last week. I haven't see it yet, and for schools that develop their own software, software vendors, or servicers, _____ [audio cuts out] needed tested with these files. Are they going to be made available soon, or can you tell me when they are going to be available?

Terry Hunt: Yes, the test files, we had expected to get those out at the beginning of this week. However, on Monday, we got the new parameters for Reject 20 from the IRS. You know, those reject edits have those parameters in them based on the minimum income filing requirements from the IRS. So right now, we're updating the files to reflect those as well as the specifications, so both the specifications and the updated test files should be out on Monday.

Audience: Out by Monday. Okay, thank you very much.

Terry Hunt: Okay. Those are the test files themselves, and then the actual system for processing will be mid-December.

Audience: We have had several instances where in '11, '12, where students get a transaction one, not chosen for verification. They then go in and add another school code to the FAFSA. Nothing else is changed, and the second transaction comes up as needing verification. We've already paid on the first transaction. Is that a glitch in the system? Why is that happening?

Terry Hunt: Did everybody hear her question? Okay, this is a hot button. This is when an applicant is not selected on their 01 transaction, and then they make a correction where all they did was add a school code, they add a new school, and then they become selected for verification. That's not a glitch. The error model, the risk model that was mentioned that we use for selecting students includes many characteristics and looks at many responses on the FAFSA, all the responses on the FAFSA, and based on that, we have the risk model that identifies certain criteria that applicants might need.

Part of that risk model does include things like the control and type of the institution that's listed. It includes the process date, the date the form was received or the correction was received, and even the ED region that the institution is in. So those are characteristics that are part of that model. So by changing some of those things, you may go from not meeting a criteria to meeting a criteria, and that's why they're being selected on that subsequent transaction.

Audience: Well, one of the problems is that in many cases, the student transfers out of the college. They're not even attending anymore, so I brought this up in the verification worksheet, and they had never heard of this. Then they asked, "How many other people have this problem?" And all these hands went up. So now, the question is we can't even get a hold of this student's documentation at this point, so we just change the active ISIR to

the one that we paid on. But what does that do if we're getting ready now for this second disbursement? We have to start the verification process? Or is that not – no one was sure about what should be done.

Jody Sears: In that case, I would say on the ask a fed would be a good place to address that. But as an operational answer, when a change is made in the conditions that you've just described, just simply the timing of when they made the change and making a change to the school code in the first position can generate the verification. That's how it works operationally. But the question that you're now asking sounds like it would be a good policy question.

Audience: Okay, thank you.

Audience: Hi, I have two questions. One is about the new 06 code for the IRS request flag. If I understood correctly, this is used when a student has – or parent have downloaded their IRS information. Then they went back and changed an element that makes them ineligible to use that now. Is that correct? So if they do that and you're going to put the 06 code, are you going to blank out that IRS information that was downloaded? So the parent and/or student now has to go in and enter correct information?

Terry Hunt: That's actually done within the transaction. Actually, this is happening within the transaction or within the session that they're on the web. It's not across transactions. So this would be a situation where they go in, they're filling out the application, they look eligible, we let them go retrieve the data, they bring it back in, and then they back up in the application, and they change some of the information so now they're no longer eligible to do that retrieval. That's when we're going to set the flag to 6, and we will undo or not use the data that had been transferred. So they'll have to put in the actual income information themselves. So it's happening within that session or that transaction, and we're not talking about if they come in later and then change data because there are other flags to deal with that.

Audience: Okay, so they are required then to go back in and put in the correct –

Terry Hunt: Right. If they become ineligible to use that, we're not gonna – we kind of trash that and let them – they have to go actually enter the data.

Audience: Okay, my other question is a clarification for '12, '13. If IRS data is used and there are no changes made, did I read that that student will not be selected for verification or that we're not required to verify those data elements if they are selected?

Terry Hunt: If they transfer the data and did not change it, they will not be selected.

Audience: For any data elements.

Terry Hunt: Right. And for an independent, it's just the student. For the dependent, it's both the parent and the student have to have retrieved the data and not changed it. But for '12, '13, we're not going to select them.

Audience: Thank you.

Jody Sears: We have time for one last question.

Audience: Oh, I hope it's a good one then. *[Laughs]* Are students the only ones that go through the NSLDS database match?

Jody Sears: Yes.

Audience: Only the students.

Jody Sears: Yes.

Audience: For parent plus loans, when we receive an application, we subsequently go to NSLDS to confirm they are not in default on loans, so I thought it might be helpful if they went through the database on the FAFSA since most of the parents are on the FAFSA at the time that they are applying for the plus one.

Ginger Klock: The fact of how to fill out a plus application and how to do matching on parents has been a long discussion at the department, and of course, as you all know, funding is always the issue there, too. It is under consideration. We look at it each year. We just haven't had the resources to be able to do that. But we would like to do that. We would like to verify the parent. And this year, I believe, is the first year that every student whose parent applies for a plus loan must fill out a FAFSA as well so that at least the student's eligibility is determined.

Audience: Thank you.

Ginger Klock:

Yes. We apologize that we don't have time for more questions and we have to go to another session. We appreciate your coming. Please fill out the evaluations that you get electronically at the end and give us some feedback about your satisfaction with this session. Thank you.

[End of Audio]