

## **Enclosure B**

### **SUMMARY OF CHANGES TO THE 2001-2002 APPLICATION PROCESSING SYSTEM**

Enclosure B contains information about changes we have made to the 2001-2002 Application Processing System. The following is a list of the specific topics covered in Enclosure B:

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## Schedule for the 2001-2002 Application Processing System

Date	Event
July 2000	Action Letter #1, first of two 2001-2002 Renewal Application Process action letters posted on IFAP
July 2000	Draft 2001-2002 ISIR record layout posted on IFAP and SFAdownload
August and September 2000	Updated Draft 2001-2002 ISIR record layout posted on IFAP and SFAdownload
September 2000	Action Letter #2, second action letter discussing the 2001-2002 Renewal Application Process posted on IFAP
September 2000	2001-2002 FAFSA order information posted on IFAP
October 2000	Distribution of paper 2001-2002 FAFSAs to schools begins
October 2000	2001-2002 SAR and SAR Acknowledgement posted on IFAP
October 2000	ED distributes Renewal Applications for Windows 2001-2002 software
October 2, 2000	First day schools could submit requests to have CPS mail printed Renewal FAFSAs to them to distribute to their students or to send PIN mailers to students
October 9, 2000	CPS began processing Renewal Application requests from schools
October 27, 2000	Last day schools could request that CPS mail Renewal FAFSAs/RAD file to them or PIN mailers to students
November 2000	Action Letter #3, describing 2001-2002 changes to EDSuite/EDExpress software, posted on IFAP
November 2000	Action Letter #4, describing 2001-2002 changes to the Application Processing System, posted on IFAP

<b>Date</b>	<b>Event</b>
November 2-10, 2000	CPS prints and mails Renewal FAFSAs to schools that requested them
November 13 to December 29, 2000	CPS prints and mails PIN mailers to students
November 13 to December 29, 2000	CPS prints and mails non-school requested Renewal FAFSAs to students
December 2000	Action Letter #5, describing 2001-2002 changes to ED's electronic financial aid application products, posted on IFAP
December 2000	Guide to ISIRs posted to IFAP and mailed to schools
December 2000	ED distributes the 2001-2002 EDEExpress software with the Global, Application Processing, and Packaging modules included
January 1, 2001	2001-2002 FAFSA on the Web, Renewal FAFSA on the Web, and Corrections on the Web available to students
January 2, 2001	2001-2002 Central Processing System (CPS) starts up
January 2, 2001	2001-2002 FAFSA Express available to download from <a href="http://www.fafsa.ed.gov">www.fafsa.ed.gov</a>
January 2001	ED distributes Quality Analysis Tool software
February 2001	ED distributes EDEExpress Direct Loan software
April 2001	ED distributes EDEExpress Pell software

## Central Processing System (CPS)

### Schedule for the Central Processing System (CPS)

The Central Processing System (CPS) will start up on January 2, 2001, which is about two weeks earlier than ever before. The earlier start up date allows us to begin processing both paper and electronic applications as soon as they are received and will enable us to get these first application results to you a couple of weeks sooner than in past years.

### Institutional Student Information Record (ISIR) Layout

We posted a draft 2001-2002 ISIR record layout on IFAP in July 2000 and updated drafts in August and September 2000. We will also include the ISIR record layout in the *2001-2002 Electronic Data Exchange (EDE) Technical Reference* in November 2000. A final ISIR record layout will be posted to IFAP shortly after the system starts up on January 2, 2001. We do not anticipate that the final layout will differ from the layout included in the 2001-2002 Technical Reference.

### CPS Edits

We added several new edits to the 2001-2002 Central Processing System, many of which were based on suggestions from the financial aid community. We also modified and deleted some existing edits in response to changes made to the 2001-2002 FAFSA (see Enclosure A for a summary of FAFSA changes).

### New CPS Edits

The following is a summary of the new edits we have added for 2001-2002:

#### **1. FAFSA Question 9: Your date of birth.**

We will reject applications where the student's date of birth was reported as 1900, 1901, or 1902, because in most cases this date of birth is incorrect and could result in an otherwise dependent student being treated as independent. However, if 1900, 1901, or 1902 is actually the correct year of birth, applicants can re-enter the year on their Student Aid Report (SAR), or by using Corrections on the Web, and the CPS will accept the response. We refer to these correctable rejects as "verifiable rejects." This new edit will generate verifiable reject A.

**2. FAFSA Questions 39 & 40 and 73 & 74: Adjusted Gross Income (AGI) and Taxes paid.**

Based on suggestions from the financial aid community, we will reject transactions where the amount of a students' or parents' taxes paid is equal to their Adjusted Gross Income (AGI). This new edit will generate verifiable reject C.

