
Introduction



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

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

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

CHANGES FOR 2017–2018

After the processing year began and this volume was first posted to the IFAP website, the IRS ceased use of the Data Retrieval Tool (DRT) due to security concerns. Since we do not expect that this suspension will be permanent, we have not removed mention of the DRT throughout the guide. We have given additional guidance here (see the margin note on page 80) and in [Dear Colleague Letter GEN-17-04](#) about changes to verification requirements as a result of the DRT being unavailable.

The big changes for 2017–2018 are the switch to using “prior-prior year” financial information on the FAFSA and the earlier date for applicants to be able to submit the FAFSA (October 1 instead of January 1 before the beginning of the award year).

On page 6 we note that the Department will no longer print the FAFSA since over 99% of applications are completed electronically. One paper option will remain however: the PDF FAFSA that students can download and print out.

Also on that page, we added a sentence under the FSA ID section about a recent electronic announcement that explains new enhancements to the ID, and we updated the margin note about FAFSA filers who are younger than 13. Such applicants will now fill out a regular PDF FAFSA and mail it to a dedicated address rather than submit a request for a special FAFSA.

We removed the worksheet that was on page 16 that was used to estimate adjusted gross income for those who had not yet filed a tax return. Because of the use of prior-prior year data, most returns should be filed.

At the end of the first paragraph on page 18, we added that when a parent owns a qualified education benefit plan for a child and files a FAFSA as a student, the value of the plan counts as an asset on the parent's FAFSA.

On page 23 we added Medicaid to the examples of welfare benefits, which are not reported as untaxed income on the FAFSA. We later included benefits from the Children's Health Insurance Program (CHIP) as Medicaid.

We added Medicaid to the list of federal means-tested benefit programs in the margin note on page 38 and later added CHIP benefits as well.

On page 78 we removed the paragraph about the ISIR Analysis Tool, which is being decommissioned.

We added on page 79 a new response for reporting verification results for groups V4 and V5: number 6, to be used when verification was attempted and problems were found with both the student's identity and high school diploma. Previously users were instructed to enter 3 in such situations. We also updated the reference to the relevant electronic announcement to reflect the most recent one of November 18, 2016.

In the bold sentence on page 79, we noted the exception for resolving conflicting information where a student has ceased enrollment at the school and does not intend to reenroll.

In the verification exclusion on page 80 about students who are only eligible for unsubsidized aid, we added a caveat about students who are selected for V4 or V5 verification.

On page 80, in the bullet for post enrollment, we added the clause "he does not intend to reenroll." We later added "for the award year."

In the paragraph on page 80 where we explain the circumstances in which the information of the parents of a dependent student does not need to be verified, we added a parenthetical phrase indicating that the circumstances also apply when there is only one parent.

In the margin of page 80, we added a note about the IRS suspending the DRT and how this will affect verification for 2017–2018 and the remainder of 2016–2017.

On page 83 we added a margin note referring to the electronic announcement of February 23, 2017, that explains IRS documentation requests, uses, and messaging.

Also on page 83, as a consequence of the IRS's suspension of the DRT, we removed in May 2017 the guidance about getting a verification of nonfiling from the IRS or another tax authority.

In the guidance on pages 83 and 84 pertaining to filers of non-IRS returns, we cited a new, relevant online Q and A and also noted what to do if a school questions the accuracy of a signed copy of a tax return.

On page 91 we modified the guidance in the margin note "Disbursing unsubsidized aid."

On page 109 we added a margin note about how the transition to the use of prior-prior year data on the FAFSA might justify more frequent exercise of professional judgment to account for a family's current circumstances.

On page 111 we added an example of a dependency override to emphasize (1) that students who are refugees from war-torn or turbulent countries might present circumstances that warrant a dependency override and (2) that there might be challenges in obtaining documentation of such situations.

At the end of the first paragraph on page 113, we added that there is also an exception to resolving conflicting information when the student is no longer enrolled and will not reenroll. We added to the second paragraph on that page that the resolution of conflicting information must occur before any professional judgment adjustment, just as verification must occur before PJ adjustments.

We added the margin note on page 114 about the new FSA Feedback System that the Department has established to allow students, parents, and others to lodge complaints, make compliments, or report suspicious activity related to applying for and receiving federal student aid.

Also on the page, we added a section on the special conflicting information flag for the transition to the use of prior-prior year financial aid information on the 2017–2018 FAFSA. The section summarizes information explained more fully in DCL GEN-16-14.

In the first bullet on page 116, we added the National Association for the Education of Homeless Children and Youth as a resource for help with making a determination of homelessness.

Also on that page, we added the second paragraph in the margin note explaining that in rare cases where a recognized authority provides documentation of unaccompanied homeless youth status to a person no longer receiving services from the authority's organization, that documentation is acceptable for verifying unaccompanied homelessness. We noted as well that local liaisons may write subsequent year letters of verification for unaccompanied homeless youth through age 23 for whom they have the necessary information to write such letters.

