

Student Eligibility

Introduction	1
Chapter 1: School-Determined Requirements.....	3
REGULAR STUDENT IN AN ELIGIBLE PROGRAM	3
<i>Remedial coursework, Preparatory coursework, Teacher certification coursework, Students with intellectual disabilities</i>	
ELEMENTARY OR SECONDARY ENROLLMENT	5
ACADEMIC QUALIFICATIONS	6
<i>Checking the validity of a high school diploma, Equivalents to a high school diploma, Homeschooling, Ability-To-Benefit (ATB) test</i>	
SATISFACTORY ACADEMIC PROGRESS (SAP)	11
<i>Grades and pace of completion; Financial aid warning; Appeals, financial aid probation, and academic plans; Reestablishing aid eligibility; Examples</i>	
ENROLLMENT STATUS	15
STUDENTS CONVICTED OF POSSESSION OR SALE OF DRUGS.....	16
<i>Standards for a qualified drug rehabilitation program</i>	
INCARCERATED STUDENTS	18
CONFLICTING INFORMATION	18
CHANGE IN STATUS.....	19
<i>Gaining eligibility, Losing eligibility</i>	
ELIGIBILITY REQUIREMENTS FOR SPECIFIC EDUCATIONAL PROGRAMS	20
<i>Correspondence courses, Distance education courses, Students studying abroad</i>	
Chapter 2: Citizenship	21
ELIGIBLE CATEGORIES	21
CITIZENSHIP MATCH WITH THE SSA	22
<i>U.S. citizenship documentation, Updating status for citizens born abroad</i>	
NONCITIZEN MATCH WITH THE DHS	24

G-845 PAPER SECONDARY CONFIRMATION.....	25
<i>Eligible noncitizens and documentation, Ineligible statuses and documents, Using the G-845 for secondary confirmation, Interpreting the USCIS response, G-845 form, Student rights</i>	
CITIZENS OF THE FREELY ASSOCIATED STATES	38
DOCUMENTING IMMIGRATION STATUS IN LATER AWARD YEARS.....	38
REPLACING LOST DHS DOCUMENTS	39
COPIES OF PERTINENT DOCUMENTS	40
Chapter 3: NSLDS Financial Aid History	45
NSLDS MATCH	46
<i>Successful match, No data from match, Postscreening—changes after initial match</i>	
CHECKING THE FINANCIAL AID HISTORY FOR TRANSFER STUDENTS.....	48
EFFECT OF BANKRUPTCY OR DISABILITY DISCHARGE	50
<i>Bankruptcy, Total and permanent disability discharge</i>	
RESOLVING DEFAULT STATUS.....	51
NSLDS LOAN STATUS CODES.....	53
Chapter 4: Social Security Number	55
SSN MATCH	55
<i>Successful match, No match on the Social Security number, No match on name or birth date, Missing information, Date of death</i>	
MASTER DEATH FILE	58
APPLICANTS USING SAME SSN	58
EXCEPTION FOR THE FREELY ASSOCIATED STATES: MICRONESIA, MARSHALL ISLANDS, AND PALAU	59
Chapter 5: Selective Service	61
REGISTRATION REQUIREMENT.....	61
EXEMPTIONS.....	61
SELECTIVE SERVICE MATCH	63
<i>Successful matches, Unsuccessful matches</i>	
FAILURE TO REGISTER.....	64
<i>Determining if non-registration was knowing and willful</i>	

Chapter 6: Eligibility for Specific FSA Programs	67
PELL GRANTS.....	67
<i>Incarcerated students and sex offenders, Duration of eligibility, Eligible postbaccalaureate program</i>	
IRAQ AND AFGHANISTAN SERVICE GRANTS & ZERO EFCS.....	69
STAFFORD AND PLUS LOANS	69
<i>Preparatory coursework, Teacher certification coursework, Parent borrower eligibility, Adverse credit history for PLUS</i>	
CAMPUS-BASED AID GENERAL REQUIREMENTS.....	71
<i>Teacher certification programs</i>	
PERKINS LOANS	71
<i>Willingness to repay, Previous Perkins loan discharged in bankruptcy</i>	
FEDERAL WORK-STUDY (FWS)	72
FSEOG	72
TEACH GRANTS	73
<i>Amount of grant funds available, Receiving a TEACH grant, Agreement to serve, Schools without a traditional GPA</i>	

Introduction



This volume of the Federal Student Aid (FSA) Handbook discusses the eligibility requirements for students and parent borrowers and your responsibilities to ensure that recipients qualify for their aid awards.

SOURCES OF INFORMATION

There are many factors you must consider when reviewing an application for aid from the FSA programs, such as whether the student is a U.S. citizen or permanent resident, whether he is making satisfactory academic progress, and whether he has a defaulted FSA loan. To answer these questions you receive information about the student from different sources, including the Department of Education's Central Processing System (CPS) for financial aid applications and the National Student Loan Data System (NSLDS).

Throughout the year the Department provides updates to schools in the form of dear colleague letters (DCLs). These and other releases, such as *Federal Register* notices and announcements containing system updates and technical guidance, are available on the Information for Financial Aid Professionals (IFAP) website (www.ifap.ed.gov).

The FSA Handbook doesn't cover the operation of software. For schools using software from the Department, there are technical references on the FSA Download website (see the margin) that explain how the software operates. Schools using third-party software should consult the vendor's reference materials for technical guidance.

RECENT CHANGES

The biggest changes for this volume for 2011–2012 are a result of the Program Integrity regulations package that was published in the *Federal Register* on 10/29/10. In Chapter 1 the ability-to-benefit (ATB) and satisfactory academic progress sections were rewritten because the pertinent regulations are new.

The Department has provided guidance on trial periods of enrollment in DCL GEN-11-12. We note this on page 3.

We added guidance on pages 6 and 7 relating to the new administrative requirement to check the validity of a student's high school completion when there is a question about the diploma not being valid or coming from an entity that does not provide a secondary school education, i.e., a "diploma mill."

Program and systems information online

www.fsadownload.ed.gov

Software:

- Direct Loan Tools
- EDconnect
- EDExpress for Windows
- SSCR for Windows

Technical References and User Guides for:

- CPS (ISIR, Summary of Changes, etc.)
- COD
- Electronic Data Exchange
- EDExpress Packaging

www.ifap.ed.gov

- Federal Registers
- Electronic Announcements
- Dear Partner/Colleague Letters
- FSA Assessment modules:
 - Student Eligibility—
www.ifap.ed.gov/qahome/qaassessments/studentelig.html

Satisfactory Academic Progress—
www.ifap.ed.gov/qahome/qaassessments/sap.html

Questions about FSA policies

For questions about federal student aid policies, contact the Research and Customer Care Center: fsa.customer.support@ed.gov or 1-800-4ED-SFAP. When referring students to the Department of Education, please have them call 1-800-4-FED-AID.

Because second Pell grants within an award year have been eliminated, we have removed text relating to them in this volume.

On page 15 we added a margin note clarifying how enrollment status is determined for students with intellectual disabilities since their comprehensive training programs can contain work for which the school awards no credit.

On page 16 we noted that FSA funds can only be awarded for instruction that is provided or overseen by the school.

We reorganized Chapter 2 to gather similar topics and make the material easier to understand and reference. We added to the margin on page 31 and the guidance on parolees on page 33 that U.S. Citizenship and Immigration Services will release a new G-845 form in 2011. On page 43 we added newer images of the permanent resident card. Also in this chapter, we noted that U.S. nationals can possibly include persons born in the U.S. Minor Outlying Islands.

On page 51 we added to the section on total and permanent disability discharges and distinguished between loans that were discharged on or after July 1, 2010, and those conditionally discharged before that date.

We modified the margin note on page 65 regarding the backlog in requests for status information letters from the Selective Service System.

We removed Chapter 6 from last year's edition of *Student Eligibility* because it covered Academic Competitiveness and National Science and Mathematics Access to Retain Talent grants, and those grants have not been extended by new legislation.

We removed guidance from Chapter 6 on LEAP grants and Byrd scholarships as those programs have been defunded.

We added the definition of undergraduate student in the margin of page 67 and modified the text in the body of that page to make it clear that students with a master's degree are not eligible for Pell grants in any circumstance.

We replaced the margin note on refusing or reducing loans on page 70. The old note cited the law, while the new one cites the corresponding regulations, which are clearer.

We noted on page 70 that incarcerated parents are not eligible to receive PLUS loans.

On page 72 we noted that not all students who receive Federal Supplemental Education Opportunity Grants will necessarily have received Pell grants.

If you have any comments regarding the FSA Handbook, please contact Research and Publications via e-mail at fsaschoolspubs@ed.gov.

School-Determined Requirements

In this chapter we discuss student eligibility requirements that don't require information from the Department's systems. The school determines on its own whether the student meets these eligibility requirements. In some cases the financial aid office will need to get information from other school offices, such as the admissions office or the registrar, or from other organizations, such as high schools or testing agencies.

REGULAR STUDENT IN AN ELIGIBLE PROGRAM

A person must be enrolled as a *regular student* in an eligible program in order to receive FSA funds (exceptions are discussed later in this chapter). A regular student is someone who is enrolled or accepted for enrollment in an eligible institution for the purpose of obtaining a degree or certificate offered by the school. The requirement for an eligible program are discussed in *Volume 2, Chapter 2*.

A school must document a student's enrollment in an eligible program at the time of admission, and it must have a system to notify the financial aid office if the student leaves the program. It must also document that an aid recipient is a regular student.

▼ *Conditional acceptance.* Some schools admit students provisionally, for example, until they provide further documentation, such as academic transcripts or test scores, or demonstrate an ability to succeed in the program by receiving acceptable grades in program coursework. Typically the school will limit these students' enrollment in terms of number of courses or enrollment status until they meet the necessary conditions.

Students admitted as conditional are regular students only if the school officially accepts them into the eligible degree or certificate program. The Department does not define official acceptance or admission. If the student is merely allowed to take some courses before being officially admitted to the program, she is not considered a regular student and is not eligible until she is officially admitted.

Schools may offer a trial or conditional period during which a student attends a program without incurring program charges or receiving FSA funds. If he continues beyond the trial period and enrolls as a regular student, the school can pay him FSA grants for the entire payment period and loans for the period of enrollment.



▼ *Continuing education.* Regular students may receive aid for classes they take in a school's continuing education department as long as the classes apply to their degree or certificate program.

Student eligibility

34 CFR 668.32

See *Volume 2, Chapter 2* for eligible program requirements.

Regular student example

HEA Sec. 484(a)(1), (b)(3), (4);
34 CFR 668.32(a)(1)

Lem Community College (LCC) allows anyone with a high school diploma or the equivalent to enroll in any course. Many of LCC's students do not intend to receive a degree or certificate; they are not regular students. LCC requires those who want to receive a degree or certificate to complete a form stating which degree or certificate they are studying for and to meet periodically with an academic advisor. LCC considers them to be regular students.

Trial periods

DCL GEN-11-12

Conditional acceptance examples

1. Guerrero University allows students to take graduate courses before they have taken the GRE, but it limits them to no more than three courses and does not admit them into its graduate programs until they have submitted acceptable GRE scores. They aren't regular students, and since the school hasn't admitted them, they aren't eligible for FSA funds.
2. When Park University accepts students into its graduate programs, it requires that the students receive no grade lower than a "B" in the first three courses. During this time the school considers students to be admitted into the program, so they are eligible for FSA. If, however, students receive a grade lower than a B in any of the first three classes, their admittance will be withdrawn and they then will be ineligible for FSA funds.

Continuing education examples

1. Park University has a continuing education department that offers many on-line (telecommunications) courses that students in other departments of the school may take and that apply to the degree or certificate program the students are enrolled in. These are regular students who are eligible for FSA funds.
2. Guerrero University has a continuing education department that offers many courses. Some students enroll in these courses without being admitted to the university. They are not regular students and are not eligible for FSA funds.

Remedial coursework

34 CFR 668.20

Teacher certification coursework

34 CFR 668.32(a)(1)(iii)

Remedial coursework

Remedial coursework prepares a student for study at the postsecondary level (compare with preparatory coursework, which prepares a student for a given program), and a student enrolled solely in a remedial program is not considered to be in an eligible program. If acceptance into an eligible program is contingent on completing remedial work, a student cannot be considered enrolled in that program until she completes the remedial work.

However, if the student is admitted into an eligible program and takes remedial coursework within that program, he can be considered a regular student, even if he is taking all remedial courses before taking any regular courses. You may count up to one academic year's worth of these courses in his enrollment status for federal aid. For the purpose of this limit, that is 30 semester or trimester hours, 45 quarter hours, or 900 clock hours. If the remedial classes are non-credit or reduced-credit, you must determine how many credit hours they are worth to count in the student's enrollment (see "Enrollment status" on page 15).

A remedial course cannot be below the educational level needed for a student to successfully pursue her program after one year in that course. Also, remedial courses must be at least at the high school level, as determined by the state legal authority, your school's accrediting agency, or the state agency recognized for approving public postsecondary vocational education. If that agency determines that a remedial class is at the elementary level, the school must abide by that determination, and the class cannot be included for FSA purposes. Nor can FSA funds be used for a remedial course that uses direct assessment of student learning instead of credit or clock hours.

You can't use non-credit remedial hours to determine a student's enrollment status if the course is part of a program that leads to a high school diploma or its recognized equivalent. A student is never permitted to receive funds for GED training or for coursework prior to the completion of high school, even if the GED or high school training is offered at postsecondary schools or is required for the postsecondary program.

Similar to other remedial coursework, a student may receive FSA funds for ESL courses that are part of a larger eligible program. There are differences though: ESL courses don't count against the one-year limitation on remedial coursework mentioned above, and they need not be at the secondary school level.

If your school permits a student to enroll in ESL or other remedial courses that don't apply to his degree or certificate, be aware that awarding FSA loans over a series of semesters for such work can exhaust his eligibility for FSA loans before he completes his program.

Preparatory coursework

A student not enrolled in a degree or certificate program is eligible for Stafford and PLUS loans for up to one year if she is taking coursework necessary for enrollment in an eligible program. See the discussion under Stafford and PLUS loans beginning on page 69.

Teacher certification coursework

A student may receive Federal Work-Study (FWS) and Stafford, Perkins, and PLUS loans if he is enrolled at least half time in required teacher certification coursework, even if it does not lead to a degree or certificate awarded by the school. To qualify, the coursework must be required for elementary or secondary teacher certification or recertification in the state where the student plans to teach and must be offered in credit or clock hours (courses using direct assessment in lieu of credit or clock hours are not eligible). Optional courses that the student elects to take for professional recognition or advancement, and courses recommended by your school but not required for certification, do not qualify. You should document that the courses are required by the state for teacher certification.

A student with a bachelor's degree who is enrolled in a postbaccalaureate teacher certification program can receive a Pell grant in limited situations. See page 68.

Students with intellectual disabilities

Students with an intellectual disability (see margin note) can receive funds from the Pell Grant, FSEOG, and FWS programs. They must be enrolled or accepted for enrollment in a comprehensive transition and postsecondary program¹ for students with intellectual disabilities and must maintain satisfactory academic progress as determined by the school for this program. These students

- do not have to be enrolled for the purpose of obtaining a degree or certificate, and
- are not required to have a high school diploma or its recognized equivalent or to have passed an ability-to-benefit (ATB) test.

Except the statutes governing need analysis, the Secretary has the authority to waive any Pell grant, FSEOG, FWS, or institutional eligibility provisions necessary to ensure that programs enrolling these students are eligible for Federal Student Aid and that eligible students receive those funds.

ELEMENTARY OR SECONDARY ENROLLMENT

A student enrolled in elementary or secondary school is not eligible for aid from the FSA programs, even if she is simultaneously enrolled in an eligible college program. A student is considered to be enrolled in secondary school if she is pursuing a high school diploma or if she has completed the requirements for a diploma, has not yet received it, and either she is taking college coursework for which her high school gives credit or her high school still considers her to be enrolled there.

An adult pursuing a GED (not a high school diploma) is not considered to be enrolled in secondary school. However, as stated earlier, a student can't get aid for GED training, though he can receive aid for other college courses if he meets ability-to-benefit, homeschool, or high school equivalent requirements. An adult can take a course offered by a high school, such as a driver's education course, without being considered enrolled there.

Students with intellectual disabilities

HEA Sec. 484(s), 34 CFR 668.230–233

Students who

1) have mental retardation or a cognitive impairment characterized by significant limitations in intellectual and cognitive functioning and adaptive behavior as expressed in conceptual, social, and practical adaptive skills; and (2) are currently or were formerly eligible for special education and related services under the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1401), including students who were determined eligible for special education or related services under the IDEA but were homeschooled or attended private school.

See 668.233(c) for documentation requirements.

20 U.S.C. 1091, 1140

¹ As defined in 668.231.

Elementary/secondary enrollment

HEA Sec. 484(a)(1), 34 CFR 668.32(b)

Secondary school enrollment examples

Lida is a junior in high school and enrolls in an electronics technician program at Lem Community College (she is above the age of compulsory school attendance for her state and so can be admitted as a regular student at LCC). The coursework is offered evenings and weekends, so she can still attend her high school classes. The electronics technician program is an eligible postsecondary program, and Lida will receive a certificate from Lem when she completes the program. However, she is not eligible for aid because she is still enrolled in high school.

Owen, a regular student at Guerrero University, decides to take a driver's education course at the local high school during the summer. This does not mean he is enrolled in secondary school.

Academic qualifications

HEA Sec. 484(d), 34 CFR 668.32(e)

Recognized equivalent of a high school diploma

34 CFR 600.2

Example: Kitty enrolls in the bachelor's degree program at Brandt College. She didn't graduate from high school and doesn't have a GED. Brandt looks at her high school records to see if she excelled academically in high school. Because she had a C average, she doesn't meet Brandt's standard for admitting students who excel academically and therefore doesn't have the equivalent of a high school diploma. If she were enrolled in a two-year program that counted as two years of her bachelor's degree, she'd have the equivalent of a high school diploma when she completed that program and would be eligible for FSA for the last two years of her degree program. However, since Kitty never went to college before, she'll need to pass an approved ability-to-benefit test or successfully complete six credit hours if she wants to receive FSA.

College Diploma mill definition

An entity that:

1. Charges someone a fee and requires him to complete little or no education or coursework to obtain a degree, diploma, or certificate that may be used to represent to the general public that he has completed a program of postsecondary education or training; and
2. Lacks accreditation by an agency or association that is recognized as an accrediting body for institutions of higher education by the Secretary (pursuant to Part H, Subpart 2 of Title IV) or a federal agency, state government, or other organization that recognizes accrediting agencies or associations.

ACADEMIC QUALIFICATIONS

To receive FSA funds, a student must be qualified to study at the postsecondary level. A student qualifies if she:

- has a high school diploma (this can be from a foreign school if it is equivalent to a U.S. high school diploma);
- has the recognized equivalent of a high school diploma, such as a general educational development or GED certificate;
- has completed homeschooling at the secondary level;
- has passed a Department-approved ability-to-benefit test; or
- has satisfactorily completed six credits or 225 clock hours of college work that are applicable to a degree or certificate offered by the school.

A student may self-certify on the FAFSA that he has received a high school diploma or GED or that he has completed secondary school through homeschooling as defined by state law. If a student indicates that he has a diploma or GED, your school isn't required to ask for a copy—except as noted below—but if your school requires one for admission, then you must rely on that copy of the diploma or GED and not on the student's certification alone.

Checking the validity of a high school diploma

Beginning with 2011–2012, if a college or the Department has reason to believe that the high school diploma is not valid or was not obtained from an entity that provides secondary school education, the college must evaluate the validity of the student's high school completion. Students who indicate on their FAFSA that they graduated high school must give the name, city, and state of the high school. FAFSA on the Web will not allow students to skip these items, and it will have a drop-down list of both public and private high schools populated by the National Center for Education Statistics (NCES). Inclusion on the list does not mean that a diploma from the school is valid, nor does exclusion from the list mean that the diploma is invalid. Note also that diplomas from unaccredited high schools can be valid and qualify students to receive FSA funds as well as to meet college admission standards.

Acceptable documentation for checking the validity of a student's high school completion can include the diploma and a final transcript that shows all the courses she took. For students who completed their secondary schooling outside the United States, comparable documents can help, as can the services of companies that determine the validity of foreign secondary school credentials. Another resource is the state department of education in which the high school is located, if that department has jurisdiction over the high school. Colleges are also free to consult with each other as they develop their procedures for checking the validity of high school diplomas.

For 2011–2012 the ISIR will not provide any more information than what the student submitted on the FAFSA, though in the future the ISIR may indicate that the Department considers a student's high school questionable and in need of validation by the college. We do not expect colleges to check the high school data for every student against other information obtained by

the college during admissions, but if it has reason to believe the high school diploma is dubious—e.g., the college knows the student bought the diploma or transcript and was required to perform little or no work—it must validate the diploma.

A student’s self-certification is not sufficient to validate the high school diploma that is in question. Students who have, for example, passed an ATB test or earned a GED do not need to have a high school diploma, but it should be remembered that for a college to be an eligible institution, it must admit as regular students only those with a high school diploma or the recognized equivalent or who are beyond the age of compulsory school attendance.

As in other areas of FSA administration, colleges have final authority in meeting this requirement. The Department does not plan to have an appeal process or to intervene in reasonable judgments of college administrators, such as a decision to move a high school from a college’s acceptable to unacceptable list or a case where one college has different lists than another.

Equivalents to a high school diploma

The Department recognizes several equivalents to a high school diploma:

- A GED;
- A certificate demonstrating that the student has passed a state-authorized examination (for example, the California High School Proficiency Exam) that the state recognizes as the equivalent of a high school diploma;
- An academic transcript of a student who has successfully completed at least a two-year program that is acceptable for full credit toward a bachelor’s degree; or
- For a student who enrolls before completing high school, a transcript indicating the student has excelled in high school. The student must no longer be enrolled in high school, must satisfy your school’s written policy for admitting such students, and must be starting a program that leads at least to an associate’s degree or its equivalent.

Homeschooling

Though homeschooled students are not considered to have a high school diploma or equivalent, they are eligible to receive FSA funds if their secondary school education was in a homeschool that state law treats as a home or private school. Some states issue a secondary school completion credential to homeschoolers. If this is the case in the state where the student was homeschooled, she must obtain this credential in order to be eligible for FSA funds. She can include in her homeschooling self-certification (see above) that she received this state credential.

An eligible *institution* is defined in part as one that admits as regular students only those who have a high school diploma or equivalent or are beyond the compulsory age of attendance for the school’s state. For students who finish homeschooling at a younger age, the Department considers them

Homeschooled students

HEA Sec. 484(d)(3),
34 CFR 668.32(e)(4)

ATB tests

34 CFR Part 668 Subpart J
(Sections 141–156)

Revised ATB regulations were published in the *Federal Register* on Oct. 29, 2010. Guidance on implementation of requirements for tests in languages other than English was given in GEN-11-08.

Test approval

The Department evaluates tests submitted by publishers or states based on 34 CFR 668 Subpart J. ED will notify the test publisher or state with the result. The name, publisher, and passing score(s) of an approved test will appear in the *Federal Register*.

COD reporting of ATB data

Beginning with 2011–2012, the COD system will start collecting information from schools about students with-



out a high school diploma or its recognized equivalent. You are required to indicate which students were admitted on the basis of: successfully passing an approved ATB test, successfully earning six credits or the equivalent, participating in a state process approved by the Secretary, or being homeschooled. For students who passed an ATB test, you will need to provide a code for the test publisher. For more information, see the 2011–2012 COD Technical Reference, Volume II, Section 1.

State tests and processes

Subpart J explains that a student without a high school diploma can become eligible for FSA funds by getting a passing score on an ATB test, which can be from a publisher or from a state, or by being enrolled at an eligible school that participates in an approved “state process.”