**3. Duplicate Social Security Number (SSN) Edit and Flag.**

We have added an edit that will set a new Duplicate SSN Flag when the original SSN on a FAFSA being processed matches the original SSN of a transaction already in the CPS, but the first two letters of the students' last names are different. This change will better enable our systems to prevent payments on duplicate SSNs. It will also alert financial aid administrators that two students are using the same SSN.

**4. FAFSA Questions 60 & 62: Father's/Stepfather's and Mother's/Stepmother's SSN.**

We added a new edit that will verify whether parent SSNs are within valid range of all SSNs issued by the Social Security Administration (SSA). Applicants who hit this edit will receive SAR/ISIR comment 166 telling them that their Father's/Stepfather's SSN is out of range or comment 167 telling them that their Mother's/Stepmother's SSN is out of range.

**5. Changes to FAFSA Questions 54: Change to Marital Status.**

We have expanded an existing edit that generates a SAR/ISIR comment (comment 75) when students change their marital status. Currently, comment 75 appears when students change their marital status in FAFSA question #16. In 2001-2002, this comment will also appear when students change their answer to FAFSA question #54: **As of today, are you married?** Because students may correct, but not update their responses to marital status questions, financial aid administrators requested that we add this edit and comment so that applicants who do change their responses, possibly in error, could be more easily identified.

## ***Changes to CPS Edits***

The following is a summary of the changes we have made to existing CPS edits:

**1. FAFSA Question 35: The Drug Question.**

As we discussed in Enclosure A, question 35 on the paper original FAFSA asks applicants whether or not they have a drug-related conviction. Students who enter "No" to question 35 on the paper FAFSA will receive a "1" on their SAR and ISIR. These students will not receive a drug worksheet with their SAR and no comment will appear on their SAR or ISIR.

Students who enter “Yes” to question 35 on a paper original FAFSA will receive a “3” on their SAR/ISIR, indicating that they have a conviction, but they don’t know if it affects their eligibility for federal student aid. These students will receive a “C” Code and comment on their SAR and ISIR. In addition, a drug worksheet will be included with their SAR. Students can use the drug worksheet to determine whether their conviction affects their eligibility and, if necessary, they can correct their answer from a “3” to a:

- “1,” meaning that the drug conviction does not affect eligibility, or
- “2,” meaning that the drug conviction affects eligibility for only part of the 2001-2002 award year.

Students who determine that their conviction affects their eligibility for the entire 2001-2002 award year should leave the response to question 35 as a “3.”

Students can correct question 35 using their SAR, via the web, or over the phone.

Students who apply for aid using a paper Renewal FAFSA, or one of our electronic applications, will continue to use the “1,” “2,” and “3” responses to this question. Applicants who apply for aid in 2001-2002 using one of these applications will not receive a drug worksheet with their SAR, because they will have determined the correct response to question 35 prior to submitting their applications. However, these applicants will receive a SAR “C” Code and a comment if they answer question 35 with a “2” or “3” response.

As in the current year, students who leave question 35 blank will not receive a SAR “C” Code, but their SAR and ISIR will contain a comment stressing that they must answer question 35. These students will also receive a drug worksheet with their SAR to help them determine whether any convictions they have affect their eligibility for aid. Schools may continue to award and disburse Title IV aid to students who left this question blank, provided the student is otherwise eligible. The only exception is if the financial aid office has specific information that the student has a drug conviction that affects eligibility. In these cases, schools must withhold federal student aid until the eligibility problem has been resolved.

The following chart summarizes how responses to question 35 will be handled in 2001-2002.

<b>2001-2002 Drug Question Edits and Comments</b>				
<b>Answer to Question 35</b>	<b>SAR “C” Code?</b>	<b>Paper Original FAFSA Worksheet in SAR?</b>	<b>Paper Renewal FAFSA and Electronic Applications Worksheet in SAR?</b>	<b>SAR Comment?</b>
Q 35 is “1” (or “No”)	No	No	No	No
Q 35 is “2”	Yes	N/A	No	Yes. See ISIR Guide for full comment text.
Q 35 is “3” (or “Yes”)	Yes	Yes	No	Yes. See ISIR Guide for full comment text.
Q 35 is Blank	No	Yes	Yes, if paper Renewal FAFSA (web and electronic applications require this question to be answered)	Yes. See ISIR Guide for full comment text.
“2” or “3” response changed to “1” within award year	No	No	No	Yes. See ISIR Guide for full comment text.

