



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

June 29, 2015

GEN-15-11

Subject: 2016–2017 Award Year: FAFSA® Information to be Verified and Acceptable Documentation

Summary: This letter provides information that supplements the 2016–2017 award year verification information provided in the *Federal Register* notice published on June 26, 2015.

Dear Colleague:

On June 26, 2015, we published a *Federal Register* notice (Vol. 80, No. 123 p. 36783 – 36788) announcing the 2016–2017 Free Application for Federal Student Aid (FAFSA) items that may require verification for an applicant selected for verification by the Department, as well as the acceptable documentation for those items. The 2016–2017 FAFSA items that may need to be verified are the same items that may need to be verified for the 2015–2016 award year. This letter summarizes the few acceptable documentation changes from the 2015–2016 award year, as noted in the acceptable documentation section of the *Federal Register* notice. It also provides information on changes to the 2016–2017 Verification Tracking Groups and the limited circumstances under which an applicant's Verification Tracking Group could change.

Suggested Verification Text

As in the past, we will not provide verification worksheets for the 2016–2017 award year. However, we will, in a subsequent IFAP posting, provide suggested verification text for each of the required 2016–2017 FAFSA items.

Acceptable Documentation

Based on suggestions from the higher education community, we have made modifications (and are providing additional clarification and guidance) to some of the acceptable documentation requirements for 2016–2017. While specific information of the acceptable documentation for all 2016–2017 FAFSA verification items is included in the *Federal Register* notice, the following are the significant modifications:

Income Information for Non-IRS Tax Filers

To verify income information, tax filers who filed an income tax return with a taxing authority in a U.S. territory (Guam, American Samoa, the U.S. Virgin Islands) or commonwealth (Puerto Rico and the Northern Mariana Islands) or with a foreign central government, must submit a copy of a transcript of their tax information to the institution if a transcript is available at no

charge from that jurisdiction's taxing authority. A signed copy of the applicable 2015 income tax return that was filed with the taxing authority is only acceptable if tax filers are unable to obtain a free copy of a transcript of their tax information.

Income Information for Non-IRS Nontax Filers

Residents of the Freely Associated States (Republic of the Marshall Islands, the Republic of Palau, the Federated States of Micronesia), and a U.S. territory or commonwealth or a foreign central government who are not required to file an income tax return under that taxing authority's rules must submit a copy of their Wage and Tax Statement (or equivalent documentation) for each source of employment income received for 2015 and a signed statement identifying all of the individual's income and taxes for 2015.

Income Information for Tax Filers and Nontax Filers

An individual who did not retain a copy of his or her 2015 tax account information and for whom that information cannot be located by the IRS (or other relevant taxing authority) must submit to the institution—

Copies of all of their IRS Form W–2s, a wage and income transcript, or an equivalent document;

Documentation from the IRS or other relevant taxing authority that indicates the individual's 2015 tax account information cannot be located; and

A signed statement that indicates that the individual did not retain a copy of his or her 2015 tax account information.

Victims of IRS Tax-Related Identity Theft

Individuals who are victims of IRS tax-related identity theft must submit to the institution—

A Tax Return DataBase View (TRDBV) transcript obtained from the IRS; and

A statement signed and dated by the tax filer indicating that they were victims of IRS tax-related identity theft and that the IRS has been made aware of the tax-related identity theft.

Tax filers may obtain a TRDBV transcript and inform the IRS of the tax-related identity theft by calling the IRS's Identity Protection Specialized Unit (IPSU) at 1-800-908-4490. The IPSU will first authenticate the identity of the tax filer, who can then ask the IRS to mail them a TRDBV transcript. The TRDBV transcript will look different than a regular IRS tax return transcript, but it is official and can be used for verification. Tax filers who cannot obtain a TRDBV transcript may instead submit another official IRS transcript or equivalent document provided by the IRS if it includes all of the income and tax information required to be verified. Unless the institution

has reason to suspect the authenticity of the TRDBV transcript or the equivalent document provided by the IRS, a signature or stamp or any other validation from the IRS is not needed.

Tax Filers Who Filed an Amended Tax Return

Individuals who filed an amended tax return must submit the following documents to the institution:

- A copy of the original 2015 income tax return that was filed with the IRS;
- A transcript obtained from the IRS that lists tax account information of the tax filer for tax year 2015; and
- A signed copy of the IRS Form 1040X that was filed with the IRS.

High School Completion Status

- For applicants placed in Verification Tracking Groups V4 and V5, if the institution successfully verified and documented the applicant's high school completion status for a prior award year, verification of the applicant's high school completion status is not required for subsequent years.
- In cases where documentation of an applicant's completion of a secondary school education is unavailable, an institution may not accept as alternative documentation an applicant's self-certification, nor the DD Form 214 Certificate of Release or Discharge From Active Duty.

Child Support Paid

Separation agreements and divorce decrees were removed from the list of acceptable documents to verify child support paid, because such documents only indicate the amount of child support that was supposed to be paid and not that child support was actually paid.

Identity/Statement of Educational Purpose

The valid government-issued photo identification used to verify an applicant's identity must not have expired.