At this time, no state tests or state processes have been submitted for approval. If a test is submitted and approved, both public and private schools in that state may use it. Neither the state test nor the process should be confused with the state-authorized examination that is an equivalent to a high school diploma.

to be beyond the age of compulsory attendance if your school’s state would not require them to further attend secondary school or continue to be homeschooled. See also *Volume 2, Chapter 1*.

Ability-To-Benefit (ATB) test

Students who do not have a high school diploma or equivalent and did not complete secondary school in a homeschool setting can still qualify for FSA funds by passing an “ability-to-benefit” test.

All test administrators must be certified, and students whose native language is not English are not able to use an unapproved test in their native language in place of an ATB test. Because we don’t expect a Spanish language test will be approved by July 1, 2011, the Department will not enforce that provision until a Spanish ATB test is approved. In the meantime, schools can operate under the previous regulations, which allowed that when no test is reasonably available for students whose native language is not English and who are enrolled in a program taught in their native language, any test in their language may be considered approved as long as:



- the test has not been rejected previously by the Department,
- the test measures basic verbal and quantitative skills at the secondary school level, and
- the passing scores and method of determining the passing scores are fully documented.

▼ *Administration of tests.* Only a certified test administrator can proctor an ATB test. Contact the test publisher to find certified test administrators. They may include high school guidance counselors, test and measurement experts, human resource development professionals, qualified professional educators, or regional Armed Forces Command staff who are experts in education, training, and human resource development.

A test must be *independently* and *properly* administered. It is independently administered if given at an assessment center by an employee who is a certified administrator or given by an independent test administrator who keeps the test at a secure location and submits within two business days to the publisher or state either the test for scoring or, for a computerized test, the record of the test score. A school may not compromise test security or procedures or interfere with the administrator’s independence, nor may it pay him a bonus or any other incentive based upon the scores or pass rates of students taking the test.

A test is properly administered if the administrator is certified by the publisher or the state; if he administers the test according to its instructions and only to a test taker at a regularly scheduled time; and he secures the test against disclosure or release and submits to the publisher or state, as applicable, either the completed test for scoring or, for a computerized test, the record of the test score. This submission must be within two business days for independent test administrators. Assessment centers that score the test (which is the case unless they have made an agreement with the publisher

Approved Ability-to-Benefit Tests**Publishers**

ASSET Program: Basic Skills Tests (Reading, Writing, and Numerical)—Forms B2, C2, D2, and E2
 Passing Score: Reading (35), Writing (35), and Numerical (33)

ACT, Inc., 500 ACT Drive, Iowa City, Iowa 52243-0168, Contact: Dr. John Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790

Career Programs Assessment (CPAT) Basic Skills Subtests (Language Usage, Reading, and Numerical)—Forms B and C
 Passing Score: Language Usage (42), Reading (43), and Numerical (41)

ACT, Inc., 500 ACT Drive, Iowa City, Iowa 52243-0168, Contact: Dr. John Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790

Combined English Language Skills Assessment (CELSA): Form 1 or 2
 Passing Score: CELSA Form 1 (97) or CELSA Form 2 (97)

Association of Classroom Teacher Testers (ACTT), 1187 Coast Village Road, Suite 1 #378, Montecito, California 93108-2794, Contact: Pablo Buckelew, Telephone: (805) 965-5704, Fax: (805) 965-5807

COMPASS Subtests: Prealgebra/Numerical Skills Placement, Reading Placement, and Writing Placement
 Passing Score: Prealgebra/Numerical (25), Reading (62), and Writing (32)

ACT, Inc., 500 ACT Drive, Iowa City, Iowa 52243-0168, Contact: Dr. John Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790

Computerized Placement Tests (CPTs)/Accuplacer (Reading Comprehension, Sentence Skills, and Arithmetic)
 Passing Score: Reading Comprehension (55), Sentence Skills (60), and Arithmetic (34)

The College Board, 11911 Freedom Drive, Suite 300, Reston, Virginia 20190, Contact: Mr. David Parmele, Telephone: (571) 262-5795, Fax: (571) 262-5947

Descriptive Tests of Language Skills (DTLS) (Reading Comprehension, Sentence Structure and Conventions of Written English)—Forms M-K-3KDT and M-K-3LDT; and Descriptive Tests of Mathematical Skills (DTMS) (Arithmetic)—Forms M-K-3KDT and M-K-3LDT
 Passing Score: Reading Comprehension (108), Sentence Structure (9), Conventions of Written English (309), and Arithmetic (506)

The College Board, 45 Columbus Avenue, New York, New York 10023-6992, Contact: Technical Support, Telephone: (800) 486-8497

ESL Placement Test (COMPASS/ESL)
 Passing Score: Grammar/Usage (64), Reading (70), and Listening (70)

ACT, Inc., 500 ACT Drive, Iowa City, Iowa 52243-0168, Contact: Dr. John Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790

Wonderlic Basic Skills Test (WBST)—Verbal Forms VS-1 & VS-2, Quantitative Forms QS-1 & QS-2
 Passing Score: Verbal (200) and Quantitative (210)

Wonderlic Personnel Test, Inc., 1795 N. Butterfield Rd., Libertyville, IL 60048, Contact: Mr. Chris Young, Telephone: (847) 247-2544, Fax: (847) 680-9492

WorkKeys Program—Reading for Information Forms A01AA, A02AA, C01AA, and D10AA; Applied Mathematics Forms A01BB, A02BB, C01BB, and D01BB.
 Passing Score: Reading for Information—Forms A01AA (76), A02AA (75), C01AA (77), and D10AA (77); Applied Mathematics—Forms A01BB (73), A02BB (74), C01BB (73), and D01BB (73)

ACT, Inc., WorkKeys Development, Professional Development Services, 101 ACT Drive, P.O. Box 168, Iowa City, Iowa 52243-0168, Contact: Dr. A. Candace Noble, Telephone (319) 337-1296, Fax: (319) 337-1229

or the state) must provide weekly all copies of the completed test or a report with the scores of all test takers and the schools to which those were sent; in either case, the center must include the name and address of the test administrator as well as any identifier given to him by the test publisher or the state. Assessment centers must promptly notify the school and student of his score and whether he passed the test.

Schools must keep for each person who took an ATB test a record that includes the name of the test and the date she took it, her score(s), the name and address of the test administrator, as well as any identifier given to him by the test publisher or the state. The report must also indicate whether a test taker had a disability and was unable to be evaluated with an approved ATB

ATB definitions

Assessment center—A facility that

1. is located at an eligible school that provides two- or four-year degrees or is a postsecondary vocational institution;
2. is responsible for gathering and evaluating information about students for multiple purposes, including course placement;
3. is independent of admissions and financial aid processes at the school;
4. has professionally trained staff
5. uses test administrators (see definition below) to proctor ATB tests; and
6. does not have as its primary purpose the administration of ATB tests.

Independent test administrator—A test administrator at a location other than an assessment center who

1. has no current or prior financial or ownership interest in the school, its affiliates, or its parent corporation, other than the fees earned for administering approved ATB tests, and who has no controlling interest in any other school;
2. is not a current or former employee of or consultant to the school, its affiliates, its parent corporation, a person in control of another school, or a family member of any of these persons;
3. regarding the school, its affiliates, its parent corporation, or any other school, is not a current or former: member of the board of directors, employee of or consultant to a member of the board of directors, the chief executive officer, or the chief financial officer, and is not a member of the family of any of these individuals; and
4. is not a current or former student of the school.

An independent test administrator may not score a test.

Individual with a disability—A person who has a physical or mental impairment that substantially limits one or more major life activities.

Test administrator—A person who is certified by a test publisher (or state in the case of an approved state test) to administer its ATB test in accord with the instructions, including protecting the test and results from improper disclosure, and who is not compensated on the basis of test outcomes.

test or she requested or required accommodations, documentation of her disability, and the arrangements that were provided.

You don't have to always use the same test; you can pick the one most suitable for each student. Also, a person who fails a test may not retake the same form of the test for the period prescribed by the publisher or the state.

▼ *Administering tests for non-native English speakers and the disabled.* For someone whose native language is not English and who is not fluent in it, the test a school must use depends on which of the following situations prevails:

- A student enrolling in a program given entirely in his own language must take a test approved under 34 CFR 668.146 and 148(a)(1).
- A student enrolling in a program that is taught in English with an ESL component must take an English language proficiency assessment approved under 668.148(b)—such as the CELSA or the ESL Placement Test—and, before beginning the portion of the program taught in English, a test approved under 668.146.
- A student enrolling in a program taught in English without an ESL component or he does not enroll in any ESL component that is offered must take a test in English approved under 668.146.
- A student enrolling in an ESL program must take an ESL test approved under 668.148(b).
- A student enrolling in a program taught in his native language that either has an ESL component or a portion that is taught in English must take an English proficiency test approved under 668.148(b) before beginning the portion of the program taught in English.

Persons with disabilities must use a test described in 668.148(a)(2) or 149(a) that reflects the student's skills and learned abilities. The administrator must ensure that documentation supports that the person has a disability and requires accommodations, such as taking extra time or a quiet room, for taking an approved test or is unable to be evaluated by an approved test. Documentation of a disability can be a written determination by a licensed psychologist or physician that includes a diagnosis and, if available, information about testing accommodations or a record of the disability from a local or state educational agency or another government agency, such as the Social Security Administration, or a vocational rehabilitation agency. This record might include a diagnosis and recommended testing accommodations.

▼ *Counting previous test results and school accountability.* A student who has taken an approved, independently administered test must have the test publisher or the assessment center submit the official score to the school to demonstrate the student's ability to benefit. If you accept the results of a previously administered test, you must obtain documentation (usually through the previous school) that the test and its administration met federal requirements. Test scores are valid for ATB purposes indefinitely.

A school is liable for FSA funds disbursed to a student if his eligibility was determined by using a test that was not administered independently, if the school or its employee compromised the testing process in any way, or if the school cannot document that the student received a passing score on an approved test.

SATISFACTORY ACADEMIC PROGRESS (SAP)



To be eligible for FSA funds, a student must make satisfactory academic progress, and your school must have a reasonable policy for monitoring that progress. The Department considers a satisfactory academic progress policy to be reasonable if it meets the criteria explained in this section.

The policy must be at least as strict as that for students who are not receiving FSA funds at your school, and it must apply consistently to all educational programs and to all students within categories, e.g., full-time, part-time, undergraduate, and graduate students. It must require an academic progress evaluation at the end of each payment period for students in programs lasting one year or less, and for all other programs at least annually and corresponding with the end of a payment period.

Grades and pace of completion

The policy must specify the qualitative standard (grade point average or GPA) that a student must have at each evaluation or, if GPA is not an appropriate qualitative measure, a comparable measure against a norm. Students enrolled in a program of more than two academic years must have a GPA of at least a “C” or its equivalent or must have an academic standing consistent with your school’s graduation requirements.

Having a standing consistent with the requirement for graduation means you could use an escalating GPA instead of a fixed one. For example, if your school uses a 4-point scale, it could require students to have a 2.0 average by graduation but allow their average to be lower earlier in their program. If your policy permits such a progression and a student falls below a C average, you must be able to document that her average is consistent with the academic standard required for graduation.

Your policy must specify the quantitative standard (pace) at which students must progress through their program to ensure that they will graduate within the maximum timeframe, and each academic progress check must measure this. You calculate the pace at which a student is progressing by dividing the total number of hours the student has successfully completed by the total number he has attempted. You don’t have to include remedial courses.

Checking a student’s pace of completion allows for variations of enrollment status since you look at the percentage of classes successfully completed rather than the number. Also, you can use a graduated completion percentage for each year of a program. For instance, your policy can permit students to complete a lower percentage of their classes in the first academic year but require them to complete an increasing percentage in subsequent years so that they finish their program in time.

Satisfactory Academic Progress

HEA Sec. 484(c),
34 CFR 668.16(e)
34 CFR 668.32(f)
34 CFR 668.34

As with the ATB regulations, the SAP regulations were rewritten in 2010 and appear in the October 29, 2010, *Federal Register*.

Satisfactory progress definitions

Appeal—A process by which a student who is not meeting SAP standards petitions the school for reconsideration of his eligibility for FSA funds.

Financial aid probation—A status a school assigns to a student who is failing to make satisfactory academic progress and who successfully appeals. Eligibility for aid may be reinstated for one payment period.

Financial aid warning—A status a school assigns to a student who is failing to make satisfactory academic progress. The school reinstates eligibility for aid for one payment period and may do so without a student appeal. This status may only be used by schools that check SAP at the end of each payment period and only for students who were making SAP in the prior payment period.

Maximum timeframe—

- For an undergraduate program measured in credit hours, a period no longer than 150 percent of the published length of the program.
- For an undergraduate program measured in clock hours, a period no longer than 150 percent of the published length of the program as measured by the cumulative number of clock hours the student is required to complete and expressed in calendar time. (Note that a student in a clock hour program cannot receive aid for hours beyond those in the program; the maximum timeframe applies to the amount of calendar time the student takes to complete those hours.)
- For a graduate program, a period the school defines that is based on the length of the program.

Grades for test-based credits

Some schools have developed tests in accord with their academic standards, such as language proficiency tests, that students can take and receive course credit for. If such credits count toward the student's program, the grades for those credits count in the student's GPA for all FSA purposes.

Your policy must explain how GPA and pace of completion are affected by course incompletes, withdrawals, and repetitions, and by transfer credits from other schools. At a minimum, transfer credits that count toward the student's current program must count as both attempted and completed hours. You may have reasonable rules for students who initially enroll in specific courses but modify that enrollment within a limited time. However, your policy cannot exclude from the progress review courses in which a student remained past the add/drop period and earned a grade of "W" (or its equivalent), nor can it routinely exclude certain hours attempted, such as those taken during a summer session.

Generally all periods of the student's enrollment count when assessing progress, even periods in which the student did not receive FSA funds. However, your policy may permit that for students who change majors, credits and grades that do not count toward the new major will not be included in the satisfactory progress determination. You may limit how many times a student can in this way "reset" academic progress by changing majors.

If a satisfactory progress check shows that a student does not have the required GPA or is not maintaining the required pace, she becomes ineligible for FSA funds unless she is placed on financial aid warning or probation, as explained below. Your policy must describe both of these statuses if it allows for them, and it must provide for notification to students of the results of any evaluation that affects their eligibility for FSA funds.

Academic amnesty/renewal

Some schools have academic amnesty/renewal procedures through which a student can apply to have credits attempted and grades earned in previous semesters excluded from the calculation of the student's grade-point average. The FSA program regulations make no provision for the concept of academic amnesty or academic renewal. Therefore, a school must always include courses applicable to a student's major (whenever taken) in evaluating a student's satisfactory academic progress. This may, however, be an item that is subject to appeal if the school's policy permits such appeals.

Financial aid warning

Only schools that check satisfactory progress at the end of each payment period may place students on financial aid warning as a consequence of not making satisfactory progress. A school may do this without appeal or any other action by the student. Warning status lasts for one payment period, during which the student may continue to receive FSA funds. Students who are still failing to make satisfactory progress after the warning period lose their aid eligibility unless they successfully appeal and are placed on probation. Schools do not need to have warnings; they can instead require students to immediately appeal to be placed on probation.

Appeals, financial aid probation, and academic plans

All schools can have financial aid probation in their satisfactory progress policy. When a student loses FSA eligibility because he failed to make satisfactory progress, he may appeal that result on the basis of: his injury or illness, the death of a relative, or other special circumstances. His appeal must explain why he failed to make satisfactory progress and what has changed in his situation that will allow him to make satisfactory progress at the next evaluation. You can grant his appeal and put him on probation if you determine that he should be able to meet the standards after the subsequent payment period or if you develop an academic plan that, when followed, will ensure that he will meet the standards by a specific time. Students who fail the satisfactory progress check after the end of the probationary payment period may only continue to receive aid if they successfully appeal, you develop an academic plan for them, and they are meeting its requirements.

Your school determines the process and documentation required for an appeal. It may decide to require more extensive information on an initial ap-

peal and some type of an update statement on a subsequent appeal.

The regulations do not specify what must be included in an academic plan. The school and the student should develop a plan that ensures that the student is able to meet the school's satisfactory progress standards by a specific time, though an academic plan could instead take the student to successful program completion. Students must also appeal to change their plan. They must explain what has happened to make the change necessary and how they will be able to make academic progress.

Reestablishing aid eligibility

Your policy, even if it does not permit appeals, must explain how students who are not making satisfactory academic progress can restore their eligibility for FSA funds. Other than when a student is placed on financial aid warning or probation or has agreed to an academic plan as outlined above, he can regain eligibility only by taking action that brings him into compliance with your school's satisfactory progress standards.

The requirement that a student complete a number of credits or enroll for a number of academic periods without receiving FSA funds, or that he interrupt his attendance for one or more academic periods, may be part of your academic progress policy. However, neither paying for one's classes nor sitting out for a term affects a student's academic progress standing, so neither is sufficient to reestablish aid eligibility.

Completed program, no degree

A student who completes the academic requirements for a program but does not yet have the degree or certificate is not eligible for further additional FSA funds for that program.

Retaking a program

Your school may permit a student to receive FSA funds for retaking a program that she has completed before. Students at a clock-hour or non-term credit-hour school may also receive aid for a program they withdraw from and then reenter after 180 days. See *Volume 3*, chapters 1 and 3.

Satisfactory Academic Progress Examples: One-Year Programs

One-year credit-hour program with financial aid warning: Sarven Technical Institute has a program that a full-time student can complete in 24 semester hours. Because this is a one-year program, Sarven must check SAP every payment period. Their policy is that students must complete the program by the time they have attempted 36 (150% of 24) hours, and the pace of completion is 2/3 or 66.67%. They require a 2.0 GPA at all times.

Suzie plans to take two classes (eight hours) each semester. In the first term she fails one class and gets a B in the other. Her GPA is 1.5 and her pace of completion is 50%, so Sarven automatically places her on financial aid warning and informs her of this. In her second semester, Suzie gets a C (in the class she failed in the first semester) and an A, raising her GPA to 2.25 (Sarven counts all grades for re-taken classes), and she has completed 75% of her classes, so she restores her aid eligibility.

Clock-hour program with appeal: Frisson Community College has a 900-clock-hour program that normally takes eight months to complete. Frisson allows a maximum timeframe of 12 months to complete the program, and students must complete at least 300 clock hours every four months and maintain a 2.0 GPA. Because the program is so short and financial aid warnings would delay a rigorous review of students' academic performance until

late in (or the end of) the program, Frisson decides not to use warnings. Instead, it requires students to submit an appeal when they are not meeting SAP standards.

After the first four months, Jerry's GPA is 3.0, but he completes only 250 of the 300 clock hours that were required. Frisson informs him that he must submit an appeal to continue to receive FSA funds. Jerry tells the administrator that he was diagnosed with depression, which prevents him from doing as much as he'd like. He provides a note from his psychiatrist and affirms that he is doing better since he has gotten regular treatment. The administrator grants his appeal and puts him on financial aid probation since she determines that Jerry can finish the program in the remainder of the year. She drafts a plan that allows him some flexibility in his pace of completion and that requires him to check with her once a month to inform her of his progress in his classes.

After four more months, Jerry's GPA is 3.3, and he has completed 580 hours out of the 600 required under Frisson's published SAP policy, which would normally make him ineligible for FSA funds. But because he is progressing according to his personal SAP plan and is predicted to complete the program within the maximum timeframe, he may still receive aid.

Satisfactory Academic Progress Examples: Four-Year Programs

Four-year credit-hour program with appeal: Students in a bachelor's degree program at Brandt College must complete 120 credits and may attempt up to 180 credits (120 x 150%). Brandt reviews a student's academic progress once per year and has a pace of completion of 2/3 or 66.67% of the classes that students attempt; it requires a cumulative GPA of 1.50 after the first year, 1.75 after the second year, and 2.0 after the third year and beyond.

In his first semester, Homer fails one and withdraws (late in the term) from one of his five courses (15 credits). He takes four courses in his second semester and again fails one and withdraws from one. Though his GPA is 1.71, he isn't making SAP by the end of the first year because he completed only 15 credits out of the 27 he attempted, and two thirds of 27 is 18. Homer applies for an appeal, but because his only reason for not making SAP is that he wasn't able to concentrate on college after being in high school, and because he doesn't offer evidence showing what has changed, the aid administrator at Brandt denies his appeal, and he is ineligible for aid in his second year.

Even if Homer had a more convincing reason for failing at SAP, such as being injured in a car accident, the administrator might still have denied his appeal because she saw little improvement or variation in Homer's pace of completion and did not determine that he would likely be making SAP a year later. If Homer's academic performance improves by the end of his second year so that he is meeting the SAP criteria, he can again receive FSA funds.

Four-year credit-hour program with warning and appeal: Krieger University checks SAP every quarter, which permits it to use financial aid warnings. Students must complete 144 credit hours to receive a BA or BS degree, and they may attempt up to 216 credit hours to complete a program. Students must complete at least half of the credits they attempt in their first year and 75% of their credits in each year after that. They must have no less than a 2.0 GPA at all times.

Gina finishes her first year at Krieger with a 2.25 GPA and completes all of the credits that she attempts, so she is making SAP. After the first quarter in her second year, she again completes all of her classes but poor grades leave her with a 1.94 GPA. The aid administrator places her on financial aid warning for one quarter and informs her that she is not meeting the SAP standards. Gina does poorly in the next quarter as well, and her GPA drops to 1.85. The aid administrator informs her that she can't continue on warning status and needs to submit an appeal explaining why she is failing to make SAP and why she thinks that will change and allow her to again make SAP.

Gina brings the administrator an obituary showing that her mother died recently, which required that she help with family affairs and caused her to lose her focus at school. She asserts that is over now. The administrator places her on probation and suggests that she might take fewer courses. But Gina enrolls full time and again receives poor grades, causing her GPA to drop to 1.80. The administrator informs Gina that she has become ineligible for FSA funds but that she can become eligible again if she raises her GPA to 2.0 or that she can submit another appeal and this time request to be placed on an academic plan.

ENROLLMENT STATUS

A student must be enrolled at least half time to receive aid from the Stafford and PLUS loan programs. The Pell, TEACH Grant, and Campus-based programs don't require half-time enrollment, except for postbaccalaureate Pell grants for teacher education and Perkins and FWS for students enrolled in a program for a teaching credential. But enrollment status does affect the amount of Pell a student receives; see *Volume 3*.

To be enrolled half time, a student must be taking at least half of the course load of a full-time student. Your school defines a full-time workload, but it must meet the minimum standards in the FSA regulations. The definition of full time for FSA purposes can differ from that used for other purposes at your school, such as the definition used by the registrar's office.

Your definition of a full-time workload for a program must be used for all students in that program and must be the same for all FSA-related purposes, including loan deferments. You can't accommodate a student with a learning disability or other handicap by allowing her a full-time enrollment status lower than the minimum standard (see the margin note on students with intellectual disabilities).

▼ *Minimum standards for full-time enrollment.* Students' workload may include any combination of courses, work, research, or special studies that your school considers sufficient to classify them as full time. This includes, for a term-based program, one repetition of a previously passed course that is not due to the student failing other coursework. The regulations specify a minimum standard for undergraduate students but not for graduate students. For undergraduates, full-time status must be at least:

- 12 semester hours or 12 quarter hours per academic term in an educational program using a semester, trimester, or quarter system;
- 24 semester hours or 36 quarter hours per academic year for an educational program using credit hours but not using a semester, trimester, or quarter system, or the prorated equivalent for a program of less than one academic year;
- 24 clock hours per week for an educational program using clock hours;
- a series of courses or seminars equaling 12 semester or quarter hours over a maximum of 18 weeks;
- for a program that measures credit hours and uses nonstandard terms, the number of weeks of instruction in the term divided by the number of weeks of instruction in the academic year, multiplied by the number of credit hours in the academic year;
- the work portion of a cooperative education program in which the amount of work performed is equivalent to the academic workload of a full-time student; or
- for correspondence work, a courseload commensurate with the definitions listed above, and at least half of that load must be

Counting non-credit or reduced-credit remedial work

A student can receive aid for a limited amount of remedial coursework that is included as part of a regular program. As long as the student qualifies for aid for remedial courses, you must include the remedial courses in the student's enrollment status.