## **2. FAFSA Question 65: Parents' Number in College.**

We added a couple of new edits to our existing edits for excluding parents in the number in college question (FAFSA question 65) for dependent students. These edits were added in August 2000 for the 2000-2001 processing year and will be carried forward into 2001-2002. The following edits are now being applied to this field:

- If a dependent student's "number in college" equals the "number of people in his or her household," the CPS will change "number in college" to "1."
- If a dependent student's parents are married, the "number in college" cannot be greater than the "number of people in the household" minus two. For example, if the "number of family members" is 6, the "number in college" cannot be more than "4." If it is, the CPS will assume that the "number in college" is "4."

If financial aid administrators exercise professional judgment, and set the FAA Adjustment Flag, the CPS will not apply these edits to the number in college question.

## **3. FAFSA Questions 36 and 70: Have You Completed an IRS Tax Form?**

Currently, comment 157 is triggered only on the initial transaction for applicants who indicated that they have not yet filed their income tax forms and, therefore, have provided estimated income information on their FAFSA.

Based on requests from the financial aid community, the CPS will continue to print comment 157 on all SAR/ISIR transactions until the applicant, and/or the applicant's parents, change their response to the tax filing questions (FAFSA question 36 and 70). Comment 157 will continue to tell applicants and their parents to change their answers on the SAR, if necessary, to reflect the information they reported on their 2000 tax return. Applicants should also correct their responses to question 36 and 70.

## **Other CPS Changes**

### ***Handling of Paper Applications and SARs without Student Signatures***

Currently, paper applications and SARs received without a student signature are returned, unprocessed, to the applicant. However, to be consistent with the way we handle unsigned electronic applications, including electronic corrections, in 2001-2002, we will accept and process unsigned paper applications and SARs and send the student a rejected SAR (reject 14). The rejected SAR will contain comment 160 requesting that applicants sign and return their SAR so that processing may continue.



## **Database Matches**

Beginning in 2001-2002, we will not send any transactions resulting from an unsigned FAFSA or SAR (reject 14 or 16) to any of the databases for matching. Once we receive a signed signature page or SAR from the applicant, we will send the record to the appropriate database matches and notify schools of the results.

### ***Selective Service Match and Registration***

We have made several changes to our match with Selective Service. The changes are:

- If applicants change their response to FAFSA question 27, “Are You Male?,” from “Yes” to “No,” we will not resend their records to the Selective Service database match.
- If applicants change their SSN, First Name, Last Name, or Date of Birth from a previous transaction that has been confirmed or exempted by Selective Service, the transaction with the corrected information will be resent to the Selective Service for matching.
- If applicants leave FAFSA question 9 (Date of Birth) blank, their transactions will not be sent to the Selective Service for matching.

### ***Match with Social Security Administration’s (SSA) Prisoner’s File***

In 2001-2002, we will implement a match with the Social Security Administration’s (SSA) Prisoner’s File as a postscreening match. The CPS will conduct the prisoner match with SSA approximately every two weeks after applications and corrections have been processed and SARs and ISIRs have been sent. If a record comes back from SSA with an unfavorable prisoner match result, CPS will systems-generate another SAR/ISIR to report the match findings. The CPS systems-generated indicator will be ‘P’ to identify these records.

The following table describes the possible match flag results, reasons for the results, associated comment codes, and resolution of the Prisoner Match results.

Social Security Administration's (SSA) Prisoner Match		
Prisoner Match Flag	Reason for Results	SAR "C" Code and Comment/Resolution
<b>Blank</b>	Applicant record is not in Prisoner's File or record has not yet been sent to SSA Prisoner Match	No SAR "C" Code; no comment. No resolution required.
<b>1</b>	Applicant is a prisoner in a local facility	<p>SAR "C" Code and comment 81: Social Security Administration records indicate that you are incarcerated in a local prison facility. Your incarceration may affect your eligibility for federal student aid.</p> <p><b>Resolution:</b> A student incarcerated in a local prison facility is not eligible to borrow under any federal loan program.</p> <p>Students can contest the match with the SSA – Office of Program Benefits.</p> <p>Students must be allowed at least:</p> <ul style="list-style-type: none"> <li>• 30 days after the student receives the SAR and discusses the match with the school to resolve this issue, or</li> <li>• 30 days after the receipt of the ISIR by the school to resolve this issue.</li> </ul> <p>Students can self-certify to the Financial Aid Administrator that they are not incarcerated in a local prison facility.</p>