2016–2017 Verification Tracking Groups

As with 2015–2016 award year verification, data-based statistical analysis will continue to be used by the Department to select for verification applicants with the highest probability of error and the impact of such error on award amounts. The Department's Central Processing System (CPS) will set a Verification Tracking Flag on a selected applicant's ISIR that will indicate that

Based on our analysis of the results of prior years' verification requirements, we have made two significant Verification Tracking Group changes for 2016–2017:

- Applicants will no longer be assigned to Verification Tracking Group V3 (Child Support Paid Verification Group). We have determined that verifying only child support paid did not result in any significant changes to applicants' EFCs. We had previously announced that, beginning in 2014–2015, applicants would no longer be assigned to Verification Tracking Group V2 (SNAP Verification Group). However, applicants placed in Verification Tracking Groups V1, V4, V5, and V6 must verify child support paid and the receipt of SNAP benefits if indicated on the applicant's ISIR.

- Applicants may be moved from previously assigned 2016–2017 Verification Tracking Groups V1, V4, and V6 to Verification Tracking Group V5 based on corrections made to the applicant's CPS record or on other information available to the Department. We believe that the number of applicants who may change Verification Tracking Groups will be minimal.

If an applicant's Verification Tracking Group changes to Verification Tracking Group V5, no disbursements of any Title IV aid may be made until verification of the new group (Verification Tracking Group V5) is satisfactorily completed. If Title IV aid had been disbursed prior to the institution receiving an ISIR with the new Verification Tracking Group V5, and the applicant does not satisfactorily complete verification, the institution is not liable for those previously made disbursements. However, the applicant is liable for the full amount of Title IV aid that was disbursed for 2016-2017, because without verification, there is no evidence that the applicant was eligible for any Title IV aid. Additional information about how institutions will report the receipt of such ineligible funds to the Department will be provided in a forthcoming Electronic Announcement.

Table of 2016–2017 Verification Tracking Groups

The individual FAFSA items from the 2016–2017 *Federal Register* notice that an applicant must verify are based upon the Verification Tracking Group to which the applicant is assigned as outlined in the following chart.

2016–2017 Verification Tracking Groups
FAFSA Information Required to be Verified

Verification Tracking Flag	Verification Tracking Group Name	FAFSA Information Required to be Verified
V1	Standard Verification Group	Tax Filers Adjusted Gross Income U.S. Income Tax Paid Untaxed Portions of Individual Retirement Account (IRA) Distributions Untaxed Portions of Pensions

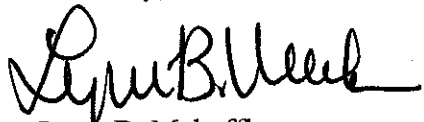
		<p>IRA Deductions and Payments Tax Exempt Interest Income Education Tax Credits</p> <p>Nontax Filers Income Earned from Work</p> <p>Tax Filers and Nontax Filers Number of Household Members Number in College SNAP, if indicated on the ISIR Child Support Paid by the student (or spouse), the student's parents, or both, if indicated on the ISIR</p>
V2	Reserved	N/A
V3	Reserved	N/A
V4	Custom Verification Group	<p>High School Completion Status Identity/Statement of Educational Purpose SNAP, if indicated on the ISIR Child Support Paid by the student (or spouse), the student's parents, or both, if indicated on the ISIR</p>
V5	Aggregate Verification Group	<p>Tax Filers Adjusted Gross Income U.S. Income Tax Paid Untaxed Portions of IRA Distributions Untaxed Portions of Pensions IRA Deductions and Payments Tax Exempt Interest Income Education Tax Credits</p> <p>Nontax Filers Income earned from work</p> <p>Tax Filers and Nontax Filers Number of Household Members Number in College SNAP, if indicated on the ISIR Child Support Paid by the student (or spouse), the student's parents, or both, if indicated on the ISIR High School Completion Status Identity/Statement of Educational Purpose</p>
V6	Household Resources	Tax Filers

	<p>Verification Group</p>	<p>Adjusted Gross Income U.S. Income Tax Paid Untaxed Portions of IRA Distributions Untaxed Portions of Pensions IRA Deductions and Payments Tax Exempt Interest Income Education Tax Credits</p> <p>Nontax Filers Income Earned from Work</p> <p>Tax Filers and Nontax Filers Other Untaxed Income on the 2016–2017 FAFSA– Payments to tax-deferred pension and savings (Questions 45a and 94a) Child support received (Questions 45c and 94c) Housing, food, and other living allowances paid to members of the military, clergy, and others (Questions 45g and 94g) Veterans noneducation benefits (Questions 45h and 94h) Other untaxed income (Questions 45i and 94i) Money received or paid on the applicant’s behalf (Question 45j) Number of Household Members Number in College SNAP, if indicated on the ISIR Child Support Paid by the student (or spouse), the student’s parents, or both, if indicated on the ISIR</p>
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Note: *Technical specifications for the 2016-2017 ISIR record layout, which includes the Verification Tracking Flag values (V1–V6), will be available on the IFAP website.*

With your support, we are confident that together we can continue to reduce the burden of verification on applicants, their families, and institutions while maintaining the integrity of the Title IV federal student aid programs.

Sincerely,

A handwritten signature in black ink, appearing to read "Lynn B. Mahaffie". The signature is fluid and cursive, with a large initial "L" and "M".

Lynn B. Mahaffie
Deputy Assistant Secretary
for Policy, Planning, and Innovation
Office of Postsecondary Education