Some schools give no credit or reduced credit for remedial classes. To determine enrollment status, credit hours for the remedial class should be the same as for the comparable full-credit class. If you're using credit hours, you can compare the number of classroom and homework hours of study that the remedial course requires with the hours required for similar courses offered for full credit. Clock-hour schools should use the number of classroom hours attended in the remedial program. 34 CFR 668.20

Enrollment status for students with intellectual disabilities

Because a comprehensive training program for students with intellectual disabilities can include work for which the school awards no credit, such as audited courses, the school must develop equivalencies in credit hours for such work, just as it must do with non-credit remedial coursework. This will allow the school to determine the enrollment status for students in these programs.



Full-time student definition

34 CFR 668.2(b)

non-correspondence coursework that meets half of the school’s requirement for full-time students.

Your school must have a written policy stating what enrollment status the work portion of a co-op program is equivalent to. If it equals a full-time academic load, the co-op student is considered full time regardless of how many credits are earned for the co-op work.

A student taking only correspondence courses is never considered to be enrolled more than half time. See *Volume 3* for more on Pell and enrollment status and correspondence courses.

Half-time enrollment

HEA Sec. 428(b)(1)(A),

34 CFR 668.2(b)

A school may choose to define half time as half of the minimum full-time standard established in the regulations even if this is less than half the full-time standard established by the school. For example, if a school sets 14 semester hours as full time, it could use 6 semester hours (one half of the regulatory full-time minimum of 12) as half time instead of 7.

If a student is enrolled in courses that do not count toward his degree, they cannot be used to determine enrollment status unless they are eligible remedial courses. This means you cannot award the student aid for classes that do not count toward his degree or certificate. Also, Federal Student Aid can be awarded only for learning that results from instruction provided or overseen by the school. It cannot be awarded for any portion of a program based on study or life experience prior to enrollment in the program, or based on tests of learning that are not associated with educational activities overseen by the school.



STUDENTS CONVICTED OF POSSESSION OR SALE OF DRUGS

A federal or state drug conviction can disqualify a student for FSA funds. The student self-certifies in applying for aid that he is eligible; you’re not required to confirm this unless you have conflicting information.

Convictions only count if they were for an offense that occurred during a period of enrollment for which the student was receiving Federal Student Aid—they do not count if the offense was not during such a period. Also, a conviction that was reversed, set aside, or removed from the student’s record does not count, nor does one received when she was a juvenile, unless she was tried as an adult.

The chart below illustrates the period of ineligibility for FSA funds, depending on whether the conviction was for sale or possession and whether the student had previous offenses. (A conviction for sale of drugs includes convictions for conspiring to sell drugs.)

	Possession of illegal drugs	Sale of illegal drugs
1st offense	1 year from date of conviction	2 years from date of conviction
2nd offense	2 years from date of conviction	Indefinite period
3+ offenses	Indefinite period	

Drug convictions

HEA Section 484(r)

34 CFR 668.40

If the student was convicted of both possessing and selling illegal drugs, and the periods of ineligibility are different, the student will be ineligible for the longer period.

Schools must provide each student who becomes ineligible for FSA funds due to a drug conviction a clear and conspicuous written notice of his loss of eligibility and the methods whereby he can become eligible again.

A student regains eligibility the day after the period of ineligibility ends or when he successfully completes a qualified drug rehabilitation program or passes two unannounced drug tests given by such a program. Further drug convictions will make him ineligible again.

Students denied eligibility for an indefinite period can regain it after successfully completing a rehabilitation program (as described below), passing two unannounced drug tests from such a program, or if a conviction is reversed, set aside, or removed from the student's record so that fewer than two convictions for sale or three convictions for possession remain on the record. In such cases, the nature and dates of the remaining convictions will determine when the student regains eligibility. It is the student's responsibility to certify to you that she has successfully completed the rehabilitation program; as with the conviction question on the FAFSA, you are not required to confirm the reported information unless you have conflicting information.

When a student regains eligibility during the award year, you may award Pell grant, TEACH, and Campus-based aid for the current payment period and Direct loans for the period of enrollment.

Standards for a qualified drug rehabilitation program

A qualified drug rehabilitation program must include at least two unannounced drug tests and satisfy at least one of the following requirements:

- Be qualified to receive funds directly or indirectly from a federal, state, or local government program.
- Be qualified to receive payment directly or indirectly from a federally- or state-licensed insurance company.
- Be administered or recognized by a federal, state, or local government agency or court.
- Be administered or recognized by a federally- or state-licensed hospital, health clinic, or medical doctor.

If you are counseling a student who will need to enter such a program, be sure to advise the student of these requirements. If a student certifies that he has successfully completed a drug rehabilitation program, but you have reason to believe that the program does not meet the requirements, you must find out if it does before paying the student any FSA funds.

Drug abuse hold

The Anti-Drug Abuse Act of 1988 includes provisions that authorize federal and state judges to deny certain federal benefits, including student aid, to persons convicted of drug trafficking or possession. The Central Processing System maintains a hold file of those who have received such a judgment, and it checks applicants against that file to determine if they should be denied aid. This is separate from the check for a drug conviction via question 23; confirmation of a student in the drug abuse hold file will produce a rejected application and a separate comment from those associated with responses to question 23. See the *ISIR Guide* on the IFAP publications page for more information.

Incarcerated students

HEA Sec. 401(b)(8) and 484(b)(5)
34 CFR 600.2 and 668.32(c)(2)

INCARCERATED STUDENTS

A student is considered to be incarcerated if she is serving a criminal sentence in a federal, state, or local penitentiary, prison, jail, reformatory, work farm, or similar correctional institution (whether it is operated by the government or a contractor). A student is not considered to be incarcerated if she is in a half-way house or home detention or is sentenced to serve only weekends.

Incarcerated students are not eligible for FSA loans but are eligible for FSEOGs and FWS. They are also eligible for Pell grants if not incarcerated in a federal or state penal institution. See *Chapter 6* for more information on this and on sex offenders who were incarcerated but are now subject to an involuntary civil commitment.

You may accept the student's written self-certification that he is no longer incarcerated.

CONFLICTING INFORMATION

In addition to reviewing data provided by the Department's application system and NSLDS (as discussed in the rest of this volume), your school must have an internal system to share information relevant to the student's eligibility, such as his academic standing. The FSA program regulations require a school to develop an adequate system to ensure the consistency of any data related to a student's application or eligibility for Federal Student Aid regardless of the source of that data. Your school is responsible for reconciling all inconsistencies that it receives with one exception: if the student dies during the award year, you aren't required to resolve conflicting information.

If your school has conflicting information for a student or you have any reason to believe his application is incorrect, you must resolve such discrepancies before disbursing FSA funds. If you discover a discrepancy after disbursing FSA funds, you must reconcile the conflicting information and require the student to repay any aid for which he wasn't eligible, unless he is no longer enrolled for the award year and will not re-enroll. Refer to the *Application and Verification Guide* and *Volume 2, Chapter 3* for more information.

CHANGE IN STATUS

A student's eligibility status can change during the award year, which almost always affects whether he can be paid. The special rules for changes in satisfactory academic progress status were discussed in the SAP section.

Gaining eligibility

A student who *applies for aid* by filling out a FAFSA is eligible for aid for the entire award year. A student who *gains eligibility* is one who was previously ineligible for some reason. In general, she may receive Pell grant, TEACH, and Campus-based funds for the entire payment period and Stafford and PLUS loans for the period of enrollment in which she becomes eligible.

Conflicting information

34 CFR 668.16(b)(3) and (f)

A student is eligible for Pell grant, TEACH, and Campus-based aid for the entire award year, not just the payment period, in which he becomes eligible by meeting the requirements for citizenship, valid Social Security number, or Selective Service registration.

Losing eligibility

A student cannot receive any Federal Student Aid after losing eligibility for it, unless he qualifies for a late disbursement.

Gaining eligibility examples

Allen enrolls in a one-year certificate program at Sarven Technical Institute. Sarven won't officially admit Allen before he provides an academic transcript from his previous school, but it lets him start classes in the fall. Sarven receives Allen's transcript after he's attended for a month and officially admits him. He's still in his first payment period when admitted, so he can receive Pell and campus-based funds for his entire period of enrollment. The school can also use the program length of one year as the period of enrollment for which Allen can receive a loan.

Chavo is finishing his senior year in high school; his classes end June 4. He decides to start classes in the winter at Sarven Technical Institute on January 11. The second payment period begins on May 17. Chavo isn't eligible for aid when he first starts classes at Sarven. However, when he becomes eligible after June 4, Sarven can disburse Pell and campus-based funds to Chavo retroactively for the current payment period that started on May 17 (but not for the payment period that started in January) and a Stafford loan for the current period of enrollment, which does include the payment period that began in January.

Losing eligibility example

George is a student at Guerrero University. At the end of September, after the start of the fall term, he is convicted in a state court for possession of drugs. It is his first offense, and he isn't incarcerated, but he is ineligible for aid. Guerrero gave George his first Direct subsidized loan disbursement at the beginning of the semester in September and was going to disburse a Perkins loan to him in October. Now Guerrero can't disburse the Perkins loan. George doesn't have to pay back the first disbursement of his Direct loan, but he can't receive additional FSA funds until one year elapses or he successfully completes a qualified drug rehabilitation program.

Eligibility Requirements for Specific Educational Programs

See *Volume 2, Chapter 2* for more information on the topics below. Note that a school may not refuse to provide FSA funds to a student because he is enrolled in correspondence or distance education courses unless they are not part of an eligible program.

Correspondence courses

A correspondence or “home study” course is one for which the school provides instructional materials and exams for students who don’t physically attend classes at the school and who are studying independently. When a student completes a portion of the materials, he takes the related exam and returns it to the school for grading. If the course uses video cassettes or discs, it is a correspondence course unless the school provides the same instruction to students who physically attend the school that year. Distance education courses are not considered correspondence courses.

A student enrolled in a correspondence course can only receive FSA funds if the course is part of a program that leads to an associate’s, bachelor’s, or graduate degree; if the program leads to a certificate, the student is not eligible for aid for that course. There are also restrictions regarding cost of attendance for correspondence courses; see *Volume 3, Chapter 2*.

HEA Sec. 484(k), 34 CFR 600.2, 34 CFR 668.38

Distance education courses

Distance education refers to instruction delivered to students who are separated from their instructor and in support of regular and substantive interaction between them, whether in real time or through time delay. Technologies used may include the Internet; one-way and two-way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communications devices; audio conferencing; or, if used in conjunction with the previous technologies, video cassettes, DVDs, and CD-ROMs. If a course does not qualify as a distance education course, it is considered to be a correspondence course.

Students can receive FSA funds for distance education courses under these conditions: the courses must belong to an eligible program, and the school must have the capability to effectively deliver distance education programs as determined by an accrediting agency that is recognized by the Department and that has the evaluation of distance education programs within the scope of its recognition. Short-term certificate programs of less than one year offered via distance education are eligible for FSA funds, and they are not considered correspondence programs.

HEA Sec. 103 and 484(l), 34 CFR 600.2, 34 CFR 668.38

Students studying abroad

A student in a study-abroad program is eligible for aid if the program is approved for academic credit toward her degree by the eligible home school at which she is enrolled as a regular student. The home school must have a written agreement with the foreign school (or with another U.S. school that contracts with the foreign school) or a single written arrangement with a study-abroad organization to represent an agreement between the home school and the foreign school.

HEA Sec. 484(o), 34 CFR 668.39

A student has to be a citizen or eligible noncitizen to receive Federal Student Aid (FSA). In this chapter we describe how the student's FAFSA information is matched with other agencies to determine citizenship status. We also describe immigration documents that you may have to collect to make sure that the student meets this requirement.

ELIGIBLE CATEGORIES

A student must be one of the following to be eligible to receive Federal Student Aid:

- A U.S. citizen or national;
- A U.S. permanent resident or other eligible noncitizen;
- A citizen of the Freely Associated States: the Federated States of Micronesia and the Republics of Palau and the Marshall Islands. These students can only receive aid from some of the FSA programs (see page 38).

The general requirement for eligible noncitizens is that they be in the U.S. for other than a temporary purpose with the intention of becoming a citizen or lawful permanent resident, as evidenced by the United States Citizenship and Immigration Services (USCIS) in the Department of Homeland Security (DHS). We use DHS throughout this chapter, and we also refer to USCIS since it is the actual agency that handles immigration matters and whose field offices you and your students might have to contact.

The Department of Education matches all applications with the Social Security Administration (SSA) to determine if the student is a U.S. citizen. If he provides an alien registration number (A-number or ARN) on the FAFSA, his record is also sent to DHS to check noncitizen status. The results of both matches appear on the Institutional Student Information Report (ISIR), and a failed match with either agency will produce a C code on the student's output document.

A student's citizenship status only needs to be checked once during the award year; if the status is eligible at that time, it remains so for the rest of the award year.

If a parent wants to take out a PLUS loan for a dependent undergraduate student, both the parent and the student must be U.S. citizens or nationals or eligible noncitizens.

Citizenship issues

- All applications are matched with the SSA to determine U.S. citizenship
- Applications that have an ARN are matched against DHS records
- If the DHS match fails after automated primary and secondary confirmation, the school must collect documentation and conduct manual third-step confirmation

Citizenship

HEA Sec. 484(a)(5),
34 CFR 668.32(d),
34 CFR 668.33,
and Subpart I of Part 668.

Documenting citizenship

34 CFR 668.33(d)

U.S. citizen or national

A person is a United States citizen by birth or by naturalization. Persons (except for the children of foreign diplomatic staff) born in the 50 states, the District of Columbia, and, in most cases, Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands are U.S. citizens, as are most persons born abroad to parents (or a parent) who are citizens. All U.S. citizens are considered to be U.S. nationals, but not all nationals are citizens. Persons whose only connection to the United States is through birth on American Samoa, Swain's Island, or the United States Minor Outlying Islands are not U.S. citizens but are nationals and therefore may receive FSA funds.

Data doesn't match example

Allen put in an incorrect number for his SSN when he completed his FAFSA. The number he used isn't in the SSA database. Therefore, his application fails both the SSN match and the SSA citizenship match. Allen will need to fix the problem before he can receive aid. Because the SSN is incorrect, Sarven Technical Institute asks Allen to complete a new FAFSA instead of making a correction (see Chapter 4 for more on fixing SSN problems).

CITIZENSHIP MATCH WITH THE SSA

All applications are matched with Social Security records to verify name, date of birth, U.S. citizenship status, the Social Security number (SSN), and possible date of death (see Chapter 4). The CPS will reject the application for insufficient information if any of these items except the last is not provided. The result of this match is reported under SSA of the match flags on the ISIR and "SSA Citizenship Code" on the SAR.

If the student leaves the citizenship question on the FAFSA blank, the CPS will still attempt the citizenship match with the SSA. If there is a complete match with the student's Social Security number, name, date of birth, and U.S. citizenship, the CPS will determine the student to be a citizen.

▼ *Successful match.* The SAR and ISIR will have a match flag (but no comment) indicating that the student's status was confirmed.

▼ *Data doesn't match.* If the student's SSN, name, or date of birth doesn't match SSA records, his citizenship status can't be confirmed and a C code and a comment will appear on the output document. The student should correct the SSN, name, or date of birth (see Chapter 4 for more on SSN match problems) and submit it. The CPS will perform the match again, and you must see if the new ISIR confirms the student's citizenship status; if it does, the C code will no longer appear.

▼ *Citizenship not confirmed.* The SAR and ISIR will include a C code and a comment (code 146) explaining that the SSA was unable to confirm the student is a citizen and that she needs to provide her financial aid office with documents proving citizenship. If she provides eligible noncitizen documentation, make a correction by entering her A-number on the ISIR, changing her citizenship status to eligible noncitizen, and submitting it to the CPS, which will attempt a match with DHS records to confirm the student's status.

Note that U.S. citizens born abroad might fail the citizenship check with the SSA, unless they have updated their citizenship information (see "Updating status for citizens born abroad," page 23).

U.S. citizenship documentation

If a student must prove his status as a citizen or national, you decide what documents are acceptable. The Department doesn't specify them, but here are documents you might choose to use:

- A copy of the student's birth certificate showing that she was born in the United States, which includes Puerto Rico (on or after January 13, 1941), Guam, the U.S. Virgin Islands (on or after January 17, 1917), American Samoa, Swain's Island, or the Northern Mariana Islands, unless the person was born to foreign diplomats residing in the U.S.
- A U.S. passport, current or expired, except limited passports (which are typically issued for short periods such as a year and which don't receive as much scrutiny as a regular passport when applying). In the case of nationals who are not citizens, the passport will be stamped "Noncitizen National."

The State Department issues a wallet-sized passport card that can only be used for land and sea travel between the United States and Canada, Mexico, the Caribbean, and Bermuda. It is adjudicated to the same standards as the passport book and is therefore a fully valid attestation of the U.S. citizenship and identity of the bearer.

- A copy of Form FS-240 (Consular Report of Birth Abroad), FS-545 (Certificate of birth issued by a foreign service post), or DS-1350 (Certification of Report of Birth). These are State Department documents.
- A Certificate of Citizenship (N-560 or N-561), issued by USCIS to individuals who derive U.S. citizenship through a parent.
- A Certificate of Naturalization (N-550 or N-570), issued by USCIS through a federal or state court, or through administrative naturalization after December 1990 to those who are individually naturalized.

Older versions of the Certificate of Citizenship and of the Certificate of Naturalization instruct the holder not to photocopy them. The USCIS has advised the Department that these documents (and others) may be photocopied for lawful purposes such as documenting eligibility for FSA funds.

If the student's documentation verifies that he is a citizen, you can disburse aid to him. Unlike the case of eligible noncitizens, you don't submit the documents to the DHS or any other agency for verification, but you do need to keep a copy in the student's file. The student should also contact the Social Security Administration to have it update its database—something all naturalized citizens should do—but he doesn't have to do this to receive aid; in this case the C code can remain on his record.

Updating status for citizens born abroad

Students born abroad to U.S. citizens are also U.S. citizens, and their status is usually noted in the SSA's database when they receive an SSN. But occasionally a student's citizenship might not be correct, and such a student (for example, one born on a military base abroad) will fail the citizenship match even if he has a Social Security number. He can contact the SSA to have its database corrected.

Such students can document citizenship by providing a "Consular Report of Birth Abroad" (Form FS-240, which is *proof* of U.S. citizenship) or a "Certification of Report of Birth" (Form DS-1350, which is *evidence* of U.S. citizenship and equivalent to a birth certificate). If the birth of the student was registered with the American consulate or embassy in a foreign country before he turned 18, he can receive a copy of one of these by sending a written, notarized request to the address in the margin.

The student should provide his name given at birth, the date and location of birth, the parents' names, available passport information, a return address, and a daytime phone number. The signature and a copy of valid photo identification of the requester must be included. For form FS-240 the student also has to include the original form (to exchange it) or a signed, notarized affidavit that the original was destroyed or lost. The FS-240 is \$50, and the DS-1350 is \$50 for each copy. This should be sent as a check or money order

Example: citizenship not confirmed

Chavo is a U.S. citizen, but SSA doesn't confirm his citizenship status. The aid administrator at Sarven Technical Institute asks him to submit documentation of his status. Chavo first submits a Social Security card, but the administrator explains that the card doesn't document his status because noncitizens can have Social Security cards. Chavo then brings in his Certificate of Naturalization. The administrator makes a copy of the certificate for his file and tells Chavo his citizenship has been documented. She also advises Chavo to have the SSA correct its database so that he won't have this problem again.

Social Security card and driver's license

A Social Security card or driver's license isn't acceptable for documenting citizenship or national status since noncitizens and nonnationals can also have these forms of identification.

Parent signature on certificate

Because documents such as a certificate of citizenship can go to minors, they may be signed by a parent or guardian instead of the minor child. This does not affect the legitimacy of the document.

Report of birth abroad

U.S. Department of State
Passport Services
Vital Records Section
1111 19th Street, NW, Suite 510
Washington, DC 20522-1705

(no cash or foreign checks) payable to “Department of State.” It will take four to eight weeks to receive the form. For more information, the Vital Records Section can be reached at (202) 955-0307.

If the student is over 18 and the birth wasn’t registered, she can file a self-petition for a “Certificate of Citizenship” to any local USCIS office (Form N-600). Proof of the parents’ U.S. citizenship at the time of the student’s birth must be provided.

Child Citizenship Act (CCA)

The CCA became effective on February 27, 2001. As of that date, foreign-born children who are not U.S. citizens at birth become citizens once these conditions are met:

- At least one parent (biological or adoptive) is a U.S. citizen;
- The children live in the legal and physical custody of that parent;
- They are under 18 years of age; and
- They are admitted as immigrants for lawful permanent residence.

Children newly entering the country who are adopted abroad prior to the issuance of their IR-3 visa (for orphans) or IH-3 visa (for children from Hague Convention countries) become citizens upon arrival. They should receive a certificate of citizenship within 45 days instead of receiving a permanent resident card and then filing Form N-600 to request a certificate.

Children who are adopted after being admitted to the U.S. with an IR-4 visa (for orphans) or IH-4 visa (for children from Hague Convention countries) become citizens once their adoption is full and final. Parents of these and other children who do not automatically receive a certificate of citizenship can get one by filing Form N-600.

For more information, contact the USCIS, visit their website at www.uscis.gov, or see the State Department’s intercountry adoption website at <http://adoption.state.gov/>.

NONCITIZEN MATCH WITH THE DHS

The DHS assigns to all legal immigrants an A-number, which FSA uses to verify the immigration status of permanent residents and other eligible noncitizens. If the applicant indicates on the FAFSA that he is an eligible noncitizen and provides an A-Number, identifying information is sent to the DHS for primary (and, if necessary, secondary) verification.

The results of the match are shown by a match flag in the “FAA Information” section of the output document, under the heading “DHS” on the ISIR or “DHS Match Flag” on the SAR. There will also be a comment about the results on the output document.

Because all applications are matched with the SSA, an application with an A-number will be matched with both DHS and SSA records. If results are received from both matches, only those from DHS will display on the ISIR; the SSA results will be suppressed.

If a student leaves the citizenship question blank but provides an A-number, the CPS will attempt to match with DHS records. If the student leaves both the citizenship question and A-Number blank, the CPS will reject the application. The output document will explain that SSA was unable to confirm that the student is a U.S. citizen. She must submit a correction with the citizenship status and A-number if she is an eligible noncitizen.

▼ *Successful match.* If the match confirms the student’s immigration status as an eligible one, he can receive aid if the other eligibility criteria are also met. Comment code 143 will appear on the SAR and ISIR, and the successful match results are documentation of the student’s eligibility. Of course, if you have other information about his status that seems to contradict the successful match result, you must resolve the conflict before paying the student (see “Conflicting Information” in Chapter 1).

▼ *Record was not sent to DHS.* The match won’t be attempted if the student left the citizenship question blank (comment code 068), if she said she was an eligible noncitizen but provided either no A-number or an illegible or invalid one (code 142), or if she changed her response to the citizenship question or changed her A-number after previous verification by the DHS (code 141). Instead, the student will receive a C code and a comment explaining the problem and directing her to provide the school with documentation of her eligibility. Compare the document with the SAR/ISIR to determine the appropriate action. If you or the student corrects the A-number and resubmits it so that the match can be conducted, and her eligibility is confirmed, the C code will not appear on the new ISIR. If a correction is not required,

the C code will remain, but you should put documentation in the student's file as proof that her record is correct.