<b>2</b>	Applicant is a prisoner in a state or federal facility	<p>SAR “C” Code and comment 83: Social Security Administration records indicate that you are incarcerated in a state or federal prison facility. Your incarceration may affect your eligibility for federal student aid.</p> <p><b>Resolution:</b> A student incarcerated in a state or federal prison facility is generally not eligible for federal student assistance. Resolution is the same as for Match Flag = 1.</p>
<b>8</b>	<p>Record was not sent for a match because either:</p> <ul style="list-style-type: none"> <li>▪ the applicant’s name or date of birth was missing, or</li> <li>▪ the applicant is a Pacific Islander with a SSN beginning with 888</li> </ul>	<p>SAR “C” Code and comment 84: We could not complete eligibility matching with the SSA because you did not give us your last name or date of birth.</p> <p><b>Resolution:</b> For applicants whose name or date of birth is missing, the financial aid administrator should help students make corrections to their social security number, name, and/or date of birth, if necessary, so that the student's record can be sent back to SSA for matching. Review subsequent transactions for an updated match flag.</p> <p>For Pacific Islanders, there will be no SAR “C” Code and no resolution is required.</p>

### ***INS Secondary Confirmation Match***

We plan to implement an automated INS Secondary Confirmation Match process sometime after we start up the 2001-2002 Central Processing System. Applicants who apply as eligible non-citizens and provide alien registration numbers, but who are not verified by the INS primary verification match, will automatically be processed at INS for secondary confirmation.

When we receive the results of primary verification back from the INS, the CPS will determine which records have an INS match flag of “N,” meaning that the INS could not confirm the student’s eligible non-citizenship status. We will immediately send the INS another file of these records for the automated secondary confirmation process.

While automated secondary confirmation is underway, the CPS will process SARs and ISIRs to report the primary verification match results, as well as other database match and regular processing results.

When we receive the results of the automated secondary confirmation back from the INS, the CPS will create systems-generated SARs and ISIRs that report these results to students and schools. The CPS systems-generated indicator will be set to “I” to identify these records.

The following table describes the possible match flag results, reasons for the results, and whether the student will receive a SAR “C” Code and comment. We will provide additional details about automated secondary confirmation in an Action Letter to be posted to IFAP later this year. Also, guidance for resolving automated INS secondary confirmation match problems will be included in the 2001-2002 *Guide to ISIRs*. The Department will notify the financial aid community when the automated secondary confirmation match has been implemented. In the meantime, schools should continue to use current secondary confirmation procedures.

<b>Immigration and Naturalization Service (INS)</b>		
<b>Secondary Confirmation Match</b>		
<b>INS Secondary Confirmation Match Flag</b>	<b>Reason for Results</b>	<b>SAR “C” Code</b>
<b>P</b>	Student failed primary verification; record resent to INS for automated secondary confirmation by INS	SAR “C” Code and comment (will appear as a result of failing primary verification)
<b>Y</b>	Student’s eligible non-citizenship status confirmed by INS through automated secondary confirmation process	No SAR “C” Code, but SAR will include a comment
<b>N</b>	Student’s eligible non-citizenship status not confirmed byt INS through automated secondary confirmation process	SAR “C” Code and comment

## Need Analysis

The following is a summary of the changes we have made to the EFC calculation for 2001-2002.

### ***Student Income Protection Allowance***

In 2001-2002, the student Income Protection Allowances (IPA) are as follows:

<b>Student Income Protection Allowance (IPA)</b>	
<b>Type of Student</b>	<b>Income Protection Allowance</b>
Dependent students	\$2,250
Single independent students without dependents other than a spouse	\$5,110
Married independent students without dependents other than a spouse, and both spouses are enrolled in postsecondary school	\$5,110
Married independent students without dependents other than a spouse, and only the applicant is enrolled in postsecondary school	\$8,180
Independent students with dependents other than a spouse	The IPA for independent students with dependents other than a spouse is based on household size and the number of college students in the household.

### ***Revised Total Income Calculation***

Because we added a new Worksheet C to the FAFSA (see Enclosure A for details), we have revised the way Total Income (TI) is calculated in the need analysis formulas. In 2001-2002, Total Income will be calculated by adding AGI (or income earned from work) to the totals from Worksheets A and B, and then subtracting the total from Worksheet C, as follows:

$$\begin{array}{rcl} & \text{AGI (or income earned from work)} & \\ + & \text{Amount from Worksheet A} & \\ + & \text{Amount from Worksheet B} & \\ - & \text{Amount from Worksheet C} & \\ \hline = & \text{Total Income} & \end{array}$$

## ***Change to Net Worth Calculation for Business and Farm***

Because we combined the business and investment farm net worth questions into a single question on the 2001-2002 FAFSA (question 48 for students and 82 for parents), the preliminary step of adding Business Net Worth to Farm Net Worth has been eliminated in the need analysis calculation steps.