Note that students who are citizens of the Marshall Islands, the Federated States of Micronesia, and Palau won't pass the DHS match because they don't have A-numbers to report. While these students aren't required to provide proof of their eligible noncitizen status, you may request their citizenship documentation and copy it for their record if necessary.

▼ *DHS has not yet confirmed the student's noncitizen status. DHS will continue to check its records.* The SAR and ISIR will have comment code 144 and a DHS match flag of "N" (for no match) and a DHS secondary confirmation match flag of "P" (indicating that the procedure is still in progress). The DHS will continue to check its records in a process called **automated secondary confirmation**. Within three days, the CPS should generate a SAR and ISIR showing one of the responses in the margin.

The school should wait at least five but no more than 15 business days for the result of automated secondary confirmation. If the result has not been received by that time, the school must begin the paper process.

A correction made while the DHS is conducting the automated secondary confirmation will start the process over, i.e., the correction will be sent through primary confirmation. Though unlikely, if the new primary confirmation match yields a "Y," the transaction can be used to award aid. A correction made to a transaction that contains secondary confirmation results of "Y" or "C" (or a transaction with a primary confirmation result of "Y") will not be sent through the DHS citizenship match again. Otherwise the record will be re-sent for matching.

G-845 PAPER SECONDARY CONFIRMATION

If the student didn't pass automated secondary confirmation or if you have conflicting information about his immigration status after receiving a match result, you must use paper secondary confirmation. The student must give you unexpired documentation that shows he is an eligible noncitizen. If you determine the evidence is not convincing, he isn't eligible for FSA funds. But if the documentation appears to demonstrate that he is an eligible noncitizen, you must submit it to the USCIS (in the DHS) to confirm it is valid. One exception to this applies to victims of human trafficking, as noted below.

You must always examine and copy original immigration documents, and you must keep a copy in the student's file with the secondary confirmation results from the USCIS. While generally not permitted, you may legally photocopy immigration documents (such as Forms I-551 or I-94) when a person needs to prove his immigration status for a lawful purpose such as applying for Federal Student Aid.

Eligible noncitizens and documentation

- **Lawful permanent residents** are noncitizens who are legally permitted to live and work in the U.S. permanently. The standard document is the Permanent Resident Card (Form I-551 since 1997) or Resident Alien Card (Form I-551 before 1997). Both forms are referred to colloquially

Automated secondary confirmation match flags and comment codes

Y, 120: The student's eligibility has been confirmed. You can process his aid.

C, 105: The DHS has not yet been able to confirm that the student is an eligible noncitizen. The school is required to wait 10 business days for another ISIR with an updated match result. If there is no update, the school begins the paper (G-845) secondary confirmation process.

N, 046: The DHS did not confirm the student's immigration status as eligible. The school begins paper secondary confirmation.

X, 109: The DHS did not have enough information to determine the student's status. The school begins paper secondary confirmation.

Conditions requiring secondary confirmation

34 CFR 668.133(a)

School policies and procedures on secondary confirmation

34 CFR 668.134–135

Help

The G-845 form can only be used after primary and automated secondary confirmation with DHS. If you have questions or if the form is returned to you by DHS with a request for more information, call the Customer Care and Research Center at 1-800-433-7327 for assistance.

Use of copy of I-94 or I-94A

Note that a refugee or an asylee may apply for permanent-resident status. During the period in which the application is being reviewed, the student may have a copy of the I-94 that includes the endorsement “209a (or 209b) pending. Employment Authorized.” Students with this form of documentation are eligible for FSA funds as long as the I-94 has not expired.

as “green cards,” though they have changed color over the years. Possessors of the older Alien Registration Receipt Card (Form I-151, issued prior to June 1978) should have replaced it with a newer card, but for receiving FSA funds it is acceptable as evidence of permanent residence.

Permanent residents may also present an Arrival/Departure Record (CBP Form I-94) or the Departure Record (Form I-94A, which is used at land border ports of entry) with the endorsement “Processed for I-551. Temporary Evidence of Lawful Admission for Permanent Residence. Valid until _____. Employment Authorized.” The form will have an A-Number annotated on it and is acceptable if the expiration date has not passed.

The U.S. Department of State issues a machine readable immigrant visa (MRIV) in the holder’s passport. The MRIV will have a U.S. Customs and Border Protection (CBP) inspector admission stamp, and the statement “UPON ENDORSEMENT SERVES AS TEMPORARY I-551 EVIDENCING PERMANENT RESIDENCE FOR 1 YEAR” will appear directly above the machine readable section. An MRIV with this statement, contained in an unexpired foreign passport and endorsed with the admission stamp, constitutes a temporary I-551, valid for one year from the date of endorsement on the stamp.

The USCIS issues the United States Travel Document (mint green cover), which replaced the Reentry Permit (Form I-327) and the Refugee Travel Document (Form I-571). It is used by lawful permanent residents (as well as refugees and asylees) and is annotated with “Permit to Reenter Form I-327 (Rev. 9-2-03).”

If the student has an I-551 with a baby picture, she should update the I-551 with the USCIS. Permanent residents are expected to get a new picture and be fingerprinted at the age of 14. But you can submit the documents to USCIS and pay a student who has an I-551 with a baby picture as long as you can confirm that it belongs to the student. You can do this by comparing the I-551 to a current photo ID that has the student’s name, date of birth, and signature. The current ID must also be consistent with any identifying information in the student’s file.

A student who has an approved application for permanent residence on file with the USCIS and who is waiting for a permanent resident card may not have proof of her permanent resident status. She should contact her local USCIS office for the passport stamp or I-94 stamp described at the end of this chapter, as these are available to a student before the normal permanent resident documentation is issued. Note that an **application** for permanent resident status is not sufficient for determining eligibility for FSA funds.

If a person is applying to suspend deportation, she must request a hearing before an immigration law judge who will render an oral or written decision. If that is favorable, the USCIS will give the applicant a Form I-551, which will certify her lawful permanent resident status. There is no special category for persons who have been granted suspensions of deportation.

- **Conditional resident aliens** are eligible for aid if their documentation has not expired. They may have a valid I-551, I-94, I-94A, or a passport with an MRIV bearing the statement “Upon endorsement serves as temporary I-551 evidencing permanent residence for 1 year.”

The Marriage Fraud Amendments established a two-year conditional permanent resident status for alien spouses of U.S. citizens or legal immigrants whose marriage took place less than two years before the spouse applied for permanent resident status. This status may also apply to any of the spouse’s children who are aliens.

A Form I-551 of a conditional permanent resident alien is the same I-551 that is issued to regular permanent residents, except that the card for a conditional permanent resident expires in two years, as opposed to 10 years for the regular card. A conditional permanent resident must file a petition for removal of this restriction in the 90 days before the end of the two years. The USCIS will review the petition and, if the result of the review is satisfactory, drop the restriction and issue new documents.

For classes of eligible noncitizens other than permanent residents, evidence of their status typically is on the I-94, but other documents are also acceptable.

- **Refugees** are given indefinite employment authorization. Their status continues unless revoked by DHS or until lawful permanent resident status is granted, which refugees apply for after one year. They may have a Form I-94 or I-94A annotated with a stamp showing admission under Section 207 of the Immigration and Nationality Act (INA). They may also have the old Refugee Travel Document (Form I-571) or the newer U.S. Travel Document annotated with “Refugee Travel Document Form I-571 (Rev. 9-2-03).”
- **Persons granted asylum** in the United States are also authorized for indefinite employment, and they can apply for permanent residence after one year. Asylee status continues unless revoked by DHS or until permanent resident status is granted. Asylees will have an I-94 or I-94A with a stamp showing admission under Section 208 of the INA. They may also have the same travel documents described for refugees.
- **Persons paroled into the U.S. for at least one year** must provide evidence (such as having filed a valid permanent resident application) from the DHS that they are in the U.S. for other than a temporary purpose and intend to become a citizen or permanent resident. Their documentation must have a stamp indicating that the student has been paroled into the United States for at least one year, with a date that has not expired. (Federal Student Aid cannot be disbursed after the document has expired.)
- **Cuban-Haitian entrants** as defined by Section 501(e) of the Refugee Education Assistance Act (REAA) of 1980. These are Cubans who entered the United States illegally between April 15 and October 10, 1980, and Haitians who entered the country illegally before January 1,

Jay Treaty

There is one unusual circumstance where you will need to collect documentation from the student without requiring secondary confirmation. Section 289 of the Immigration and Nationality Act (INA) gives persons with at least 50% Native American blood who were born in Canada the legal right to live and work in the United States. This is based on the Jay Treaty of 1794 and subsequent court decisions. Such individuals are not subject to the legal restrictions typically imposed on aliens by the DHS, are not required to obtain documentation from the DHS, and are considered “lawfully admitted for permanent residence.” They also are permitted to have an SSN, which they must enter on the FAFSA.

Because few FSA applicants are eligible under the INA, the FAFSA does not include a separate response for them. Therefore, a student eligible for FSA funds under the INA should report that she is an “eligible noncitizen” and fill in “A999999999” for the A-Number. She will fail the match, and a comment 144 will be printed on the output document. The school must obtain proof that the student has 50% Native American blood and was born in Canada. To do so, the student should provide one or more of the following documents:

- A “band card” issued by the Band Council of a Canadian Reserve, or by the Department of Indian Affairs in Ottawa;
- Birth or baptism records;
- An affidavit from a tribal official or other person knowledgeable about the applicant’s or recipient’s family history;
- Identification from a recognized Native American provincial or territorial organization.

If the student can provide one of the above forms of documentation and is otherwise eligible, the school must document the file and can award FSA funds.

Documentation for Cuban-Haitian entrants

The I-94 for some Cuban-Haitian entrants who are applying for permanent residence may be stamped “applicant for permanent residence.” (Or the student may instead be given a separate document acknowledging the receipt of his or her application for permanent residence.) Because the application for permanent residence is not sufficient to make a student eligible for FSA funds, a student who is a Cuban-Haitian entrant must request documentation of that status from the USCIS.

1981. Students will have a stamp across the face of the I-94 indicating that they have been classified as a “Cuban-Haitian Entrant (Status Pending). Reviewable January 15, 1981. Employment authorized until January 15, 1981.” Note that a document showing that the holder is a Cuban-Haitian entrant is valid even if the expiration date has passed.

- **Conditional entrants** are refugees who entered the United States under the seventh preference category of P.L. 89-236 or whose status was adjusted to lawful permanent resident alien under that category. They had to have entered the U.S. prior to the enactment of the Refugee Act of 1980. Students may have an I-94 with a stamp displaying “Section 203(a)(7)” and indicating that the person was admitted to the United States as a conditional entrant. Because the predecessor of the DHS stopped using this category after March 31, 1980, you should not disburse FSA funds if the student has an I-94 with conditional entrant status granted after that date.

As of January 2005, the stamps mentioned use red and blue security ink: the date of admission is red, and the rest of the stamp is blue. The stamp contains three codes: the first is a two-digit code to the left of the date that designates the field office with jurisdiction over the port of entry. On most stamps this code will be two numbers and no letters. Letters are currently only used on HQ stamps. The three-letter code located under the word “ADMITTED” shows the port of entry. The third code, to the right of the date, is the stamp’s unique four-digit number. When referring to a particular stamp, the port of entry code and the stamp’s unique number should be used.

The endorsement or stamp can be placed anywhere on the I-94. If the original stamp does not copy well due to the ink color, you should replicate it by hand on the photocopy. Because CBP offices don’t have uniform procedures or stamps, you should contact the local office with questions regarding acceptable immigration documents.

- **Victims of human trafficking** have the same eligibility for federal benefits as refugees under the Victims of Trafficking and Violence Protection Act (VTVPA), though the Department of Health and Human Services (HHS), rather than the DHS, is responsible for certifying this status. Because of this, these students will not pass the DHS match, and the normal paper secondary confirmation does not apply. You must instead review the student’s certification or eligibility letter from the HHS and call the Office of Refugee Resettlement at 1-866-401-5510, as noted on the letter, to verify its validity and confirm that the eligibility has not expired. You must note the date, time, and results of the call and retain a copy of the letter. If the student applies for Federal Student Aid in a subsequent year at your school, you must call again to ensure that the student’s status is still in force.

The spouse, child, or parent of a trafficking victim might be eligible for aid. He will not have a certification letter but will have a T-visa (e.g., T-2 or T-3). He will also fail the DHS match, so you must call the same office as above, verify the validity of his T-visa as well as the victim’s certification letter, note the time and results, and save a copy of both documents.

Victims of human trafficking

DCL GEN-06-09

- **Battered immigrants-qualified aliens** are victims of domestic violence by their U.S. citizen (U.S.C.) or lawful permanent resident (L.P.R.) spouses. They may, with their designated children, be eligible under the Violence Against Women Act (VAWA) for federal public benefits, including Federal Student Aid. Information on these immigrants is not maintained in the system used for matching between the Department and DHS, so there is a separate procedure for establishing eligibility for these students.

Battered immigrants-qualified aliens

DCL GEN-10-07

They indicate on the FAFSA that they are eligible noncitizens, though they will not pass the DHS match. Instead, they will need to obtain and provide you documentation based on their case type: self-petition, suspension of deportation, or cancellation of removal.

In **self-petitioning cases** under VAWA, the immigrant submits an I-360 form to the USCIS, which will deny the petition, approve it, or find that a “prima facie” case has been established. Either an approval or a prima facie finding makes a student eligible for aid, though the latter has an expiration date after which the person becomes ineligible. In some cases the USCIS will acknowledge receipt of a petition. This does not establish eligibility for aid.

With an **approval of a petition**, the USCIS will provide a Form I-797, Notice of Action form, that will indicate it is an approval notice for a self-petitioning spouse of a U.S.C. or L.P.R. and that the petition has been approved. A separate I-797 will be issued with the names and dates of birth of children listed by the applicant, and it will indicate that they are named on the approved petition. These children are eligible for aid, and because their USCIS status continues after reaching the age of majority, their eligibility for aid continues as well. In some cases a dependent child can petition for battered immigrant status; the I-797 would then indicate a self-petitioning child of a U.S.C. or L.P.R.

With a **prima facie case**, the USCIS will issue an I-797 that will sometimes indicate an establishment of prima facie case. This status is usually for a period of up to 180 days, though the USCIS may extend that period until the case is approved or denied. Petitioners can submit a written request for the extension. As long as the deadline has not expired, the person is eligible for FSA funds. Children may be included on the I-797, though their eligibility is subject to the same expiration date. If a spouse is ultimately denied approval, the children on the I-797 would also be denied and ineligible for aid.

The I-797 form has a wider usage by the USCIS than for just the cases described above. Therefore it is important to examine the notice carefully. For example, USCIS may issue a Notice of Deferred Action, which is an administrative choice to give lower priority for removal of an immigrant from the U.S. Such a notice could pertain to cases unrelated to petitions for battered immigrant status, and it would not be sufficient for documentation of a self-petitioner. Moreover, it generally will have a termination date; a student with a petition approval or an establishment of prima facie case will be eligible for aid through that date and ineligible afterward.

VAWA verification

U.S. Citizenship and Immigration
Services
10 Fountain Plaza, 3rd Floor
Buffalo, NY 14202
Attn: Immigration Status Verification
Unit

An immigration judge may issue a **suspension of deportation** of the abused person under the VAWA. The applicant will receive a copy of the court order. As long as it has not expired and clearly indicates suspension of deportation by the judge, an otherwise eligible person can receive FSA funds.

An immigration judge can also issue a **cancellation of removal** of the abused person under the VAWA. The applicant will receive a copy of the court order. As long as that has not expired and clearly indicates cancellation of removal by the judge, an otherwise eligible person can receive FSA funds.

You must examine the USCIS document and keep a copy in the student's file. If it indicates he is eligible for aid and the expiration date has not passed, you may award aid. If the student applies for FSA funds in a subsequent year, you may rely on the original document if it has not expired, but you must have the student provide a dated, written statement that his immigration status under VAWA remains in effect without change. If his documentation has expired, he must renew it.

If documentation is lost or expired or if you are unclear about it, submit a completed G-845 form and attach a copy of the document(s). Check "Box 8—Other" of the form and specify "VAWA verification" and submit the items to USCIS at the address (which is not that of the Buffalo field office) in the margin. The student's eligibility for aid will be based on the result of the submission.

Ineligible statuses and documents

- **Persons with nonimmigrant visas** include those with work visas, students, visitors, and foreign government officials. Someone with a nonimmigrant visa isn't eligible for FSA funds unless she has a Form I-94 with one of the endorsements given in the eligible document section. Nonimmigrant visas include the F-1, F-2, or M-1 Student Visa, B-1 or B-2 Visitor Visa, J-1 or J-2 Exchange Visitors Visa, H series or L series Visa (which allow temporary employment in the U.S.), or a G series Visa (pertaining to international organizations). Someone who has only a "Notice of Approval to Apply for Permanent Residence (I-171 or I-464)" cannot receive FSA funds.
- **Family unity status** individuals have been granted relief from deportation under the Family Unity Program. They may present an approved Form I-817, Application for Family Unity Benefits. Previously they were eligible for FSA funds, but they are no longer eligible.
- **Temporary residents** are allowed to live and work in the U.S. under the Legalization or Special Agricultural Worker program. Previously they were eligible for FSA funds, but they are no longer eligible.
- **Illegal aliens under the legalization (also called the amnesty) program** established by the Immigration Reform and Control Act of 1986 (IRCA). These individuals were given documentation that allowed them

to work while their application for permanent resident status was being processed, but they aren't eligible for aid unless their application was approved. Documents they might have in the interim are the Employment Authorization Card (Form I-688A), Employment Authorization Documents (Form I-688B or the I-766), or the Temporary Resident Card (Form I-688). None of these documents qualifies a student for FSA.

- **Students with “Temporary Protected Status”** stamped on their I-94 forms. This is used for persons who are from countries that are in upheaval, but the status differs significantly from refugee or asylee because it provides no conversion to permanent resident status. These students are not eligible for FSA funds.

If the document a student submits is for an ineligible status, you shouldn't submit the documentation for secondary confirmation. The USCIS can only confirm current immigration status based on the document presented; it doesn't determine whether the student is eligible for FSA funds. Unless the student can submit documentation for an eligible status, as described above, the student can't receive aid.

Using the G-845 for secondary confirmation

To initiate paper secondary confirmation, you must complete a Form G-845 and send it to the USCIS field office for your area within 10 business days of receiving the student's documentation. The G-845 (“Immigration Status/Document Verification Request”) is a standard form that asks the USCIS to confirm a noncitizen's immigration status. See the electronic announcement dated March 4, 2010, on the www.ifap.ed.gov website for more information on where to send the form and to download a copy of it.

To complete the G-845, fill in each item on the top half of the form. You must enter the A-Number in box 1. **For box 5 you must provide the 15-digit DHS verification number that is printed in the match flag section of the SAR and ISIR. Paper G-845 requests without this number will be returned unprocessed.** “Education Grant/Loans/Workstudy” must be marked in box 8, “Benefit.” Also, at the bottom of box 8, write “SSN” in the space marked “Other” and the student's SSN in the space next to it. You must write your name as the submitting official and your school's name as the submitting agency. Enter the DHS field office in the “To” space and your school's name and address in the “From” space in the right column.

Photocopies of the front and back sides of the student's immigration document must be attached to the G-845. Be sure to submit each pertinent visa and immigration document along with the form; the G-845 submitted by itself can't be used to determine FSA eligibility. A student who lost documents or surrendered them when entering prison is responsible for getting copies of them before the G-845 is submitted. (See “Replacing Lost DHS Documents” on page 39.) You can request copies of immigration documents directly from penal institutions at the request of the student. Send the completed G-845 and attachments to the field office serving the prison's locale.

Noncitizens may also present other documents, such as marriage records or court orders, that indicate the identity or United States residency of the holder. Although these documents may not serve as adequate proof of im-

Which G-845 form to use?

You might have noticed that there is a more current version of the G-845 and G-845S forms on the USCIS website. Because the older form we have reproduced here and in our electronic announcements contains useful elements that the new forms lack, such as the checkbox for parolees of one year or longer, you should continue to use it until further notice. The USCIS will process it normally. You can download it from the IFAP website (at www.ifap.ed.gov) by going to the electronic announcement dated March 4, 2010. In late summer or early fall of 2011, USCIS plans to release a new version of the G-845 and discontinue the G-845S. You will be able to use the new form for secondary confirmation; look for it on the USCIS website at www.uscis.gov under “Forms.”



The A-number on the FAFSA and the DHS verification number

When the CPS matches with DHS records, a 15-digit verification number is assigned to the student and printed in the “FAA Information” section of the SAR and ISIR. This number is needed for paper secondary confirmation with the DHS; it is reported in box 5 of the G-845 form. **If the student did not provide an A-number on the FAFSA, the match won't be made and he won't receive a DHS verification number.** He should make a correction to add the A-number so that the data match can be made and he can receive a verification number. If his A-number is eight digits, add a leading zero when making the correction.

Sending the G-845 to the USCIS

Submit the G-845 to the USCIS field office (Los Angeles or Buffalo) that serves your state or territory. See their website at www.uscis.gov. Search on “Direct Filing Addresses for Form G-845.” **Do not send the form to the Department of Education.**

migration status, copies of them should be submitted with the G-845, as they may be useful to the status verifier.

A status verifier at the district USCIS office will search the student’s record to confirm his immigration status, complete the “USCIS Response” section, and send the G-845 back to your office, generally within 10 federal working days of receipt. We recommend that you document any mailings to the USCIS and, if you haven’t heard back, that you call DHS’s Case Resolution Team at (877) 469-2563 to make sure the G-845 was received. See www.uscis.gov/save for contact and other information. If you don’t receive a response from the USCIS after at least 15 business days from the date you sent the G-845, if you have sufficient documentation to make a decision, and if you have no information that conflicts with the student’s documents or claimed status, you shall review his file and determine whether he meets the eligible noncitizen requirements. If he does meet the requirements, make any disbursement for which he is eligible and note in his file that USCIS exceeded the time allotment and that noncitizen eligibility was determined without their verification.

Determining eligibility if USCIS response is late

34 CFR 668.136(b)

When secondary confirmation results in an eligible status, you must keep the G-845. If the confirmation process indicates a discrepancy, you must ask the student to correct the discrepancy with the USCIS. No certification of loans or further disbursement of funds can be made until the discrepancy is corrected. If the discrepancy isn’t reconciled, the student must repay all aid except wages earned under FWS. Whenever the student is able to provide new information, it must be submitted to the USCIS on a new G-845.

As long as you have followed the procedures outlined here, including notifying the student of the discrepancy and withholding further payments and loan certifications as soon as a discrepancy is found, your school isn’t liable for aid disbursed prior to secondary confirmation. This assumes that you had no other conflicting information prior to making the disbursement and had reviewed the available documentation and concluded that the student was otherwise eligible.

Lack of response example

Mikko is a refugee and received aid from Guerrero University for the 2009–10 school year. His status wasn’t confirmed through the DHS match, so Guerrero had to perform secondary confirmation. The DHS didn’t respond in time, so Guerrero paid Mikko without any response. When Mikko applies for 2010–11, the CPS still doesn’t confirm his status. Even though Guerrero began secondary confirmation for Mikko last year and his documents haven’t expired, because the school never received a DHS response, it must perform secondary confirmation again.

Interpreting the USCIS response

The status verifier will mark one or more of the checkboxes on the G-845. The following list explains whether checking a box means the student is eligible. In reviewing the completed G-845, bear in mind that it reflects the student’s most recent status with the USCIS and may show a different status than the documentation presented by the student. In this case, you should verify that both documents identify the same person. If they do, the status on the G-845 should be used since it is more current.

For descriptions of the following immigration statuses, see the earlier sections on eligible and ineligible noncitizens and their documentation:

1. **“Lawful Permanent Resident alien** of the United States.” A student with this status is eligible for FSA funds.
2. **“Conditional Resident alien** of the United States.” A student with this status is eligible for FSA funds.

3. “**Refugee** under Section 207 of the INA.” A student with this status is eligible for FSA funds.
 4. “**Asylee** under Section 208 of the INA.” A student with this status is eligible for FSA funds.
 5. “Alien **paroled** into the United States pursuant to Section 212(d) (5) of the INA ...” The student is eligible for aid if paroled into the U.S. for one year or more (the corresponding subsidiary box must be checked) and if he has evidence from the DHS (such as having filed a valid permanent resident application) that he is in the U.S. for other than a temporary purpose and intends to become a citizen or permanent resident. The new G-845 form that USCIS will issue in 2011 (mentioned in the margin note on page 31) has date fields for the start and end of the parole period. If, for example, the start date were September 22, 2011, and the end date were September 21, 2012, the parole period would be for one year.
- 
6. “Alien who is a **Cuban/Haitian** entrant as defined by Section 501(e) of the REAA of 1980.” A student with this status is eligible for FSA funds.
 7. “Alien who is a **conditional entrant**.” A student with this status is eligible for FSA funds.
 8. “Alien who is a **nonimmigrant**.” Students with this status are not eligible for FSA funds.
 9. “Alien who has an **application pending** for:” This is checked for an alien waiting for a new immigration status or a change of status. If a change is pending, the block indicating the current status will also be checked elsewhere on the G-845. A pending application for an immigration status doesn’t by itself make the student eligible for FSA funds; he must have an eligible status checked on the form or provide other documentation of an eligible status.
 10. “**U.S. citizen**.” Because the verification request is used to check the status of immigrants, this box should be infrequently checked, and you should not see this in the financial aid office because, as explained earlier in the chapter, you would have reviewed the student’s documentation, and if it showed him to be a U.S. citizen, you would not have submitted it to the USCIS.
 11. “Alien **authorized employment** as indicated below:” This indicates the expiration date or that there is no expiration. Employment authorization doesn’t make the student eligible for FSA funds. Unless some eligible status is also checked or the student can provide other documentation that can be confirmed by the USCIS, the student isn’t eligible for aid.
 12. “Alien not authorized employment in the United States.” This block is checked when an alien’s status prohibits employment in the United States. Students with this status aren’t eligible for aid.

G-845 form response

The status verifier at the USCIS field office will note on the G-845 form the immigration status the student’s documentation supports. **The form does not directly state whether the student is eligible for FSA funds.** To determine that, you must check the result of the status check as it appears on the G-845 against the information on eligible noncitizen statuses provided in this chapter.

Status not confirmed example

On his original application Hector didn’t give his A-Number and reported that he was a citizen. When the SSA didn’t confirm this, Hector told the aid administrator at Guerrero University that he was a permanent resident. He made a correction, but the USCIS didn’t confirm his status as an eligible noncitizen. He explained to the administrator that he had applied for permanent resident status but didn’t have documentation yet. The administrator told him that when he had documentation that his application was approved, he should bring it to Guerrero so that it could be submitted to the USCIS for confirmation.

Citizenship and Immigration Services will initial and stamp the front of the G-845 in the signature block.

The comments block on the back of the G-845 provides further instructions for boxes that are checked:

13. “The document is not valid because it appears to be . . .” This and the appropriate subsidiary box are checked when the document has expired, been revoked, or when it appears to be counterfeit or altered. Notify the student that unless corrective action is taken with the USCIS, the case will be submitted to the Office of Inspector General (OIG). Until this is resolved, no further aid may be disbursed, awarded, or certified. If the student does not take corrective action in a timely manner, you must report the case to the OIG.
14. “The attached Form I-551, Permanent Resident Card or Resident Alien Card, has expired. The card does not indicate that the alien’s status has expired. The expiration date on the Form I-551 indicates the card has expired and must be renewed. Please refer the applicant to their local USCIS Application Support Center for a replacement card.” Students whose LPR card has expired are still lawful permanent residents, and if there are no other problems, they remain eligible for aid and should not be reported to the OIG.
15. “Continue to process as legal alien. USCIS is searching indices for further information.” This block is checked if the USCIS is withholding judgment, pending further investigation on the status or validity of documentation. This statement doesn’t imply that the applicant is an illegal alien or the holder of fraudulent documentation. Benefits shouldn’t be denied on the basis of this statement.

The student’s documentation should be accepted at face value until the USCIS sends final notification regarding immigration status. If the student appears to be an eligible noncitizen based upon your review of the documents, you may pay the student any FSA funds for which she is eligible. If the USCIS later notifies you that the student’s documentation isn’t valid, you must cancel further disbursements, but your school isn’t liable for the payments already made—the student is.

16. “Copy of document is not readable.” Resubmit the G-845 with higher quality copies of the original documentation.
17. “No determination can be made without seeing a copy of both sides of the document submitted.” Resubmit the G-845 with copies of both sides of each document.
18. “Unable to process request without an original consent of disclosure statement signed by the applicant.” Ignore this comment; it does not apply to FSA applicants.

Department of Homeland Security
U.S. Citizenship and Immigration Services

**G-845, Immigration Status/
Document Verification Request**

Section A. -To be completed by the submitting agency.

To: U.S. Citizenship and Immigration Services (USCIS)

Attn: Status Verifier

From: Typed or Stamped Name and Address of submitting Agency

(USCIS may use above address with a No. 20 window envelope.)

1. Alien Registration Number or I-94 Number

2. Applicant's Name (Last, First, Middle)

3. Citizenship/Nationality

4. Date of Birth (mm/dd/yyyy)

5. Verification Number

6. Photocopy of Document Attached.
(If printed on both sides, attach a copy of the **front and back**.)

7. Other Information Attached (*Specify documents.*)

8. (Benefit)	(Your Case Number)
<input type="checkbox"/> Education Grant/Loans/Workstudy	
<input type="checkbox"/> Food Stamps	
<input type="checkbox"/> Housing Assistance	
<input type="checkbox"/> Medicaid/Medical Assistance	
<input type="checkbox"/> TANF	
<input type="checkbox"/> Unemployment Insurance	
<input type="checkbox"/> Other (<i>specify</i>)	

9. Name of Submitting Official

10. Title of Submitting Official

11. Date (mm/dd/yyyy)

12. Telephone Number ()

For U.S. Department of Labor Use Only: Provide 18-months of employment authorization document history data under No. 19, "Other" on Page 2.

Section B. -To be completed by USCIS.

USCIS RESPONSES: From the documents or information submitted and/or a review of our records, we find that:

The person identified is a/an:

1. **Lawful Permanent Resident alien** of the United States.

2. **Conditional Resident alien** of the United States.

3. **Refugee** under Section 207 of the INA.

4. **Asylee** under Section 208 of the INA.

5. Alien **paroled** into the United States pursuant to Section 212(d)(5) of the INA as indicated below:

a. For a period of one year or more.

b. For a period of less than one year.

6. Alien who is a **Cuban/Haitian** entrant as defined by Section 501(e) of the REAA of 1980.

7. Alien who is a **conditional entrant**.

8. Alien who is a **nonimmigrant**.
(Specify type or class and admitted to date.)

9. Alien who has an **application pending** for:
(Specify USCIS benefit below.)

10. **U. S. citizen.**

11. Alien **authorized employment** as indicated below:

a. No Expiration (Indefinite).

b. Expires on: _____
(mm/dd/yyyy)

12. Alien not authorized employment in the United States.

See Page 2 for additional comments.

USCIS Stamp

Section B. (Continued.)

USCIS Comments

13. The document is not valid because it appears to be *(Check all that apply):*
- a. Expired *(Provide expiration date - mm/dd/yyyy.)* _____
- b. Altered.
- c. Counterfeit.
- d. Revoked *(Provide revocation date - mm/dd/yyyy.)* _____
14. The attached Form I-551, Permanent Resident Card or Resident Alien Card, has expired. The card does not indicate that the alien's status has expired. The expiration date on the Form I-551 indicates the card has expired and must be renewed. Please refer the applicant to their local USCIS Application Support Center for a replacement card.
15. Continue to process as legal alien. USCIS is searching indices for further information.
16. Copy of document is not readable. *(Resubmit request.)*
17. No determination can be made without seeing a copy of both sides of the document submitted. *(Resubmit request.)*
18. Unable to process request without an original consent of disclosure statement signed by the applicant. *(Resubmit request.)*
19. Other *(Provide comments. Attach additional sheet of paper, if necessary.)*

Instructions

- **Submit a copy of the front and back of the alien's original immigration documentation.**
- **Make certain a complete return address has been entered in the "From" portion of the form.**
- The Alien Registration Number ("A" Number) is the letter "A" followed by a series of seven, eight or nine digits. The number found on Form I-94 may also be recorded in the block. (Check the front and back of the Form I-94 document. If the "A" Number appears, record that number when requesting information, instead of the longer admission number, because the "A" Number refers to the most integral record available.)
- If Form G-845 is submitted without a copy of the applicant's original immigration documentation, it will be returned to the submitting agency without any action taken.
- Address this verification request to the local office of the U.S. Citizenship and Immigration Services.

Student rights

You must allow the student at least 30 days from the time you receive the output document to provide documentation of his immigration status. During this period and until the results of the secondary confirmation are received, you can't deny, reduce, or terminate aid to him. If the documentation supports the student's status as an eligible noncitizen, and if at least 15 business days passed since the date on which the documentation was submitted to the USCIS, you can disburse aid to an otherwise eligible student pending the USCIS response.

Your school isn't liable if you erroneously conclude that a student is an eligible noncitizen, provided that you had no conflicting data on file and you relied on:

- a SAR or ISIR indicating that the student meets the requirements for Federal Student Aid,
- a USCIS determination of an eligible immigration status in response to a request for secondary confirmation, or
- immigration status documents submitted by the student, if the USCIS did not respond in a timely fashion.

The student (or parent borrower of a PLUS loan) is liable for any FSA funds received if he is ineligible. If you made your decision without having one of these types of documents, your school is held responsible for repaying FSA funds to the Department.

Your school should establish procedures to ensure due process for the student if FSA funds are disbursed but the aid office later determines (using secondary confirmation) that the student isn't an eligible noncitizen. The student must be notified of his ineligibility and given an opportunity to contest the decision by submitting to your school any additional documents that support his claim to be an eligible noncitizen. If the documents appear to support the student's claim, you should submit them to USCIS using paper secondary confirmation. You must notify the student of your office's final decision based on the secondary confirmation results.

For every student required to undergo secondary confirmation, you must furnish written instructions providing:

- an explanation of the documentation the student must submit as evidence of eligible noncitizen status;
- your school's deadline for submitting documentation (which must be at least 30 days from the date your office receives the results of the primary confirmation);
- notification that if the student misses the deadline, he may not receive FSA funds for the award period or period of enrollment; and
- a statement that you won't decide the student's eligibility until he has a chance to submit immigration status documents.

Procedures when ineligibility is determined after disbursement

34 CFR 668.136(c)

The Freely Associated States

The Compact of Free Association (P.L. 99-239) created three political entities from the former Trust Territory of the Pacific Islands. Two of these entities, the Marshall Islands and the Federated States of Micronesia, voted in 1986 to end political ties with the United States. The third entity, Palau, voted to ratify the compact in 1994; its independence was effective October 1, 1994. These three entities are the Freely Associated States.

34 CFR 600.2

No FSEOG and FWS

The Compact of Free Association Amendments Act of 2003, or the Compact Act, eliminates eligibility for citizens of the Republic of the Marshall Islands (RMI) and the Federated States of Micronesia (FSM) for FSEOG and FWS funds. To mitigate this loss, the Compact Act authorizes Supplemental Education Grants (SEGs) that may be awarded to the FSM and RMI. For more information, students of the FSM and RMI should contact their local education authority. Also under the Compact Act, students who are citizens of the Republic of Palau will continue to be eligible for FWS and FSEOG through the 2011–12 year.

CITIZENS OF THE FREELY ASSOCIATED STATES

Students who are citizens of the Freely Associated States—the Federated States of Micronesia and the republics of Palau and the Marshall Islands—are eligible for Pell grants (citizens of Palau are also eligible for FWS and FSEOG; see the margin note) but are not eligible for FSA loans. They should indicate on the FAFSA that they are eligible noncitizens and leave the A-Number item blank. If the student doesn't have an SSN, he enters 888 and ED will give him a number to use, or if he was given a number in the previous year, he should use that. Because he isn't giving an A-Number, his application won't go through the DHS match. As long as his file contains consistent information on his citizenship, you aren't required to collect documentation.

Citizens of the Freely Associated States whose applications were sent through FAA Access to CPS Online may indicate that they are eligible noncitizens, and their state of legal residence will be confirmed. If they are determined to be residents of the Freely Associated States, they won't be required to provide an A-Number.

DOCUMENTING IMMIGRATION STATUS IN LATER AWARD YEARS

There are several cases in which you must document a student's immigration status in a subsequent award year if that student again is not confirmed through the application process.

For example, a student who presented a Temporary Form I-551 in a prior award year should have received a permanent I-551 by the next year and shouldn't still have a temporary card. You should refer the student to USCIS to obtain a permanent I-551 or an updated endorsement on the previous card. The documents should also be submitted to USCIS on a G-845.

You must also document the eligible noncitizen status each award year for a conditional permanent resident, a refugee, a Cuban-Haitian entrant, or a person granted asylum. Students in any of these categories may have been redesignated to permanent-resident status or may have had their statuses revoked. You will have to send the documents for secondary confirmation if the student's status isn't confirmed through the USCIS match.

You don't have to document a student's eligible noncitizen status in subsequent award years if you've documented that the student is a U.S. citizen or national, is a citizen of the Freely Associated States, or has a Form I-551 or I-151.

In addition, you aren't required to perform secondary confirmation if for a previous award year it showed that the student was an eligible noncitizen and the documents used for that secondary confirmation haven't expired. You must also have no conflicting information or reason to doubt the student's claim of having eligible noncitizen status. Also note that you must have **confirmed the status** in a previous award year. (Although you can disburse aid without the USCIS response if the USCIS doesn't respond in time, you can't count that lack of response as confirmation for the following year.)

REPLACING LOST DHS DOCUMENTS

If a student can't locate his official USCIS documentation, the student must request that the documents be replaced because noncitizens who are 18 years and older must have immigration documentation in their possession at all times while in the United States. Requests for replacement documents should be made to the USCIS District Office that issued the original documents.

The student will be asked to complete a Form I-90, "Application to Replace Alien Registration Card" or a Form I-102, "Application for Replacement/Initial Nonimmigrant Arrival-Departure Document." PDF versions of these forms can be downloaded from the USCIS web site at www.uscis.gov. A temporary I-94 may be issued while the replacement documents are pending.

In cases of undue hardship, where the student urgently needs documentation of his status, the Freedom of Information Act (FOIA) allows him to obtain photocopies of the documents from the USCIS District Office that issued the original documents. The student can submit a Form G-639 to make this request or can simply send a letter to the district office. If he is not sure which district office issued the original documents, he can submit the request to the field office nearest to his place of residence.

Exclusion from subsequent secondary confirmation

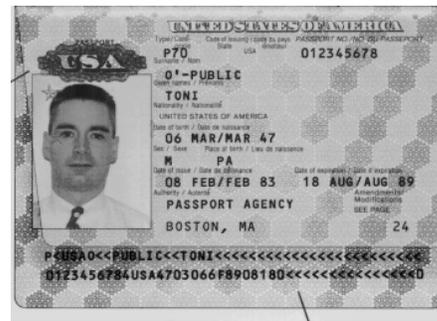
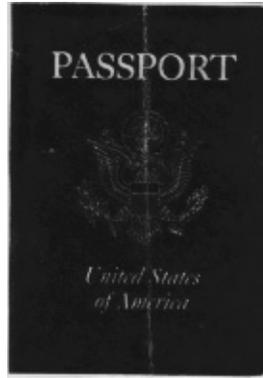
34 CFR 668.133(b)

CITIZEN NOT BORN IN U.S./NONCITIZEN NATIONAL

U.S. Passport

Can be used to document citizenship for citizen born abroad.

For a noncitizen national, must be stamped “Noncitizen National.” (Note that a passport issued by another country may be used to document permanent resident status if it has the endorsement “Processed for I-551” and has a currently valid expiration date.)



U.S. Passport Card

This resembles a credit card in size and form. Though it cannot be used for international air travel, it is, like the passport book, proof of U.S. citizenship.



Certificate of Citizenship

The Certificate of Citizenship is issued to persons who were born abroad of U.S. parent(s), who became citizens when their parents were naturalized, or who were adopted by U.S. parents.

Certification of Birth Abroad

Issued to U.S. citizens born abroad. Must have embossed seal of the State Department.



Certificate of Naturalization
The Certificate of Naturalization is issued to naturalized U.S. citizens.



A revised version of the Certificate of Naturalization is issued to citizens who filed for naturalization after October 1, 1991.



PERMANENT RESIDENT/OTHER ELIGIBLE NONCITIZEN

I-94 Arrival-Departure Record

For permanent resident status, must be stamped “Processed for I-551” with expiration date or “Temporary Form I-551” with appropriate information filled in.

For other eligible noncitizens, must be stamped as Refugee, Asylum Status, Conditional Entrant (before April 1, 1980), Parolee, or Cuban-Haitian Entrant. See pages 27–28.

Departure Number
742831632 01

**U.S. IMMIGRATION
250 WAS 177**

SEP 13 1991

**ADMITTED B-2
UNTIL MARCH 12, 1992**

14. Family Name
DOE

15. First (Given) Name
JOHN

16. Birth Date (Day/Mo/Yr)
01/01/91

17. Country of Citizenship
ENGLAND

See Other Side STAPLE HERE

Warning - A nonimmigrant who accepts unauthorized employment is subject to deportation.

Important - Retain this permit in your possession; you must surrender it when you leave the U.S. Failure to do so may delay your entry into the U.S. in the future. You are authorized to stay in the U.S. only until the date written on this form. To remain past this date, without permission from immigration authorities, is a violation of the law.

Surrender this permit when you leave the U.S.:

- By sea or air, to the transportation line;
- Across the Canadian border, to a Canadian Official;
- Across the Mexican border, to a U.S. Official.

Students planning to reenter the U.S. within 30 days to return to the same school, see “Arrival-Departure” on page 2 of Form I-20 prior to surrendering this permit.

Record of Changes

Port: Departure Record

Date:

Carrier:

Flight #/Ship Name:

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402

NSLDS Financial Aid History

Students who have previously attended other colleges may have a financial aid history that affects their eligibility for FSA funds at your school. You can review a student's financial aid history by using the National Student Loan Data System (NSLDS) online at www.nslsdfap.ed.gov; for questions call 1-800-999-8219. NSLDS will also help you track changes to the student's financial aid history through the postscreening and transfer student monitoring processes.

A person generally isn't eligible for FSA funds if he is in default on an FSA loan or he owes an overpayment on an FSA grant or loan and he has not made a repayment arrangement for the default or overpayment. Also, for a parent to receive a PLUS Loan, neither the parent nor the student may be in default or owe an overpayment on an FSA loan or grant (though a parent in default on a PLUS loan does not make a student ineligible for aid). Exceptions to these general rules are noted in the discussion below.

Any student applying for FSA funds must certify that he isn't in default on any FSA loan and doesn't owe an overpayment on any FSA grant, or that he has made satisfactory arrangements to repay the overpayment or default. This certification statement is printed on the *Free Application for Federal Student Aid* (FAFSA).

A student is also ineligible if she inadvertently exceeded annual or aggregate loan limits. She can regain eligibility by repaying the extra amount borrowed or making arrangements, satisfactory to the loan holder, to repay it. See *Volume 5* of the FSA Handbook.

A student who has been convicted of, or has pled no contest or guilty to, a crime involving fraud in obtaining FSA funds must have completely repaid the fraudulently obtained funds to the Department or the loan holder before regaining aid eligibility. Any Perkins or Direct loan so obtained is not eligible for rehabilitation. You can handle this requirement as you would a judgment lien below: you don't need to collect certification from each student but can deal with the situation when you become aware of it.

Finally, a student is ineligible if his property is subject to a judgment lien for a debt owed to the United States, and a parent can't receive a PLUS loan if either the student or parent is subject to such a lien. For example, if the Internal Revenue Service (IRS) had placed a lien on a student's property for failure to pay a federal tax debt or make satisfactory arrangements for repayment, the student would be ineligible for Federal Student Aid.

When the FAFSA is processed, the Central Processing System (CPS) matches the student against the National Student Loan Data System

FSA loans

- Direct Stafford loans, subsidized and unsubsidized
- Direct PLUS loans for parents
- Direct PLUS loans for graduate/professional students
- Direct Consolidation loans
- Federal Perkins loans

The following loan types from earlier programs may appear in NSLDS:

- FFEL Stafford, PLUS, and consolidation loans
- Loans formerly known as Guaranteed Student loans, Income Contingent Loans (ICL), Supplemental Loans for Students (SLS), and Federally Insured Student Loans (FISL)
- National Direct Student loans and National Defense Student loans (predecessors of Perkins loans)

Federal default and debt

HEA Sec. 484(a)(3), 484(f),
34 CFR 668.32(g), 668.35

Loan limits and eligibility

See Volume 3 for loan limits
HEA Sec. 484(f),
34 CFR 668.32(g)(2), 668.35(d)

Financial aid history

34 CFR 668.19
Dear Colleague Letter GEN-96-13;
Federal Register notice
September 16, 1996

Judgment lien example

When Charlotte provides her parents' tax return to the aid administrator at Brandt College, he notices that they've reported business income but didn't report a business asset on the FAFSA. Charlotte explains that they didn't report the business as an asset because there's a lien against the business for a federal loan. The aid administrator tells her that the asset must still be reported, and also that her parents won't be able to borrow a PLUS Loan as long as they are subject to the lien.

(NSLDS) to see if she is in default, owes an overpayment, or has exceeded the loan limits. The CPS doesn't perform any matches to determine whether or not the student is subject to a judgment lien for a federal debt, and you aren't required to check for such liens. However, if you know that she is subject to such a lien, you can't pay her FSA funds.

NSLDS MATCH

To help you identify students with problems such as defaulted loans or overpayments, the CPS matches the student's FAFSA information with her financial aid history in the NSLDS database. You must resolve any conflicts between NSLDS and other information you have about the student before disbursing FSA funds, for example, if NSLDS shows that a student isn't in default but you have documentation showing that she is in default.

The results of the NSLDS match are provided on the SAR and ISIR on the NSLDS Financial Aid History page. As with other matches, a "C" next to the student's expected family contribution (EFC) indicates problems that must be resolved. See Appendix B of the ISIR Guide for the complete tables of NSLDS match results.

Successful match

The SAR and ISIR will contain the NSLDS financial aid history only if the student's identifying information matches the database and there is relevant information for the student in the database. If the student has no defaults or overpayments or has made satisfactory repayment arrangements on a defaulted loan, the NSLDS match flag will be 1 and no C code will appear on the output document. A match flag of 2, 3, or 4 indicates that the student has defaulted loans or owes an overpayment or both. You will need to document that the problem has been resolved before disbursing aid.

Note that for "real-time" processing—if a student uses Corrections on the Web or an aid administrator uses FAA Access to CPS Online—the CPS does not match against the NSLDS database (except when a school is added; see the margin note), but the output document will show NSLDS data from the last transaction that did match against NSLDS. The ISIR might not, therefore, reflect the most current information.

No data from match

There are several reasons why an output document may not have financial aid history information: for example, if the application was rejected for lack of a signature or if identifying information was missing. For other cases, you can check the NSLDS flags reported in the "FAA Information" section.

▼ *Partial match.* If the student's SSN is in the NSLDS database but the first name or date of birth don't match what the student reported, no financial aid history will be reported and the output document will have an NSLDS match flag of "7" and a C code. There will also be a comment explaining why the financial aid history isn't given and directing the student to work with the school to resolve any discrepancies. A partial match **requires resolution**; otherwise you won't have information from the Department on defaults and overpayments.