## ***Automatic Zero EFC Criteria Modified for Dependent Students***

In order to determine whether a dependent student is eligible for an Automatic Zero Expected Family Contribution (EFC) the CPS will look at both the type of tax return filed by the dependent student and the type of tax return filed by the dependent student's parents. Previously, the CPS looked only at the type of tax return filed by the dependent student's parents to determine Automatic Zero EFC eligibility.

In 2001-2002, a dependent student will automatically qualify for a zero EFC if both of the following are true:

1. The **student and** parents filed or are eligible to file a 2000 IRS Form 1040A or 1040EZ (they are not required to file a Form 1040), or the **student and** parents are not required to file any income tax return; and
2. The sum of both parents' 2000 adjusted gross incomes is \$13,000 or less, or, if the parents are not tax filers, the sum of their earned incomes is \$13,000 or less.

The Automatic Zero EFC criteria for independent students remains the same.

## **Renewal FAFSA**

### **Changes to the Renewal FAFSA**

The format of the 2001-2002 Renewal FAFSA remains largely unchanged. The changes and enhancements we made to the form are summarized below:

- Added, reworded, and reordered certain questions to correspond with changes to the 2001-2002 FAFSA (see Enclosure A for details of FAFSA changes).
- Moved the drug conviction question (question 35) to the bottom of page 1 (rather than keeping it in numeric order on page 2) to make it easier for students to see and answer.
- Changed the way students tell us which schools they want to receive their Renewal FAFSA data. We added an oval in Step Six called "Delete this School?" If the student fills in the oval next to a listed school, or replaces the school by entering a

new school code, the CPS will not send ISIR data to that school. Otherwise, the CPS will send data to all schools listed in Step Six. We believe this change will eliminate problems schools have been experiencing with the current process where students must check a box next to each school listed before we will send ISIR data to that school.

A copy of the Renewal FAFSA and instructions are included with this letter as Enclosure D.

Like last year, the Renewal FAFSA instructions tell students that they can use their PIN to access and file their 2001-2002 Renewal FAFSA on the Web. As explained in 2001-2002 Action Letter #1, posted to IFAP in July 2000, and Action Letter #2, posted to IFAP in September 2000, certain students will automatically receive PIN mailers instead of paper Renewal FAFSAs. Please refer to these Action Letters for complete details on the Renewal Application Process.

## **Changes to the Renewal Application Process**

In addition to changes and enhancements made to the Renewal FAFSA, we have also made a couple of improvements to the renewal application process. The improvements are:

- We will continually add applicant records to our 2001-2002 Renewal Application (RAPP) file so that students who apply for aid in 2000-2001, after we created our initial RAPP file, will be able to apply for aid in 2001-2002 using Renewal FAFSA on the Web. Until now, we have built our RAPP file only once each year. Students who applied for aid after the file was built were not able to take advantage of the renewal application process for the next year because their prior year record was not in the file.
- In spring 2001, financial aid administrators will be able to go to the web and request to have a paper Renewal FAFSA printed and mailed to them for an individual student. This enhancement was added to deal with situations where students misplaced their paper Renewal FAFSA, did not receive their Renewal FAFSA because they moved, or they are unable to use Renewal FAFSA on the Web.

## **Student Aid Report (SAR) and Institutional Student Information Record (ISIR)**

### **Student Aid Report**

We have redesigned the 2001-2002 Student Aid Report (SAR) to make it easier for students and their families to use and understand. A copy of the new SAR is included with this action letter as Enclosure E.

Our SAR redesign effort will occur in two phases. For 2001-2002, we focused our attention almost exclusively on what is now known as Part One of the SAR. In 2002-2003, we will work on improving what is now known as Part Two of the SAR. Nearly all of our redesign ideas came from financial aid applicants.

We extensively tested both the old and the redesigned SAR on students and parents to get their reactions and feedback before finalizing the product you see in Enclosure E. We also consulted with numerous financial aid administrators to get their reactions to the redesigned form.

One problem we saw repeatedly in our usability testing was that students did not understand where they were in the overall process of applying for financial aid, nor did they know who the various parties were in the process. In addition, most students and their parents were overwhelmed by the amount of information on the SAR.

We worked to address these problems with the redesigned SAR. For 2001-2002, we have retained all essential SAR information needed by students, including comments specifically addressed to them. We have also retained information needed by institutions to determine Title IV aid eligibility and to use as a payment document. Non-essential information and other information schools receive on ISIRs have been eliminated from the SAR.