Adding a school and the NSLDS match

When a school is added after the FAFSA has been submitted, it goes through the NSLDS match again rather than be processed in real time. This ensures that the new school receives the latest financial aid history (FAH) on the ensuing transaction. This does not affect schools' responsibility to use transfer student monitoring. See page 25 of the Summary of Changes for the Application Processing System posted as an electronic announcement on the IFAP website on 11/25/05.

To supplement the ISIR and ensure a student's history is considered, some schools submit entire rosters of FAH requests. See TSM/FAH processes and batch file layouts posted on the IFAP website at the NSLDS Reference Materials link under Processing Resources.

If the student originally reported incorrect identifying information, you can have her submit correct information, which will be sent through the match again.

If the student did not submit incorrect identifying information, you can call NSLDS support at the number in the margin for help with determining the identifiers with the SSN in the NSLDS database. If you discover the discrepancy is due to the student misreporting the name or date of birth on the FAFSA, you should have the student make a correction. However, you may use the NSLDS record to determine the student's eligibility; you don't need to wait for the corrected data to be reported.

If you find that the financial aid history associated with the student's SSN doesn't belong to the student, you should assume that the student has no relevant financial aid information. You may request that the data in NSLDS be corrected by providing relevant supporting documents. NSLDS will work with the previous data providers to correct the identifiers. You aren't required to request a correction; however, doing so will prevent the same FAFSA response in subsequent award years.

▼ *Student not in database.* If a match with NSLDS is completed but there's no information on the student in the database, the output document will comment that the student's SSN is not associated with any financial aid history. You can assume this is correct unless you have conflicting information. If NSLDS should show a loan history, help the student by contacting the appropriate loan servicer or, for FFEL, guaranty agency.

▼ *No relevant history.* If a student's SSN matches a record in the NSLDS database but there's no relevant financial aid history to report, no information will be on the output document. For example, if the only data for a student was about a Pell grant received in the previous award year, that would not be reported because it isn't needed to determine the student's aid eligibility for the current award year. The SAR and ISIR will have a comment that the student's record was matched with NSLDS but no information was found to print on the NSLDS page.

▼ *Processing problem.* If there was a problem with the match, the SAR and ISIR won't include financial aid history information. The output document will have a C code and a comment explaining that the CPS couldn't determine whether the student has loans in default and will direct her to contact the financial aid administrator. You must get the student's financial aid history before disbursing aid. If she has to make corrections of any kind, her information will go through the match again when the corrections are submitted, and you can use the results of that match to determine her eligibility.

Postscreening—changes after initial match

Once you receive the financial aid history through NSLDS, you aren't required to check for changes to the data before disbursing funds to the student. But if you learn from NSLDS or another source that he was not or is no longer eligible, you must not disburse any more FSA funds and must help make sure he arranges to repay the aid for which he wasn't eligible.

NSLDS Customer Support Center
(800) 999-8219

Example of misreported information on the FAFSA

When Krieger University (KU) receives Tod's ISIR, it shows that there was a discrepancy with the NSLDS database, and so no financial aid history information is provided. The aid administrator at KU asks Tod if he provided the correct name and birth date on the application. Tod says he wrote in the wrong month for his birth date, but his name is correct. The administrator checks the NSLDS database using Tod's first name, SSN, and date of birth. NSLDS shows the correct birth date, but the first name of the student is Warren, not Tod. She checks again with Tod, who explains that Tod is a nickname and Warren is his real name. The administrator determines that the financial aid history associated with the SSN belongs to Tod. She could disburse aid without requiring a correction, but Tod has other corrections to make, so she will wait for the ISIR correction before disbursing aid.

Example of incorrect NSLDS data

Lydia is a first-year undergraduate at Bennet College and has never attended college before. When Bennet receives Lydia's ISIR, it shows that there was a partial match, and there is some data associated with her SSN. Bennet checks with the NSLDS CSC and learns that a guaranty agency is reporting a loan made years ago (when Lydia was in elementary school) under her SSN but with a completely different name and birth date. Bennet determines that this isn't Lydia's loan, so she has no financial aid history in NSLDS. Bennet also suggests that Lydia provide documentation that the SSN belongs to her so the school can request that NSLDS data be corrected to prevent problems for her later.

Targeted alert process

The preamble to the November 1, 2001, regulations explains why a separate transfer student monitoring process was developed: if the ISIR were used to provide this information, “every school that the student listed on the FAFSA would be required to receive an updated ISIR every time new disbursements were reported to NSLDS, including the school that reported those disbursements.”

Note that transfer student monitoring will not send unnecessary alerts to your school when you report award changes that you have made—it only alerts you about changes to the student’s financial aid history at other schools.

For more information see the preamble to the November 11, 2000, General Provisions amendments FR Volume 65, No. 212, page 65669 at <http://www.ifap.ed.gov/fregisters/fr1101200009.html>.

Getting the student’s financial aid history

There are several ways for you to get a student’s financial aid history from NSLDS. You can:

- use the NSLDS Financial Aid History section of the ISIR,
- log on to the NSLDS Professional Access website and access the data online for a student,
- for multiple students, use the FAT 001 Web report, which you submit from the Reports tab on the NSLDS site (you retrieve the results through SAIG), or
- send a batch TSM/FAH Inform file to request aid history data for several students, which will be returned in either extract or report format through SAIG. The TSM/FAH processes and batch file layouts are posted on the IFAP website at the NSLDS reference materials link under Processing Resources.

NSLDS uses a postscreening process to let you know when there are significant changes (such as a defaulted loan or an overpayment) to a student’s financial aid history. If postscreening identifies changes that may affect the student’s eligibility, the CPS will generate new output documents so schools that are listed for receipt of the student’s FAFSA information will automatically be notified. Items that have changed since the last transaction are marked on the output document with a “#” sign, and the reason code for the postscreening will be given.

To help you identify when NSLDS data has changed, the document will include an NSLDS transaction number in the “FAA Information” section with the other match flags. This is the number of the last transaction on which NSLDS data changed, so if you receive an ISIR on which that number is higher than the one on the ISIR you used to determine the student’s eligibility, you must review the NSLDS data on the new ISIR to be sure there are no changes affecting the student’s eligibility. There will be postscreening codes (see *The ISIR Guide* for the list) to help determine what changed.

CHECKING THE FINANCIAL AID HISTORY FOR TRANSFER STUDENTS

Before disbursing FSA funds to a transfer student, you **must** obtain his financial aid history if he may have received aid at another school since your latest ISIR. The NSLDS Transfer Student Monitoring Process was established to allow schools to use NSLDS information for its transfer students.

▼ *Reviewing the student’s NSLDS financial aid history.* If a student transfers to your school during the award year, you’ll need to review her aid history on the ISIR or online at the NSLDS website. From this you can determine:

- Whether the student is in default or owes an overpayment on an FSA loan or grant;
- The student’s scheduled Pell grant and the amount already disbursed for the award year;
- Data pertaining to TEACH grants, including those converted to loans;
- The student’s balance on all FSA loans; and
- The amount and period of enrollment for all FSA loans for the award year.

Usually the financial aid history on the ISIR will be enough, but there are cases where you might check NSLDS for more information. For example, if the student has more than six loans, the ISIR won’t have detailed information for some of the loans. If you need that level of detail for those loans, you can get the information from NSLDS. Or, as discussed previously, you might need to use NSLDS to resolve a partial match situation (see “Partial match,” page 46).

▼ *Transfer student monitoring process.* You must send NSLDS identifying information for students transferring to your school during the award year so that NSLDS can notify you of changes to their financial aid history. You may send information for students who have expressed an interest in attending your school even if they have not yet formally applied for admission.

Through transfer student monitoring, NSLDS will alert you to any relevant changes in the transfer student's financial aid history—other than the default and overpayment information reported in the postscreening process—that may affect the student's current award(s). There are three steps: inform, monitor, and alert.

- *Inform.* You **must** identify students who are transferring to your school by creating a list of transfer students on the NSLDS website or by sending the list to NSLDS as an electronic batch file (see the margin note) through SAIG. You may use either or both methods, and a change in method does not require prior notification to the CSC.
- *Monitor.* NSLDS will monitor these students for a change in financial aid history that may affect their current awards and alert you when: a new loan or grant is being awarded, a new disbursement is made on a loan or grant, or a loan or grant (or a single disbursement) is cancelled. Note that defaulted loans and overpayment information are not monitored in transfer student monitoring, as they are already covered in the postscreening process. If the student has not listed your school in Step Six when filing the FAFSA, he has to add your school in order for you to receive the postscreening information.
- *Alert.* Finally, if changes are detected for one or more of your students and NSLDS creates an alert, it will also send an e-mail notification reminder to the address given on the School Transfer Profile setup page. Your school's designated contact person may then either review the alert list on the NSLDSFAP website or download a batch file, if batch alerts were requested, through SAIG in report or extract format.

▼ *Timing of the disbursement.* To pay the student you'll need to have an output document and an accurate EFC. A valid ISIR will include that and the student's financial aid history, and it will also tell you if he is in default or owes an overpayment. The postscreening process will send you another ISIR if he subsequently goes into or out of default or owes or ceases to owe an overpayment.

When you initiate transfer monitoring for a student, NSLDS will alert you to significant award changes since you last received an ISIR or alert for her; this will continue for 30 to 120 days (depending on the monitoring duration you've established) after the enrollment begin date. If you start transfer monitoring before you receive ISIRs for a student, NSLDS will track changes in her financial aid history from the date of your request or a future monitoring begin date you choose.

The regulations state that a school may not make a disbursement to the student for seven days following the transfer monitoring request to NSLDS,

Transfer student monitoring

Through this process for checking the eligibility of transfer students, you may either check the student's financial aid history on the NSLDS website for professionals, or wait seven days (because NSLDS issues alerts weekly) after you've submitted the student's information for monitoring to receive an alert if data has changed.

NSLDSFAP

www.nslsdfap.ed.gov

Dear Partner Letters GEN-00-12 and GEN-01-09

Sending batch files

To begin sending batch files, you must sign up at www.fsawebroll.ed.gov for the Transfer Student Monitoring/Financial Aid History (TSM/FAH) batch service. Then you must designate a profile for your school on the School Transfer Profile Page (www.nslsdfap.ed.gov) prior to creating any Inform records. The School Transfer Profile tells NSLDS who will be submitting Inform files from or on behalf of your school and how your school wants to receive an alert notice.

Resolving grant overpayments

Because FSA grants have priority in packaging, aid overpayments can often be resolved by adjusting other types of aid in the package. If necessary, you can also adjust later grant payments for the same award year. But if a student receives more grant money than she is eligible for and the excess can't be offset, she must return the overpayment. As noted at the beginning of the chapter, a student with an outstanding FSA grant overpayment is ineligible for aid until she repays it or makes satisfactory repayment arrangements. See *Volume 5* for a complete discussion.

unless it receives an earlier response from NSLDS or checks the student's current financial aid history by accessing NSLDS directly. Therefore, it's usually a good idea to submit the student's name to NSLDS for monitoring as soon as possible, even if he has not yet decided to enroll at your school.

▼ *Consequences when a transfer student subsequently is found to be ineligible for all or part of an aid disbursement.* If the school has followed the proper procedures for obtaining financial aid history information from NSLDS, it is not liable for any overpayments if the student's situation subsequently changes. However, the student will be liable for the overpayment in this situation, and you may not pay the student further FSA funds until the overpayment is resolved. (See *Volume 5* for information on resolving overpayments.)

EFFECT OF BANKRUPTCY OR DISABILITY DISCHARGE

A student who has filed for bankruptcy or had a loan discharged for disability may need to give additional documentation before receiving aid.

Bankruptcy

A student with an FSA loan or grant overpayment that has been discharged in bankruptcy remains eligible for FSA loans, grants, and work-study (NSLDS loan status code BC for loans that did not default and status code DK or OD for loans that defaulted prior to the bankruptcy discharge). A borrower doesn't have to reaffirm a loan discharged in bankruptcy in order to be eligible. The Bankruptcy Reform Act of 1994 prohibits denial of aid based solely on filing for, or having a debt discharged in, bankruptcy.

A borrower who lists a defaulted FSA loan or grant overpayment in an active bankruptcy claim is not eligible for further FSA funds unless she provides you with documentation from the holder of the debt stating it is dischargeable (NSLDS loan status code DO).

A borrower who includes a non-defaulted FSA loan in an active bankruptcy claim, so that collection on the loan is stayed, is eligible for aid as long as he has no loans in default (including the stayed loan).

Total and permanent disability discharge

Perkins, FFEL, and Direct loan borrowers may qualify to have their loans discharged if they become totally and permanently disabled. Except for veterans who qualify for a total and permanent disability (TPD) discharge based on a determination by the Department of Veterans Affairs (VA) that they are unemployable due to a service-connected disability, the Department of Education monitors the status of borrowers who have received a TPD discharge for a three-year period.

Borrowers whose discharge applications are received on or after July 1, 2010, receive a final discharge followed by a *post-discharge monitoring period* that begins on the date the discharge was granted and lasts for up to three years. Borrowers whose discharge applications were received before July 1, 2010, received



Total and permanent disability discharge

Perkins: 674.61(b)

DL: 685.213

Dear Colleague Letters GEN-02-03 and GEN-09-07

a conditional discharge followed by a *conditional discharge period* that begins on the date the borrower's physician certified the disability discharge application and lasts for up to three years.

If the borrower does not meet certain eligibility requirements throughout the post-discharge monitoring period or conditional discharge period, the Department reinstates the borrower's obligation to repay the discharged loan(s) or returns the conditionally discharged loan(s) to repayment status.

The same criteria and procedures are used to discharge and reinstate the service obligation for TEACH grant recipients who become totally and permanently disabled.

If a borrower whose prior loan was discharged due to a total and permanent disability wishes to take out another FSA loan or wishes to receive a TEACH grant, he must obtain a physician's certification* that he has the ability to engage in substantial gainful activity, and he must sign a statement acknowledging that the new FSA loan or the TEACH grant service obligation can't later be discharged for any present impairment unless it deteriorates so that he is again totally and permanently disabled.

If the borrower requests a new loan or TEACH Grant during the post-discharge monitoring period or the conditional discharge period, he must also resume payment on the old loan before receipt of the new loan or TEACH grant. If the loan on which the borrower must resume payment was in default when it was discharged or conditionally discharged, it remains in default upon reinstatement, and the student must make satisfactory repayment arrangements before receiving the new loan, in addition to meeting the other requirements described.

A borrower who received a TPD discharge based on a determination from the VA that he is unemployable due to a service-connected disability is not subject to a monitoring period and is not required to resume payment on the discharged loan as a condition for receiving a new loan. But he must still provide the physician's certification and borrower acknowledgement described above.

RESOLVING DEFAULT STATUS

A student in default on an FSA loan can't receive further FSA funds until she resolves the default, which she can do in a few ways.

▼ *Repayment in full (including consolidation).* A student can resolve a default and regain eligibility for FSA funds by repaying the loan in full (loan status code DP). If the school writes off a regulatorily permissible amount that the student repays, that counts as paying the loan in full (code DC). If a defaulted loan is successfully consolidated, it is also counted as paid in full (code DN). However, if the loan holder just writes off the entire loan (except for Perkins), it isn't paid in full, and the student remains ineligible for FSA funds (code DW).

The student regains eligibility whether repayment was completed voluntarily or involuntarily (that is, through IRS offset or wage garnishment).

Total and permanent disability

The condition of an individual who:

- is unable to engage in substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death; has lasted for a continuous period of at least 60 months; or can be expected to last for a continuous period of at least 60 months; OR
- has been determined by the Department of Veterans Affairs (VA) to be unemployable due to a service-connected disability.

* The student only needs to obtain the physician certification once; the school keeps a copy of it in the student's file. But the school must collect a new borrower acknowledgment from the student each time he receives a new loan.

Substantial gainful activity

The phrase "substantial gainful activity" means a level of work performed for pay that involves doing significant physical or mental activities or a combination of both. If a physician's certification does not appear to support this status, the school should contact the physician for clarification.

Perkins writeoffs

Note that Perkins writeoffs don't make a student ineligible. See *Volume 6* for more information.

No defense of infancy

Students who are minors may receive federal student loans, and they may not refuse to repay those loans based on a "defense of infancy," i.e., that they were too young to enter into the contract of signing the promissory note. See HEA Sec 484A(b)(2).

**Example: documenting loan
“paid in full”**

Eddy had a Stafford loan as an undergraduate that went into default while he was out of school. When he applies for financial aid so he can go to graduate school, his ISIR shows that the loan is still in default. Eddy tells the aid administrator at Guerrero University that he paid off the loan last year. The aid administrator asks Eddy to bring in a letter from the guaranty agency documenting that the loan has been paid and advises Eddy that he should ask the guaranty agency to update his status in NSLDS.

**Other ways of reestablishing
eligibility for Perkins loans**

A provision in the Perkins Loan Program reestablishes the borrower’s eligibility if she meets any of the conditions that would remove her Perkins loan from the school’s cohort default rate. This provision only allows the borrower to regain eligibility for Perkins loans, not the other FSA programs. See *Volume 6, Chapter 6*.

**Satisfactory repayment and
rehabilitation**

HEA Sec. 428F(a) and (b), 464(h)(1) and (2)

General Provisions: 34 CFR 668.35(a)(2)

Perkins: 34 CFR 674.9(j), 674.39

FFEL: 34 CFR 682.200(b), 682.405

DL: 34 CFR 685.102(b), 685.211(f)

Rehabilitation example

Eric makes the nine payments required for rehabilitation of his defaulted loan. His original lender isn’t handling student loans anymore, so the guarantor finds another lender to purchase the loan. It takes the guarantor three months to arrange the purchase, and Eric needs to keep making the agreed-on payments on time. Once the new lender has the rehabilitated loan, Eric can apply for an in-school deferment.

A student who has repaid her defaulted loan in full is eligible for aid if the repayment was voluntary. However, you *can* still consider the default to be evidence of a student’s unwillingness to repay loans and deny the student Perkins loans. If the repayment was involuntary, you *should* consider the default as such evidence and deny the student Perkins loans.

If a student has paid a defaulted loan in full but the SAR and ISIR have a comment showing that he is ineligible because of the default, he must give you documentation proving that the loan was paid.

▼ *Satisfactory repayment arrangements.* A student in default on an FSA loan can be eligible for FSA funds if he has made repayment arrangements that are satisfactory to the loan holder. After he makes six consecutive, full, voluntary payments on time, he regains eligibility for FSA funds (loan status code DX). Voluntary payments are those made directly by the borrower and do not include payments obtained by federal offset, garnishment, or income or asset execution. A student may regain eligibility under this option only one time.

You can pay the student as soon as you have documentation that she has made satisfactory repayment arrangements. For example, the guaranty agency may update the code for the loan in NSLDS to DX once six payments have been made; you could then use that as confirmation of the repayment arrangement. You may also use a written statement from the loan holder indicating that the student has made satisfactory repayment arrangements as documentation of the arrangement.

▼ *Loan rehabilitation.* Although a student can regain eligibility for all FSA funds by making satisfactory repayment arrangements, the loan is still in default. After the student makes more payments, the loan may be rehabilitated, that is, it won’t be in default anymore, and the student will have all the normal loan benefits, such as deferments. A loan is rehabilitated once the borrower makes nine full, voluntary payments on time (no later than 20 days after the due date) within 10 consecutive months. See *Volume 6, Chapter 6* for more information on rehabilitation in the Perkins/NDSL program.

NSLDS Loan Status Codes

2011–2012 SARs & ISIRs

Code	Status	Eligible for FSA funds
AL	Abandoned Loan	Yes
BC	No Prior Default Bankruptcy Claim, Discharged	Yes, because loan was not in default and was discharged
BK	No Prior Default Bankruptcy Claim, Active	Yes, because loan was not in default
CA	Cancelled (For Perkins means Loan Reversal)	Yes
CS	Closed School Discharge	Yes
DA	Deferred	Yes
DB	Defaulted, then Bankrupt, Active. (Perkins: all bankruptcies; FFELP and Direct Loans: Chapter 13)	No, unless debtor can show that loan is dischargeable. See Dear Colleague letter GEN-95-40, dated September 1995.
DC	Defaulted, Compromise	Yes, because compromise is recognized as payment in full
DD	Defaulted, Then Died	No, because if borrower is reapplying, then loan status is in error
DE	Death	No, because if borrower is reapplying, then loan status is in error
DF	Defaulted, Unresolved	No
DI	Disability	Yes
DK	Defaulted, Then Bankrupt, Discharged. (Perkins: all bankruptcies; FFELP and Direct Loans: Chapter 13)	Yes, because defaulted loan has been totally discharged
DL	Defaulted, in Litigation	No
DN	Defaulted, Then Paid in Full Through Consolidation Loan	Yes
DO	Defaulted, Then Bankrupt, Active, other. (FFELP and Direct Loans in Chapters 7, 11, and 12)	No, unless debtor can show that loan is dischargeable. See Dear Colleague letter GEN-95-40, dated September 1995
DP	Defaulted, Then Paid in Full	Yes, because loan was paid in full
DR	Defaulted Loan Included in Roll-up Loan	Yes, because the loan was combined with other loans and subrogated to the Department, which reported the same information to NSLDS in one loan. The status of that record will determine eligibility
DS	Defaulted, Then Disabled	Yes, because loan debt is cancelled
DT	Defaulted, Collection Terminated	No
DU	Defaulted, Unresolved	No
DW	Defaulted, Write-Off	No [Note that there is no status code for Perkins write-offs, which are for amounts less than \$50; see 34 CFR 674.47(h).]
DX	Defaulted, Satisfactory Arrangements, and Six Consecutive Payments	Yes, assuming student continues to comply with repayment plan on defaulted loan, or is granted forbearance by the GA.

Code	Status	Eligible for FSA funds
DZ	Defaulted, Six Consecutive Payments, Then Missed Payment	No, loan is back in active default status
FB	Forbearance	Yes
FC	False Certification Discharge	Yes
FR	Loans obtained by borrowers convicted of fraud in obtaining FSA funds	No
FX	Loan once considered fraudulent but is now resolved	Yes
IA	Loan Originated	Yes
ID	In School or Grace Period	Yes
IG	In Grace Period	Yes
IM	In Military Grace	Yes
IP	In Post-Deferment Grace (Perkins only)	Yes
OD	Defaulted, Then Bankrupt, Discharged, other (FFELP and Direct Loans in Chapters 7, 11, and 12)	Yes, because defaulted loan has been totally discharged
PC	Paid in Full Through Consolidation Loan	Yes, because it does not matter if the consolidation loan was a FFEL or Direct Loan, nor whether underlying loans were in default
PD	Permanently Disabled	Yes, borrower considered permanently disabled
PF	Paid in Full	Yes
PM	Presumed Paid in Full	Yes
PN	Non-defaulted, Paid in Full Through Consolidation Loan	Yes
PZ	Parent PLUS loan for a student who has died	No for the student, yes for the parent
RF	Refinanced	Yes, because defaulted loans cannot be refinanced
RP	In Repayment	Yes
UA	Temporarily Uninsured—No Default Claim Requested	Yes
UB	Temporarily Uninsured—Default Claim Denied	Yes, because the loan is not a federal loan while temporarily uninsured
UC	FFEL: Permanently Uninsured/Unreinsured—Non-defaulted Loan. Perkins: Non-defaulted Loan Purchased by School	Yes
UD	FFEL: Permanently Uninsured/Unreinsured—Defaulted Loan. Perkins: Defaulted Loan Purchased by School	Yes, because the loan is no longer a federal loan
UI	Uninsured/Unreinsured	Yes, does not matter if the loan was in default
VA	Veterans Administration Discharge	Yes
XD	Defaulted, Satisfactory Arrangements, and Six Consecutive Payments	Yes, assuming student continues to comply with repayment plan on defaulted loan, or is granted forbearance by the GA/ED servicer

Social Security Number

To be eligible to receive FSA funds, each student must provide a correct Social Security number (SSN). To confirm the student's SSN for schools, the Department conducts a match with the Social Security Administration. In this chapter, we discuss the SSN requirement and the match process.