### ***The following changes were made as part of the SAR redesign***

- The SAR is no longer divided into Part One and Part Two.
- We changed the font to a style that is friendly and easy to read.
- The first page of the SAR identifies the various parties involved in the financial aid application process and where the student is in the overall process.
- We will no longer have separate Information Review and Information Request versions of the SAR.
- The SAR will no longer include a duplicative summary page of applicant information.
- We eliminated the intermediate EFC values in the Financial Aid Office Use section of the SAR.
- We revised and reorganized SAR comments so that they are easier to understand.
- We will no longer print SAR comments used exclusively by schools (ISIRs will still contain all comment codes, however).
- We folded the Information and Codes Page information into the body of the SAR, rather than printing it as a separate enclosure.
- We have simplified the Financial Aid History Information on the SAR to include only:
  - Aggregate loan amounts



- Defaulted loan information
- The NSLDS web address for students to use if they wish to see additional information about their federal student aid history.

***Other 2001-2002 SAR changes:***

- We revised the order and wording of questions on the SAR to correspond with changes to the FAFSA.
- SARs and SAR Acknowledgements will be printed on 8-1/2 by 11 inch green paper (PANTONE 5470).
- If the student provided an e-mail address on his or her electronic 2001-2002 FAFSA (FAFSA on the Web, Renewal FAFSA on the Web, FAFSA Express, EDEExpress, and Corrections on the Web), it will be printed on the SAR or SAR Acknowledgement. If the e-mail address is incorrect, or has changed, students can correct it via the Web or by calling the Federal Student Aid Information Center. Students cannot correct their e-mail address on the paper SAR.
- We have modified who will receive SARs and who will receive SAR Acknowledgements as follows:

<b>Type of Application Used</b>	<b>Type of Output Received</b>
Paper FAFSA or Renewal FAFSA	SAR
Electronic FAFSAs entered by school	SAR Acknowledgement
FAFSA on the Web and Renewal FAFSA on the Web	SAR Acknowledgement (unless application is rejected for missing signatures. Rejected applications will result in Rejected SARs instead of SAR Acknowledgements)
FAFSA Express	SAR
Corrections on the Web	SAR Acknowledgement

## Institutional Student Information Record

The ISIR contains all information reported on the FAFSA as well as key processing results and NSLDS Financial Aid History information. The SAR redesign effort did not affect the types of data included on the ISIR; schools will continue to receive all data specified in the ISIR Record Layout, including complete NSLDS Financial Aid History information, comment codes, and intermediate EFC values.

### ***Draft ISIR Record Layout and ISIR Comments***

As noted earlier in this letter, we posted a draft 2001-2002 ISIR record layout on IFAP and on our SFAdownload web site in July 2000. Updated drafts were posted in August and September of 2000. In addition, the ISIR record layout will be included in the *2001-2002 Electronic Data Exchange (EDE) Technical Reference* in November 2000. The final ISIR record layout will be posted to IFAP and SFAdownload shortly after the CPS starts up on January 2, 2001. The final record layout should not differ from the one in the 2001-2002 Technical Reference.

To get to the ISIR record layout, go to <http://www.ifap.ed.gov>. Current SFA Publications, SAR/ISIR Reference Materials, By 2001-2002 Award year. Or, go to SFAdownload at: <http://www.sfadownload.ed.gov/docsStudentAidGateway.htm> and select 2001-2002 Electronic Data Exchange Technical Reference.

Draft 2001-2002 ISIR comments will be posted to IFAP in November 2000. A message will be posted to SFATECH when the comments are available.

### ***Changes to the 2001-2002 ISIR***

We made minimal changes to the 2001-2002 ISIR. We revised the order and wording of ISIR field names to correspond with changes made to the FAFSA. We also added a few new fields to the ISIR and modified some existing fields.

#### **New ISIR fields**

***Duplicate SSN Flag.*** ISIRs will include the new Duplicate SSN Flag described earlier. The flag will be set to "Y" when the original SSN on the record matches the original SSN of a transaction already in the CPS, but the first two letters of the students' last names are different.

***Source Correction Flag.*** Based on a suggestion from the financial aid community, we have added a new flag to the ISIR that indicates who made corrections to a specific transaction. The flag values are as follows:

A	=	The applicant made the correction
S	=	A school made the correction
D	=	The CPS made the correction

**EFC Change Flag.** We have added an EFC Change Flag to the ISIR to indicate when a student's EFC has increased or decreased from the previous transaction. The flag values are as follows:

1	=	The EFC has increased from the previous transaction
2	=	The EFC has decreased from the previous transaction
Blank	=	The EFC is the same as on the previous transaction

**Changes to NSLDS Financial Aid History Information.** In response to requests from the financial aid community, we have added the following fields to the NSLDS history information provided on the ISIR.