The FAFSA collects the student's SSN (and parents') so that the Central Processing System (CPS) can validate it through a match with the Social Security Administration (SSA). The CPS verifies that the name and birth date associated with the SSN match the name and birth date on the application. For the full list of SSN match results, see *SAR Comment Codes and Text: 2011–2012* (www.ifap.ed.gov).

The CPS won't process an application without an SSN. A student who doesn't have an SSN or doesn't remember it must contact the local Social Security office for help. There is one exception to the requirement to provide SSNs (see "Exception for Micronesia, Marshall Islands, Palau").

The SSN is a key identifier for the student's records, so you must be sure the Department knows the right SSN if you find out it's wrong on the application or output document. We discuss correcting such errors later.

SSN MATCH

The CPS prints the SSN match result in the "FAA Information" section of the output document as the SSN Match Flag. If the match is successful, the CPS doesn't match the student's data against the Social Security database on subsequent transactions. However, the CPS will attempt the match again if the student makes corrections to the name, birth date, or SSN.

Successful match

If the CPS match with the Social Security Administration confirms the student's SSN, and the Social Security records have the same name and birth date as reported on the FAFSA, you may disburse aid to the otherwise eligible student. No comment is provided on the output document when the SSN match is successful. Of course, if you have any conflicting information about the SSN, you must resolve the conflict before disbursing FSA funds to the student.

Once a student's SSN is confirmed and there is no discrepancy on the name or birth date, the student can't change the SSN. If a student whose match data have been confirmed subsequently tries to change his SSN, the

SSN requirement

Higher Education Act
Sec. 484(p)
Student Assistance General Provisions
34 CFR 668.32(i), 668.36

Contacting the SSA

For more information (in English and Spanish), students should call the SSA at 1-800-772-1213 or go to its website (www.ssa.gov).

SSN doesn't match

Student reported wrong SSN

→ Correct FAFSA data

FAFSA processing error

→ Call 1-800-4-FED-AID

Error in SSA database

→ Contact SSA office; resubmit SSN as correction after SSA change is made

Other match problems

→ SSN matches, but name and date of birth don't match

→ Missing FAFSA information: student didn't report a name or birth date, or didn't sign the FAFSA

→ SSN record includes date of death

CPS won't accept the change. Instead, the student's SAR will have a comment telling the student to contact his financial aid administrator for help. In the unlikely event that the confirmed SSN is wrong, the student must correct it by filing a new FAFSA.

No match on the Social Security number

You must resolve any problems with the match before disbursing aid. If the SSN is not found in the Social Security Administration database, the student's application will be rejected. The student will also receive a comment that instructs her to correct her SSN or contact the SSA if she believes the number reported is correct. If it is wrong on the application, the student will have to correct it with the CPS and get a successful match result before she can receive aid.

▼ *Student reported wrong SSN on the FAFSA.* If the student's application is rejected because she reported an SSN that is not in the Social Security Administration's database, the student must provide the correct SSN to the CPS. This will change the current SSN in the CPS, but it will not change the original, identifying SSN. A student can file a new FAFSA to correct the original SSN, but since the Common Origination and Disbursement (COD) System will use the current SSN to process records, changing the original SSN is not always necessary (however, see Applicants Using Same SSN later in this chapter).

COD replaced the Direct Loan and Pell (RFMS) reporting systems, but there are other systems, such as EDEExpress and possibly some mainframe and servicer systems, that will still use the original SSN to identify records. These systems will be able to interface with COD but might still need the original SSN to process records.

▼ *FAFSA data entry error.* If a student provided the correct SSN on the FAFSA, but the SSN on the output document is wrong, the student can contact the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243). If the Information Center confirms that there was a data entry error, it will refer the error to the Department for correction—the student does not need to submit a correction. After the data entry error is corrected, the CPS will produce new output documents. See Chapter 5 of the *Application and Verification Guide* for general information on data entry error corrections.

COD and SSN changes

See the electronic announcements on the IFAP website at www.ifap.ed.gov for information about COD. See the January 7, 2004, announcement for SSN corrections in CPS.

▼ *Error in Social Security database.* If the SSN on the FAFSA is correct but isn't in the Social Security database, the student must contact a local or regional Social Security Administration office to correct the database, which is updated daily with information from local and regional offices. The student must report the correct SSN and provide verifying documentation. He must also contact a Social Security office directly—the Department of Education cannot correct SSA records. Once the database is updated, the student can submit a correction by re-entering the SSN originally reported as if it is a correction. The CPS will then do another SSN match. The student can't simply verify that the SSN is correct; the application will be rejected until the SSA database is updated.

No match on name or birth date

The student's application will be rejected if her or a parent's SSN is in the Social Security database but the name there differs from the one she gave. Misspellings or name changes due to marriage are common reasons for a non-match. The student should make sure that the name on the application matches the one on the Social Security card.

This reject is verifiable, which means that the name is questionable but not necessarily wrong. The student can eliminate the reject by entering the right name. If the name was correct on the application, she reenters it on the paper SAR, or she chooses "Data is Correct" for both the first and last name on Corrections on the Web. If her name is incorrect in the SSA database, we strongly recommend that she contact the SSA to correct it.

If the student's (or parent's) name and SSN match the SSA's database but the date of birth does not, the application will also be rejected, and the student must correct the application. If the error is with the SSA's database, he should contact the SSA to correct the record. He can override the reject by reentering the date on the paper SAR or, on Corrections on the Web, by choosing "Data is Correct" for the date of birth. The application will be sent through the match again, and if the SSA's record has been corrected, the match flag will be cleared and no further action is needed. If there is still a disagreement with the SSA record, the student will need to provide the aid office with documentation of his date of birth.

If the student reported the current or a later year as her birth date, her application will be rejected and she must correct the error.

Missing information

No match is performed if the student doesn't sign the FAFSA or provide a last name or birth date. The student's FAFSA will be rejected and the student must submit the missing information.

Although the CPS doesn't conduct the match, it will check to see whether the reported SSN falls within a range of valid numbers. If it does, the student will receive a comment explaining that the match could not be conducted without the name, birth date, or signature. The student must submit a correction providing the missing information. When the correction is sent, the information will be sent to the Social Security Administration for matching, and you should check the new output document for match results.

If the SSN is not within the valid range, the student will receive a comment and reject P stating that the reported SSN does not appear to be valid. In addition to submitting the missing name, birth date, or signature on a correction, the student must either contact the Social Security Administration to correct its records (if the reported SSN is correct) or correct the SSN she reported. Again, you should check the new output document for match results.

Date of death

If the Social Security Administration's database shows a date of death associated with the SSN the student reported, the student's application will be rejected. Students resolve this problem in the same way as problems match-

Example: Incorrect name on application

When Sarven Technical Institute receives Tod's ISIR, the SSN match shows the name on the application isn't the one associated with the SSN in the database. The aid administrator asks Tod to bring in documentation showing his correct name and SSN. He brings in his Social Security card, and the first name on the card is Warren, not Tod. He also has a driver's license showing his first name is Warren. The administrator tells Tod to correct his name on the application to Warren.

Example: Correct name not in database

Elizabeth's ISIR shows that her name doesn't match the one the SSA has on file for her SSN. When the administrator talks to Elizabeth, she explains that she recently got married and changed her last name. Elizabeth gives the administrator a copy of her marriage certificate. The administrator plans to disburse aid to Elizabeth and tells her to reenter her current name and advises her to contact SSA to have its database updated to prevent future problems.

Example: Students using same SSN

Hector completes an application in January, but uses his brother Eddy's SSN instead of his own. When Hector gets his SAR, he realizes that he used the wrong SSN, corrects the SAR, and mails it back to the processor. He gets a new SAR with the correct SSN, but it has the same identifier as the first SAR. Eddy files an application in April, and is surprised to receive a SAR that doesn't match what was on his application because it has Hector's information instead. Eddy goes to the financial aid office at Guerrero University, where a counselor tells him he'll need to file a correction application. Hector is also attending Guerrero, so the counselor contacts Hector to explain why he'll need to file a new application even though he already has a SAR with the correct information.

ing the SSN. The student must either contact Social Security Administration to get the records corrected, or must submit a change with the correct SSN (see “No match on the Social Security number,” page 56).

MASTER DEATH FILE

The CPS will verify that student SSNs do not appear on a master death file the Department obtains from the SSA. This will be in addition to the date of death match. The CPS will regularly compare its records with those in the master death file. If a match is found, the CPS will resend the student record to SSA. If the SSA does not confirm a date of death for the applicant, the CPS will do nothing further. If the SSA does confirm a date of death, the CPS will send an ISIR to the schools listed on that transaction but will not send a SAR to the student.

Also, the CPS will disable PINs and will not generate renewal applications for individuals found in the death file. Their record will not be deleted from the CPS database. If an applicant wrongly appears in the death file, he will need to apply for a PIN again and receive a clean match before a new PIN will be issued.

APPLICANTS USING SAME SSN

When one student uses another's SSN, the duplicate SSN flag will be set in the ISIR, and the student's application will likely fail the SSN match, but it will be processed. She will have to make a correction as described earlier in this chapter.

If a student uses the same SSN **and** first two letters of the last name (together these data are the record identifier) as another student, the CPS will not accept her application because it will assume it to be a duplicate application of the first student. If she is using FAFSA on the Web, she will receive an immediate message telling her the proper way to make a correction or, if her record identifier is correct and she is trying to apply for aid, how she can proceed. If she is submitting a paper FAFSA, she will receive a letter giving her the same information and stating that the application was not processed.

If the student using the correct SSN applied after the other student, she must submit a special “correction application” that she can only get from the Department of Education. It will enable the CPS to accept her data instead of treating her application as a duplicate. The first student, who used the wrong SSN, **must** correct the error by filing a new FAFSA because the CPS uses the record identifier for students for the entire award year, even if they later change their SSN or last name. If the student simply corrected her SSN, her record identifier would still be wrong.

If the student using the correct SSN applied first, the CPS will have her data, so a correction application isn't necessary. The second student will need to submit a new application.

Both students should keep copies of all output documents, including those from the first FAFSAs filed. When a student files a correction application or a new FAFSA, the application receipt date is changed. Because some

schools and agencies use this receipt date to determine if the student met a deadline, she should keep the output documents to show the original receipt date and to show why a later application was necessary.

Contact the Department at (319) 665-7101 if you believe that a correction application may be needed; one can be mailed to your office or to the student.

EXCEPTION FOR THE FREELY ASSOCIATED STATES: MICRONESIA, MARSHALL ISLANDS, AND PALAU

Students from the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau might not have SSNs. The CPS will assign an identification number to students who indicate on their FAFSA that their state of legal residence is one of the above Pacific island nations and who do not provide a Social Security number. These applications don't go through the SSN match with the SSA. If the students are using FAFSA on the Web, there is an edit that allows them to enter in the SSN field their identification number, which will begin with 888.

Any man required to register with Selective Service at any time must have done so to receive Federal Student Aid (FSA). The Central Processing System (CPS) performs a match with Selective Service to confirm a student's registration status. In this chapter we discuss that match and the registration requirement.

REGISTRATION REQUIREMENT

Men aged 18–25 are required to register with the Selective Service System (SSS). This requirement covers men residing in the United States who are U.S. citizens or noncitizens, except that a man who is in the U.S. as a lawful nonimmigrant isn't required to register as long as he maintains that status (see the exceptions to the registration requirement under "Exemptions" below). Students who are required to register with the Selective Service must do so to be eligible for FSA funds, but parents who want to borrow a PLUS loan aren't required to have registered.

The student has several ways to register, which include using the FAFSA; there is a question that asks if the student wants Selective Service to register him. If he indicates that he wants to be registered, we will submit his registration information to the Selective Service. If he doesn't answer this question, he can do so later on the student aid report (SAR) and submit the correction (the answer to the question "Are you male?" must be yes too). The student may also register online at the Selective Service website (www.sss.gov) or by filling out a form available at the post office.

In some cases, a student will not be able to register using the FAFSA or SAR. Generally, however, a male student who is 18–25 and who has not registered previously may use this method. Students who have questions about Selective Service registration may contact the Selective Service at (847) 688-6888 or on the Web.

EXEMPTIONS

Men exempted from the requirement to register include:

- males currently in the armed services and on active duty (this exception does not apply to members of the Reserve and National Guard who are not on active duty);
- males who are not yet 18 at the time that they complete their applications (an update is not required during the year, even if a student turns 18 after completing the application);

Selective Service requirement

General Provisions
34 CFR 668.32(j), 668.37
PLUS exemption 682.201(b)(1)(v)

Age and registration

The student can be registered with Selective Service as early as 30 days before his 18th birthday. If the student is too young, Selective Service will hold the registration until the student is within 30 days of his 18th birthday. Students 26 and older can't be registered.

Gender and registration

Only males are required to register. Whether a person is male or female is a matter for medical determination. If a school needs to determine whether a student is male or female for Selective Service purposes, the school should tell the student to contact the Selective Service for a Status Information Letter.

Exemptions

34 CFR 668.37(a)(2)

Exemption examples

Tod has been on active duty in the Army from the time he was 18 and didn't register with Selective Service before he joined the Army. He's now 24, is planning to leave the Army, and wants to receive financial aid. If he applies while he's still on active duty, he doesn't need to be registered with Selective Service. Once he leaves, he must be registered, or else he won't be able to receive aid in later years. In most cases, when someone completes an enlistment contract he is automatically registered, so Tod is probably already registered even though he didn't complete a separate registration form.

George was enrolled in an officer procurement program at the Virginia Military Institute, which he started a month before he turned 18. When he was 22, he had a serious accident and was hospitalized; he officially dropped out of school a month after he was hospitalized. Due to his injuries he was hospitalized for four years. Because he qualified for a waiver for the entire time he was 18–25, he was not required to register with Selective Service.

- males born before 1960;
- citizens of the Republic of Palau, the Republic of the Marshall Islands, or the Federated States of Micronesia*;
- noncitizens who first entered the U.S. after they turned 26;
- noncitizens who entered the U.S. as lawful *nonimmigrants* on a valid visa and remained in the U.S. on the terms of that visa until after they turned 26.

There are certain less common situations in which registration isn't necessary. Students who weren't required to register prior to meeting one of these criteria and who meet a criterion for the entire time through the age of 25 qualify for the waiver if:

- they are unable to register due to being hospitalized, incarcerated, or institutionalized;
- they are enrolled in any officer procurement program at The Citadel, North Georgia College and State University, Norwich University, Virginia Military Institute, Texas A&M University, or Virginia Polytechnic and State University; or
- they are commissioned Public Health Service officers on active duty or members of the Reserve of the Public Health Service on specified active duty.

If the student is clearly not required to register, you must document this, but do not have him request a status information letter from the Selective Service. You should only ask the student to provide such a letter to document an exemption from the requirement to register if it isn't clear that he is exempt. For example, as mentioned above, noncitizens who first enter the U.S. after the age of 26 aren't required to register. Only those immigrant men who enter and live in the U.S. at ages 18–25 are required to be registered. If a male immigrant can show proof that he first entered the U.S. when he was past registration age, he is clearly not required to be registered, and no status information letter is needed. The student's entry documentation is enough to show whether he was required to register.

Documentation for exempt noncitizens includes: proof of birth date on a passport, birth certificate, or U.S. driver's license or state ID; proof of immigration date into the U.S. from an entry date stamp on the I-94 form or in the passport, or a letter from the USCIS indicating the entry date; and, for those here on a valid visa who are at least 18 and less than 26 years old, a student visa form (I-20) or other valid U.S. passport visa stamp with expiration date (the dates must be from entry until after the man turned 26).

*A citizen or national of the Republic of the Marshall Islands or the Federated States of Micronesia who lives in the United States for more than one year for any reason except as a student or employee of the government of his homeland must register.

SELECTIVE SERVICE MATCH

The CPS performs a match with the SSS to determine if relevant students are registered. The output document displays the match result in the FAA Information section, as well as a comment about the result.

Successful matches

If the match shows that the student is registered or exempt, a comment confirming this fact will be on the student's output document. The student is then eligible for aid.

The student is also eligible for aid if the match shows that the student is still too young to register. If the student asks to be registered, Selective Service will hold onto that registration request until 30 days before the student's 18th birthday and will then register the student.

Finally, the student is also eligible if the CPS successfully forwards the student's name to Selective Service for registration.

Unsuccessful matches

If the match doesn't confirm the student's registration or the student can't be registered, the output document will have a comment about the problem. A "C" flag will also be printed next to the student's EFC. Until the student resolves the registration problem, you can't pay FSA funds to the student or certify or originate a loan.

▼ **Registration not confirmed.** If the match shows that the student isn't registered, he must either register or provide evidence that he is registered or is exempt from registration. His Selective Service Registration Acknowledgement or letter of registration shows that he is registered. You can also go to the Selective Service System website at www.sss.gov and check on the student's status—a printout of the webpage is acceptable documentation that the student is registered. If he doesn't have an acknowledgement or letter of registration and the website doesn't confirm his registration, he'll have to contact Selective Service to resolve the problem. If the conflict is resolved in his favor, he'll receive a letter from the Selective Service documenting that he is registered or is exempt from registering.

▼ **Unsuccessful registration.** The CPS won't be able to forward the student for registration if certain information—first and last name and date of birth—is missing. The student should submit a correction with the required information, and you can check the match results from this correction to see if the student is eligible.

If the student is 26 or older, the CPS cannot register the student but will send his record through the data match. If the student is not registered, he can no longer do so, and you will have to determine if he is eligible for aid despite failing to register.

Status information letter codes

The Selective Service has different status information letters, which are indicated by a code that appears in the lower left-hand corner. Determination of aid eligibility for a man who failed to register with Selective Service should not be based solely on these letter codes. Financial aid administrators are obliged to review all evidence presented by a student to determine if he has shown "by a preponderance of evidence" that his failure to register was neither willful nor knowing. The codes are:

- **E1–E8:** These codes indicate that the student was not required to register or was exempt the entire time he could have registered (ages 18–25).
- **NM:** The student did not register although he was on active duty in the armed forces only for a portion of the time when he could have registered (between ages 18–25) and was, therefore, required to register.
- **NR:** The student was born before 1960 and is therefore not required to register.
- **RD:** The student gave a reason for not registering or documentation to show he was exempt from the requirement, but the Selective Service determined the reason or documentation to be invalid. Therefore, the student was required to register but did not. No requests to comply with the registration requirement were sent.
- **RH:** The student was sent one or more letters requesting that he register during the required period, but all letters were returned by the post office as undeliverable.
- **RL:** The student was required to register, but the Selective Service has no record of his registration and their records show he was sent one or more letters requesting that he register.
- **RR:** The student said he attempted to register, but Selective Service has no proof of the attempt.

Out of concern for privacy, the SSS only displays the last four digits of the Social Security number on correspondence.

Unsuccessful registration**example**

On his FAFSA, Hector asks the CPS to forward his information to the Selective Service for registration. However, he's over 26, so the Selective Service can't register him. His output document comes back with a blank match flag and comment 33. Hector didn't enter the U.S. until after his 26th birthday, so he doesn't have to be registered. Guerrero University already has information about his citizenship status, including the date he arrived in the U.S., so it has documentation that he is exempt from registration. The aid administrator explains to Hector why he wasn't required to register.

Failure to register

34 CFR 668.37(d), (e)

Veteran Status Match

See the *Application and Verification Guide* for information on the veteran match and dependency status.

Appeals

The school's decision is final and cannot be appealed to the Department except in one limited instance. The regulations state that the Department will hear appeals from students who have provided their schools with proof that they are in compliance (i.e., that they are registered or exempt from registration) but who are still being denied Federal Student Aid based on the registration requirement.

34 CFR 668.37(f)

FAILURE TO REGISTER

Some students have been denied aid because they failed to register with the Selective Service before their 26th birthday. The Selective Service will register only males age 18–25, leaving older students with no way to remedy their situation if they failed to register. However, the student may still be eligible to receive aid if he can demonstrate that he did not knowingly and willfully fail to register.

A student who served on active duty in the armed forces but who did not register before turning 26 is still eligible to receive FSA funds because it's reasonable to conclude that he was not trying to avoid registering for the draft. Ask the student to provide a copy of his DD Form 214, "Certificate of Release or Discharge from Active Duty," showing military service in the armed forces—other than the reserve forces, the Delayed Entry pool, and the National Guard.

Students without military service who knew of the registration requirement but chose not to register are considered to have knowingly and willfully failed to register and are therefore ineligible for FSA funds. Your school's decision in this case is final and cannot be appealed to the Department except as noted in the margin.

Determining if non-registration was knowing and willful

Unless you can document that the student meets one of the registration exemptions or that he served on active duty in the armed forces (with a character of service other than dishonorable), he must write to the Selective Service to get a status information letter addressing his failure to register. He may also download a request form from www.sss.gov to print out, complete, and mail. The student should provide as complete a description about his situation as possible: where he was living during the period when he should have registered, whether he was incarcerated or institutionalized, his citizenship status during the period, if applicable, and so on.

If the student receives a "general exemption letter" (codes E1-E8) or a "DOB before 1960" letter (code NR), he is exempt from registration and may receive FSA funds. If he receives any other type of letter, you must determine based on all relevant evidence whether he knowingly and willfully failed to register. The letter from Selective Service may provide information that is crucial to your decision. For example, if the student received a letter indicating a compliance letter had been sent (code RL), this would be a negative factor when you make the determination. If the student received a "Military Service: Noncontinuous" letter (code NM), you might reasonably determine that the student did not knowingly and willfully avoid registration.

Most of the status information letters state that the final decision regarding the student's eligibility rests with the agency awarding funds. For the purposes of the FSA Programs, the decision is made by your school, which represents the Department of Education. If you determine that the student's failure to register was knowing and willful, the student loses FSA eligibility.

When deciding whether the student had knowingly and willfully failed to register, you should consider the following factors:

- **Where the student lived when he was age 18–25.** For example, if a student was living abroad, it is more plausible that he would not come into contact with the requirement for registration.
- **Whether the student claims that he thought he was registered.** Mistakes in recordkeeping can occur. Correspondence indicating an attempt to register could form a basis for determining that the student did not knowingly and willfully fail to register. On the other hand, a letter from Selective Service stating that it received no response to correspondence sent to the student at a correct address would be a negative factor.
- **Why the student claims he was not aware of the widely publicized requirement to register when he was age 18–25.**

Exception if SSS does not repond in 30 days

As of this writing, the Selective Service System does not have a delay in responding to requests for status information letters. However, you may award aid while waiting for the letter from the SSS if their response time is longer than 30 days and if you have no evidence that a student intentionally failed to register. If the SSS response or other subsequent information causes you to conclude the student did knowingly and willfully fail to register, then he becomes ineligible for Federal Student Aid and he, not your school, is responsible for returning the aid he received.



Eligibility for Specific FSA Programs

Most of the student eligibility requirements we have discussed so far apply to all or most of the FSA programs, but there are additional factors that are program specific.

PELL GRANTS

In general, a student must be enrolled in an undergraduate course of study to receive a Pell grant, though there are teaching certification exceptions (see the next page). A student who has earned a baccalaureate degree or a first professional degree cannot receive a Pell grant.

A student who completes a master's program has earned a degree beyond the baccalaureate level (in many instances a professional degree), making her ineligible for a Pell grant even if she does not have a bachelor's degree and enrolls in an undergraduate program.



A student who has received an associate degree—or any certificate or diploma below the baccalaureate level—and who enrolls in another undergraduate program continues to be considered an undergraduate student until she has completed the curriculum requirements for a first bachelor's degree.