At the student level, beginning in February 2001 we will provide the following fields:

- **Direct Loan Master Prom Note (MNP) Flag.** This flag indicates the status of a student's Direct Loan MPN. The flag values are as follows:

A	=	Active
I	=	Inactive
C	=	Closed
U	=	Unavailable

- **Federal Family Education Loan (FFEL) MPN Flag.** Like the Direct Loan MPN flag, a value in this field indicates the status of an FFEL MPN. The same values are used in this field as for the Direct Loan MPN flag.

An FFEL Lender Code will accompany the FFEL MPN Flag. The FFEL Lender Code will be populated with a 6-digit Lender Code, a "Y" if the student has borrowed from more than one lender, or an "N/A."

At the specific loan level, we have added the following fields:

- **Direct Loan Additional Unsubsidized Flag.** A new flag has been added to the ISIR to indicate whether a specific loan amount borrowed includes unsubsidized loan amounts in excess of what the student would normally be eligible to receive. This would include dependent students who borrowed additional unsubsidized loan money because their parent was denied a PLUS loan, and Health Professions students who borrowed unsubsidized loan amounts in excess of regular loan limits, as permitted. Possible Additional Unsubsidized Flag values are:

P	=	Parent denied PLUS
H	=	Health Professions
B	=	Both denied PLUS and Health Professions
N	=	Neither

- **Direct Loan Capitalized Interest Flag.** We added a new Capitalized Interest Flag at the loan level. A “Y” in this field will inform schools if the specific loan amount includes capitalized interest.

### **Modified ISIR fields**

- We renamed the “Outstanding Principal Balance” field to “Aggregate Balance” to accurately reflect the information that is being provided in this field. This field contains the aggregate amount a student has borrowed, less any payments or cancellations. A corresponding change was also made to the SAR.
- We modified the Correction Flag in the ISIR. Some financial aid administrators wanted this flag to be cumulative and others wanted it to be transaction specific. Currently, the Correction Flags are cumulative, meaning that each time a correction is made to a field we add a flag to the field and carry it on all subsequent transactions.

In 2001-2002, we have added a value to this flag so that schools can identify corrections by transaction as well as cumulatively. The flag values are as follows:

0	=	Field has not been corrected
1	=	Field corrected on this transaction
2	=	Field corrected on previous transaction

- We modified one Postscreening Reason Code, and we added another as a result of Master Promissory Note (MPN) changes. Postscreening Reason Code 5 will now be used to notify schools that a Direct Loan MPN value has changed. In 2000-2001, Postscreening Reason Code 5 was “Other.” In 2001-2002, Postscreening Reason Code 9 will now be “Other.”

### **Other Noteworthy ISIR Change**

Beginning in 2001-2002, ISIRs that are sent to state agencies, and ISIRs sent as a result of a Federal Data Request (FDR), will contain NSLDS data.

## **Other Important Changes**

### **Message Classes**

We added a new message class and renamed some existing message classes.

- We have created a new file and corresponding message class, HOLD01OP. The purpose of this new file is to help you determine which of your applicants are in the Signature

Hold File and why. This new file will contain limited information about applicants in the Signature Hold File who listed your institution on their electronic applications. The file will provide you with identifying information about the applicant, the type of application he or she filed, the type of signatures that have already been provided, and signatures we are still waiting to receive. The new file format is included in the *2001-2002 EDE Technical Reference*.

- As an annual update to our message classes, the cycle indicator will change from “00” to “01.”
- We changed the correction import message class and errors message class from SARR01OP and SARE01OP to CORR01OP and CORE01OP to make them consistent with the import file name of CORR01IN.
- The Resident and Non-Resident ISIR message classes for state agencies have been renamed. The message class for Resident ISIRs will change from YTDN01OP to YTDR01OP. The Non-resident ISIR message class will change from YTDF01OP to YTDN01OP.

## **Federal School Codes**

We mailed a letter in June 2000 to institutions asking them to review and, if necessary, update their contact name, address, and Federal School Code. Updates were due back by July 31, 2000.

A Federal School Code List will be published in November 2000 and mailed to postsecondary institutions, high schools, and libraries. Schools can also search for a specific school's Federal School Code on the FAFSA on the Web site (<http://www.fafsa.ed.gov>), or on one of ED's other web sites (<http://www.ed.gov> or <http://ifap.ed.gov>).

## **Special Instructions for Pacific Islanders**

To be eligible to receive Title IV funds, students must provide a valid SSN on their FAFSA. As in previous years, an exception to this requirement is made for students from the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau. Students from these areas who do not have SSNs may apply for Title IV aid, but they must send their FAFSAs to the following address for special handling:

Federal Student Aid Programs  
P.O. Box 4010  
Mt. Vernon, IL 62864-8610

Institutions should try to collect as many completed FAFSAs as possible for these students and send them together to the above address. When received, the applications will be assigned an identification number and submitted to the CPS for regular processing. These applicants are exempt from the SSN match with SSA.