A student with a baccalaureate or professional degree is ineligible even if the degree is from an unaccredited school or is not recognized by your school. Similarly, a student with a baccalaureate or professional degree from a foreign school usually isn't eligible for a Pell grant. But because a foreign degree often won't translate neatly into the American classification, the school must judge whether it equates to a U.S. bachelor's degree. If the student provides written documentation that the foreign degree is not equivalent to a bachelor's degree awarded in the United States, your school may determine that he does not have a bachelor's degree. The documents may include information about the type of school the student attended and total years of education leading to the degree.

Occasionally a student will complete all the requirements for a bachelor's degree but will continue taking undergraduate courses without accepting the degree. Your school must decide whether and at what point the student completed the baccalaureate course of study. If your school determines that the student did complete a bachelor's program, then he is no longer eligible to receive a Pell grant.

Undergraduate student definition

34 CFR 668.2(b)

A student enrolled in a program of study that is usually four, or sometimes five, academic years and that leads to a baccalaureate degree. A student enrolled in a program that lasts longer than five years, typically first professional degree programs such as a six-year pharmacy program, can be considered an undergraduate for only the first three or four years.

Students enrolled in dual degree programs that confer a bachelor's degree and either a graduate or first professional degree are undergraduates for at least the first three years of the program. The school determines at what point after three years the student ceases to be an undergraduate.

For the FSEOG, Pell, and TEACH Grant programs, a student is an undergraduate only if he has not earned, or completed the requirements for, a bachelor's or professional degree. Students enrolled in an eligible postbaccalaureate program as described on the next page are still undergraduates for receiving TEACH and Pell grants. 34 CFR 668.2(b), 686.2(d), and 690.6



Professional degree

A degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree. Professional licensure is also generally required. Some examples are pharmacy (Pharm.D.), dentistry (D.D.S. or D.M.D.), and law (L.L.B. or J.D.).

Incarcerated Students and Pell

HEA Sec. 401(b)(8), 34 CFR 668.32(c)(2)(ii), "Dear Colleague" Letter P-94-7
Costs for incarcerated students
HEA Sec. 472(6)

Wrong grade level on the FAFSA

When an undergraduate student incorrectly reports on the Free Application for Federal Student Aid (FAFSA) that he will be a graduate student or has a bachelor's degree, he must correct that information. Because the application shows that the student isn't an undergraduate, the Department's records will show that he is ineligible for Pell. If the application isn't corrected, the school won't be able to pay him a Pell grant.

Eligible postbaccalaureate program and the FAFSA

34 CFR 690.6(c)

Normally a student who indicates on the FAFSA that he has a bachelor's degree won't be listed in the Department's records as a Pell-eligible student, and the school won't be able to receive Pell funds for the student. However, in order to allow students who are eligible under the postbaccalaureate program provision to be paid, students who correctly report that they have a bachelor's degree but also indicate on the FAFSA that they're in a teaching credential program will be listed as Pell-eligible students. Of course, you must determine whether the student actually falls under the eligible postbaccalaureate provision.

Incarcerated students and sex offenders

Students incarcerated in federal and state penal institutions aren't eligible for Pell grants, but those incarcerated in local penal institutions are. Students incarcerated by jurisdictions defined as a state in the law, such as the District of Columbia, are considered to be in a state penal institution and aren't eligible for Pell grants. A student isn't considered incarcerated if she is in a halfway house or home detention or is sentenced to serve only on weekends.

The cost of attendance for students who are incarcerated in local penal institutions is limited to tuition and fees and the price of books and supplies specifically related to the student's course of study. For more information on the cost of attendance, see *Volume 3, Chapter 2*.

A student cannot receive a Pell grant if he is subject to an involuntary civil commitment following incarceration for a sexual offense (as determined under the FBI's Uniform Crime Reporting Program).

Duration of eligibility

All students who first received a Pell grant on or after July 1, 2008 (the limit does not apply to students who received their first Pell grant before then), may receive Pell grants for up to 18 semesters or the equivalent. This means students can receive no more than nine scheduled awards; less-than-full-time students are assessed accordingly.

Eligible postbaccalaureate program

A student who is enrolled at least half time in a postbaccalaureate teacher certification or licensure program is eligible to receive a Pell grant for the period necessary to complete the program if:

- the program does not lead to a graduate degree;
- the school offering the program does not also offer a bachelor's degree in education;
- the student is pursuing an initial teacher certification or licensing credential within a state; and
- the program consists of the courses required by a state to receive a professional certification or licensing credential necessary for employment as a teacher in an elementary or secondary school in that state.

Under this **very limited provision**, a postbaccalaureate program is defined as a program that generally requires a student to have a bachelor's degree before being admitted to the program. Accordingly, a program in which undergraduate students are routinely allowed to enroll would not meet the definition of a postbaccalaureate program for this purpose, nor would a program that is generally open to undergraduates but that also admits students with bachelor's degrees.

For FSA purposes, a school must treat a student who receives a Pell grant under this provision as enrolled in an undergraduate program. He is eligible for fifth-year undergraduate (not graduate student) Stafford loan limits. He is not eligible for an FSEOG.

IRAQ AND AFGHANISTAN SERVICE GRANTS & ZERO EFCs

A student whose parent or guardian died as a result of U.S. military service in Iraq or Afghanistan after September 11, 2001, may receive increased FSA funds if at the time of the parent or guardian's death the student was either less than 24 years old or was enrolled in college.

- If the student is eligible for a Pell grant, you award and package all Title IV aid based on an EFC of zero.
- If the student is ineligible for a Pell grant only because his EFC is too high, he may receive an Iraq and Afghanistan Service Grant. As with Pell Grants, there is a receipt limit of 18 semesters, and payments are adjusted for students enrolled less than full time. Unlike Pell grants, these non-need-based grants do not count as estimated financial assistance.

See *Volume 3, Chapters 3 and 7* for the award and packaging rules for these students.

STAFFORD AND PLUS LOANS

To be eligible for Stafford loans, undergraduate students attending a school that participates in the Pell Grant Program must first receive a determination of their eligibility for Pell grants. See *Volume 3, Chapter 7*.

Generally a student must be enrolled or accepted for enrollment in a degree or certificate program to receive FSA funds, but there are exceptions that apply to Stafford and PLUS loans.

Preparatory coursework

A student may apply for a Stafford or PLUS loan for coursework the school has documented is necessary for him to enroll in an eligible program. The courses must be part of an eligible program otherwise offered by the school, though the student does not have to be in that program. If enrolled at least half time in these prerequisite courses, he is eligible for loans for one consecutive 12-month period (not per program) beginning on the first day of the loan period. If the period of preparatory courses spans more than one academic year, the student may receive multiple loans.

To be eligible for loans under this exception, the student must be taking classes that are a prerequisite for admission. If he is only taking them to raise his GPA in order to be admitted, he would not qualify.

Teacher certification coursework

Chapter 1 explains when a student may receive a Stafford or PLUS loan, among other aid, for courses necessary for an elementary or secondary school teaching credential or certification.

Parent borrower eligibility

To borrow a PLUS loan for a student, the parent must be the student's biological or adoptive mother or father. Both parents may get a PLUS loan as long as the total aid package does not exceed the student's cost of attendance. A stepparent is also eligible to borrow a PLUS loan if her income and

Preparatory coursework example

Eddy has a bachelor's degree, with a major in mathematics. He wants to enroll in a graduate computer science program at Guerrero University. He needs 12 more semester hours of computer science coursework to meet Guerrero's admission requirements. He enrolls in courses that are part of Guerrero's undergraduate degree program, but because he is not enrolled for the purpose of receiving an undergraduate degree, he is not a regular student. However, because the coursework is necessary for his enrollment in the graduate program, he may receive a Direct loan for this coursework.

34 CFR 685.203(a)(6)

Preparatory coursework at a different school

A student may take the preparatory courses at School A (as long as they are part of an eligible program there) to prepare for enrollment at School B. Also, School A may require documentation from School B that these courses are required for the student's enrollment.

Refusing or reducing loans

34 CFR 685.301(a)(8):

“A school may refuse to originate a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan or may reduce the borrower’s determination of need for the loan if the reason for that action is documented and provided to the borrower in writing, and if—

(i) The determination is made on a case-by-case basis;

(ii) The documentation supporting the determination is retained in the student’s file; and

(iii) The school does not engage in any pattern or practice that results in a denial of a borrower’s access to Direct Loans because of the borrower’s race, gender, color, religion, national origin, age, disability status, or income.”



assets would be taken into account when calculating the dependent student’s EFC. A legal guardian is not considered a parent for FSA purposes.

A parent may receive a PLUS loan only to pay for the education costs of a dependent undergraduate student who meets the eligible student definition.

A parent must meet the same citizenship and residency requirements as a student. Similarly, a parent who owes an overpayment on an FSA grant or is in default on an FSA loan is ineligible for a PLUS loan unless he has made satisfactory arrangements to repay the grant or loan. Yet the parent’s ineligibility for a PLUS loan does not affect the student’s eligibility for FSA funds.

If the parent had a prior Stafford loan that was cancelled for total and permanent disability, he must adhere to the same eligibility requirements outlined for Stafford borrowers in Chapter 3.

Finally, a parent is not eligible for a PLUS loan if the federal government holds a judgment lien on her property or if she is incarcerated.

**Adverse credit history for PLUS**

A parent or graduate/professional student with an adverse credit history is prohibited from obtaining a PLUS loan unless he meets additional criteria. The Department obtains a credit report on each applicant for a loan from at least one national credit bureau. An applicant is considered to have an adverse credit history if:

- he is 90 days or more delinquent on any debt, or
- during the five years preceding the date of the credit report, he has been determined to be in default on a debt, his debts have been discharged in bankruptcy, or he has been the subject of foreclosure, repossession, tax lien, wage garnishment, or write-off of an FSA debt.

An applicant cannot be rejected for a PLUS loan because she has no credit history—i.e., the absence of a credit history cannot be construed as an adverse credit history.

Someone with an adverse credit history can qualify for a PLUS loan by securing an endorser who doesn’t have an adverse credit history. For a parent borrower, the endorser may not be the dependent student for whom he is borrowing. Instead of securing an endorser, an applicant may appeal a determination of adverse credit history to the Department by documenting extenuating circumstances. The Department has the final decision on whether to make a loan to the person.

If your school participates in the PLUS program but a student’s parent cannot obtain a PLUS loan, the student is allowed to borrow additional unsubsidized Stafford money (see *Volume 3, Chapter 5*).

Student credit checks

Financial aid administrators may not perform credit checks on students in connection with awarding them federal aid.

Medical internships and residencies

A student is ineligible to receive a Stafford loan or a Perkins loan while in a medical internship or residency program unless it is part of the school’s degree program. This restriction does not apply to students in dental internship programs.

CAMPUS-BASED AID GENERAL REQUIREMENTS

Unlike the Stafford and PLUS loan programs, a student does not have to be enrolled at least half time to be eligible to receive aid through the campus-

based programs unless the student is seeking aid to attend a teacher certification or professional credential program.

A student enrolled as an undergraduate, graduate, or professional student is eligible to receive assistance from the Federal Perkins Loan and Federal Work-Study (FWS) programs. Only undergraduate students who do not have a baccalaureate or first professional degree are eligible to receive Federal Supplemental Educational Opportunity Grants (FSEOGs). This means that a student who has earned a bachelor's or first professional degree may receive a Perkins loan or FWS wages to pursue a graduate or additional undergraduate degree, but he may not get an FSEOG.

See the margin note on page 38 about how the Compact Act affects FSEOG and FWS eligibility for students from the Republic of the Marshall Islands and the Federated States of Micronesia.

Teacher certification programs

As with Stafford loans, a student may receive a Perkins loan or FWS for coursework that doesn't lead to a degree or certificate from the school but that is required by a state for an elementary or secondary school teaching credential or certificate. See *Chapter 1*.

PERKINS LOANS

Both undergraduate and graduate students may receive Perkins loans, but those with *exceptional financial need* (as defined by your school) have priority. To receive a Perkins loan, a student must meet the general eligibility requirements and must not have borrowed the maximum amounts. A student who has earned a bachelor's or first professional degree may receive a Perkins loan to pursue an additional undergraduate degree.

For students to receive a Perkins loan, they must provide the school a driver's license number (if they have one) when they apply for the loan, and they must have their eligibility for a Pell grant determined if they are undergraduates.

A borrower who is in default on an FSA loan is not eligible for a Perkins loan unless she has regained eligibility. However, a borrower who satisfies any of the conditions that remove her defaulted Perkins loan from the school's cohort default rate becomes eligible for additional Perkins loans.

As with Stafford loans, if a borrower received a discharge of a Perkins loan or NDSL due to total and permanent disability and applies for another Perkins loan or NDSL, she must follow the procedure explained in *Chapter 3*.

Willingness to repay

In selecting Perkins loan recipients, a school must consider evidence of a borrower's willingness to repay the loan. Delinquency, default, or other failure to meet repayment obligations on a previous loan is evidence that the borrower is unwilling to repay a loan. For example, if a borrower has previously satisfied a defaulted student loan involuntarily (such as by garnishment of the borrower's wages), a school should consider this as evidence of unwillingness to repay and should deny further loan assistance to the borrower.

Members of a religious order

Members of any religious order, society, agency, community, or other organization aren't considered to have financial need if the order—

- (1) has as a primary objective the promotion of ideals and beliefs regarding a Supreme Being,
- (2) requires its members to forego monetary or other support substantially beyond the support it provides, and
- (3) directs the member to pursue the course of study or provides subsistence support to its members.

Members of these religious orders can't receive subsidized Direct loans, Pell grants, or Campus-based aid. They are eligible, however, for unsubsidized Direct loans.

34 CFR 674.9(c), 675.9(c), 676.9(c), 685.200(a)(2)(ii), 690.75(d)

Perkins loan eligibility

34 CFR 674.9

Medical internship or residency
HEA 464(c)(2)(A)(i)

Incarceration
34 CFR 668.32(c)(2)(ii)

Default
HEA 464 (b)(1)

Teacher certification programs
34 CFR 668.32(a)(1)(iii)

Previous disability cancellation

34 CFR 674.9(g) and (h)

Willingness to repay

34 CFR 674.9(e)

Previous Perkins loan discharged in bankruptcy

Due to the Bankruptcy Reform Act of 1994, a student or parent may not be denied FSA loans solely on the basis of a bankruptcy filing or discharge. They also may not be required to repay a previously discharged loan in order to reestablish eligibility for new loans. However, aid administrators have more latitude in making awards under the Perkins than the Direct Loan program because they may consider a student's willingness to repay. If a student has filed for or received a loan discharge in bankruptcy or has had an FSA loan determined dischargeable by a court of law, the bankruptcy may be considered when determining a student's willingness to repay provided it is not the sole basis for the determination and for a denial of a Perkins loan. Schools may also, of course, consider the student's post-bankruptcy credit history in determining willingness to repay.

FWS eligibility

34 CFR 675.9

FEDERAL WORK-STUDY (FWS)

To be eligible for a Federal Work-Study (FWS) job, a student must meet the usual eligibility criteria and must have financial need, that is, his cost of attendance must be greater than his expected family contribution (EFC). Also, a financial aid administrator may not award FWS employment to a student if that award, when combined with all other resources, would exceed the student's need. However, unlike the other two Campus-based programs, the FWS Program does not require that priority be given to students who have *exceptional* financial need. In choosing students for FWS employment, schools must follow the procedures discussed in *Volume 3, Chapter 6*.

Additional FWS criteria

For information on eligible FWS jobs, see *Volume 6*.

A student can be employed in an FWS job during a period of non-attendance, such as a summer term. He must be planning to attend school during the next period of enrollment and must have financial need for that period—his current FWS earnings must be used to cover expenses for it and will count as estimated financial assistance. See *Volume 6, Chapter 2*, for more information.

FSEOG eligibility

34 CFR 676.9 and 676.10
34 CFR 668.32(c)(1)

FSEOG

To receive a Federal Supplemental Educational Opportunity Grant (FSEOG), a student must have financial need and must meet the general eligibility requirements discussed in the other chapters of this volume. Students with the lowest EFCs who will also receive Pell grants for the award year have primary consideration for an FSEOG. If after giving FSEOG awards to all its Pell recipients a school has FSEOG funds remaining, it can award those funds to eligible students with the lowest EFCs who will not receive Pell grants. See *Volume 3, Chapter 6*.

Additionally, to receive an FSEOG one must be enrolled or accepted for enrollment as an undergraduate student and must not have previously earned a bachelor's or first professional degree.



A school must make FSEOG funds reasonably available (to the extent that funds remain) to all eligible students.

TEACH GRANTS

The Teacher Education Assistance for College and Higher Education (TEACH) Grant Program provides \$4,000 annual grants to students who plan to become teachers. Candidates must agree to serve as full-time teachers at certain schools and within certain high-need fields for at least four academic years within eight years of completing the course of study for which a grant was received. If a grant recipient does not meet that obligation, the TEACH grant funds he received convert to a Direct unsubsidized loan that must be repaid with interest.

Amount of grant funds available

A full-time TEACH grant recipient may receive four scheduled awards of \$4,000 each, or a total of \$16,000, for her *first* (those after the first are not eligible) baccalaureate and postbaccalaureate programs combined. A graduate student may receive two scheduled awards, or a total of \$8,000, for a master's degree program. Students who are enrolled less than full time have the same maximums, though the annual awards will be smaller: for example, a student enrolled half time in a master's program could receive an annual award of \$2,000 for each of the four years it would take her to complete her program. A TEACH grant in combination with other assistance the student receives cannot exceed the cost of attendance; if it does, her aid package must be reduced.

Receiving a TEACH grant

To qualify for a TEACH Grant, a student fills out not only a FAFSA but an agreement to serve (explained later) and must be enrolled in a program and at a school that are both TEACH-grant eligible.

Students must adhere to an academic standard: they must have a grade point average of at least 3.25 on a 4.0 scale, or the numeric equivalent (see “Schools without a traditional GPA” on page 75), or must have scored above the 75th percentile on at least one of the batteries on a nationally-normed standardized undergraduate, postbaccalaureate, or graduate school admissions test. An undergraduate student uses for the first year her final high school GPA or the GPA for all the classes she has taken at college through the most recently completed payment period; after the first year she uses the latter GPA. A graduate student uses her undergraduate GPA for the first payment period and her cumulative graduate school GPA thereafter.

You must have documentation of the GPA from the cognizant authority or from the student. For high school grades the authority is typically the high school or, in the case of homeschooled students, the parents or guardians. If the student provides the document and you have reason to question its accuracy, you must obtain documentation directly from the cognizant authority.

The above academic requirements do not apply to certain graduate students. This group comprises current teachers or retirees from another occupation with expertise in a high-need field who are seeking a master's degree, as well as current or former teachers who are completing a high-quality alternative certification, such as Teach for America.

When you determine TEACH grant eligibility for transfer students and calculate their GPA, you must, for at least the first payment period, include

TEACH Grant Program

34 CFR 686

TEACH grant-eligible program

This is an eligible program as described in *Volume 2, Chapter 2*, that prepares one to be a highly qualified teacher in a high need field and that leads to a bachelor's or master's degree or is a postbaccalaureate program. A two-year program acceptable for full credit toward a bachelor's degree is considered a program that leads to a bachelor's degree.

TEACH grant definitions**High-need field—**

1. Bilingual education and English language acquisition
2. Foreign language
3. Mathematics
4. Reading specialist
5. Science
6. Special education
7. Another field documented as high-need by the federal government, a state government, or a local education agency, and appearing on the Department's annual Teacher Shortage Area Nationwide Listing.

Postbaccalaureate program—a program for those who have completed a bachelor's degree that:

1. does not lead to a graduate degree,
2. consists of courses required by a state for a credential necessary for teaching at an elementary or secondary school in that state (this does not include any program offered by a TEACH grant-eligible school that offers a bachelor's degree in education), and
3. is treated as an undergraduate program for FSA purposes.

Scheduled award—the maximum amount of a TEACH grant that a full-time student could receive for a year.

School or educational service agency serving low-income students (low-income school or educational service agency)—an elementary or secondary school or an educational service agency listed in the Department's annual Teacher Cancellation Low Income Directory (see www.tcli.ed.gov) because it—

1. is in the school district of a local education agency that is eligible for assistance under Title I of the Elementary and Secondary Education Act (ESEA), and
2. has been determined by the Secretary to have more than 30 percent of its children qualify for services under Title I of the ESEA.

grades for courses accepted for transfer into the TEACH grant-eligible program. For subsequent payment periods, follow your academic policy regarding the calculation of the GPA, whether that is to include grades for courses that transfer or to exclude them.

Agreement to serve

To receive a TEACH grant, a student must sign an agreement to serve. This document explains that the student will:

- Serve as a full-time teacher for a total of at least four academic years within eight calendar years of completing or otherwise ceasing to be enrolled in the course of study for which the TEACH grant was received;
- Teach at a school or educational service agency serving low-income students;
- Comply with the requirements for being a highly qualified teacher (see the margin note on the next page);
- Teach (in the majority of classes) in a high-need field, which includes subjects on the nationwide shortage area list at <http://www.ed.gov/about/offices/list/ope/pol/tsa.html> that is updated each year by the Department;
- Upon completion of each year of service, provide certification of that service from the chief administrative officer of the school or educational service agency; and
- If she fails or refuses to carry out her service obligation in the time noted above, repay as an unsubsidized Direct loan the total amount of the TEACH grants received, with interest accrued as of the date of disbursement of each grant.

A person must complete a four-year service obligation for each program of study for which he receives TEACH grants. The eight-year period for completing this obligation begins when his enrollment in the program ends. Teaching may apply to more than one obligation: for example, a student who completes a bachelor's and a master's program consecutively and receives TEACH grants for both would have two service obligations. He could receive a suspension for completing the obligation for the undergraduate program while he is enrolled in the master's program. Once that is done, four years of qualifying teaching would satisfy the service obligations for both programs. However, if he finishes the bachelor's program, completes the obligation for it, and later enrolls in the master's program, he would need to complete another four-year service obligation.

For each year of the person's service obligation, she must teach a majority of classes in a high-need field. Fields on the nationwide list must be designated as high-need by the state where and when she begins teaching or they must have been listed when she received her TEACH grant. Teaching in a geographic region of a state or in a grade level not associated in the nationwide list with the student's field does not satisfy the service obligation.

Schools without a traditional GPA

Schools that do not use a standard 4.0 GPA scale for a program must have a written equivalency policy with a numeric scale and must make it available upon request. The policy must clearly differentiate student performance so that it can support a determination that a student has achieved at a level commensurate with at least a 3.25 GPA on a 4.0 scale. Generally a grading scale that includes only “pass/fail,” “satisfactory/unsatisfactory,” or some other non-numeric evaluation will not meet this requirement unless it can be shown that a “pass” or “satisfactory” grade has a numeric equivalent to a traditional 3.25 GPA (or higher) or that a student’s performance on tests and assignments yielded such a numeric equivalent.

Such a policy must be consistent with other grading scales that the school has developed for academic and other (including FSA) purposes—e.g., graduate school applications, scholarship eligibility, insurance certifications—to the extent that such scales distinguish between levels of student academic performance.

School without traditional GPA

At Chisos Basin University instructors submit at the end of the semester an evaluation that the work a student does in a class is “satisfactory” or “unsatisfactory.” The catalog indicates that the evaluation is never translated into a grade by the registrar’s office. Neither the catalog, the faculty handbook, nor any other CBU publication differentiates levels of satisfactory student performance. Even though the state scholarship program accepts a “satisfactory” as the equivalent of a “B,” the university may not make such an assumption for the TEACH Grant program. Moreover, a “B” grade generally corresponds to a GPA of 3.0, while TEACH grants require a GPA of 3.25 or better.

Highly qualified teacher

The definition of “highly qualified” with respect to teachers is lengthy and is explained in Section 9101(23) of the Elementary and Secondary Education Act [USC 7801(23)] and Section 602(10) of the Individuals with Disabilities Education Act [USC 1401(10)].