Although Pacific Island applicants who do not have an SSN are not able to use FAFSA Express, FAFSA on the Web, Renewal FAFSA on the Web, or Corrections on the Web, institutions can transmit application data for these students electronically using EDEExpress. If financial aid administrators enter three eights in the Social Security Number field in EDEExpress, and the student's state of legal residence is one of the valid Pacific Island states, the end of entry edits in EDEExpress will not be applied to the SSN field. When the CPS receives the applicant record, it will assign the rest of the student's SSN.

## References

### Customer Service

#### ***CPS Customer Support***

1-800-330-5947; TDD/TTY 1-800-511-5806

Customer Service staff are available Monday-Friday, 7 a.m. to 7 p.m. Central Time.

E-mail: [cps@ncs.com](mailto:cps@ncs.com)

#### ***Federal Student Aid Information Center***

1-800-4-FED-AID (1-800-433-3243); TDD/TTY 1-800-730-8913

Representatives are available Monday-Friday, 8 a.m. to 8 p.m. Central Time.

#### ***SFATECH Listserve***

Maintained by ED to address technical questions and issues about ED's Student Financial Aid systems and software. For more information, see

<http://www.ed.gov/offices/OSFAP/sfatech/listserv.html>.

#### ***Student Financial Assistance (SFA) Customer Service Call Center***

For Title IV program questions, application processing questions, and for assistance contacting other ED staff.

1-800-433-7327

Representatives are available Monday through Friday, 9 a.m. to 5 p.m. Eastern Time.

E-mail [osfap\\_csb@ed.gov](mailto:osfap_csb@ed.gov)

## Documents

We encourage you to review other documents on IFAP for more information about changes to the 2001-2002 application processing system.

- Action Letter #1, July 2000: Describes enhancements to the 2001-2002 Renewal Application Process.
- Action Letter #2, September 2000: Provides instructions for submitting 2001-2002 Renewal Application Data (RAD) requests.
- Action Letter #3, November 2000: Describes changes and enhancements to the 2001-2002 EDEExpress software.
- *2001-2002 EDE Technical Reference*, available November 2000.
- Action Letter #5, December 2000: Describes changes to SFA's 2001-2002 electronic financial aid applications and PINs.
- *2001-2002 ISIR Guide*, available December 2000.

## SFA Web Sites

- Electronic Access Conference web site, <http://edeworkshop.walcoff.com>
- IFAP web site, <http://www.ifap.ed.gov>
- SFA Technical Support web site, <http://www.ed.gov/offices/OSFAP/sfatech>
- SFATECH e-mail listserve,  
<http://www.ed.gov/offices/OSFAP/sfatech/listserv.html>
- SFA Download web site, <http://www.SFAdownload.ed.gov>

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## Glossary

The following is a list of common abbreviations and acronyms used in this Action Letter.

<b>AGI</b>	Adjusted Gross Income
<b>ARN</b>	Alien Registration Number
<b>CPS</b>	Central Processing System
<b>CT</b>	Central Time
<b>DLSS</b>	Direct Loan Servicing System
<b>EAC</b>	Electronic Access Conference
<b>ED</b>	U.S. Department of Education
<b>EDE</b>	Electronic Data Exchange
<b>EFC</b>	Expected Family Contribution
<b>FAA</b>	Financial Aid Administrator
<b>FAFSA</b>	Free Application for Federal Student Aid
<b>FAQ</b>	Frequently Asked Questions
<b>FFEL</b>	Federal Family Education Loans
<b>FISAP</b>	Fiscal Operations Report and Application to Participate in the Federal Campus-Based Programs
<b>IFAP</b>	Information for Financial Aid Professionals
<b>INS</b>	Immigration & Naturalization Service
<b>IRA</b>	Individual Retirement Account
<b>IRS</b>	Internal Revenue Service
<b>ISIR</b>	Institutional Student Information Record
<b>LOC</b>	Loan Origination Center (Direct Loans)



<b>MDE</b>	Multiple Data Entry
<b>MPN</b>	Master Promissory Note
<b>NSLDS</b>	National Student Loan Data System
<b>RAD</b>	Renewal Application Data
<b>SAR</b>	Student Aid Report
<b>SFA</b>	Student Financial Assistance
<b>SSA</b>	Social Security Administration
<b>SSCR</b>	Student Status Confirmation Report
<b>SSN</b>	Social Security Number
<b>VA</b>	Veterans Affairs