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| Circumstance | **October 31, 2016 - Chart A: Verification Results and Institutional Requirements****Subsequent Selection to V1 or V6** |
| Student Has Not Completed Verification | Verification Completed: No Change to EFC | Verification Completed: Change to EFC |
| Not initially selected for verification; then selected for V1 or V6 while enrolled. | While waiting for verification to be completed, no further disbursements of any Title IV can be made. No further Federal Work Study (FWS) employment may occur.However, on a case-by-case basis, Direct Unsubsidized Loans and Direct PLUS Loans may be disbursed if the institution determines that there will be a delay in the completion of verification.If verification is never completed, the student must return all Title IV grant aid and Perkins Loan funds disbursed before the student was selected for verification. Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans and FWS wages earned do not have to be returned. However, no further disbursements of any Title IV aid can be made, including Direct Unsubsidized Loans and PLUS Loans, and no further Federal Work Study (FWS) employment may occur. | The student may receive all Title IV aid for which he or she is eligible, and may be employed under FWS. | EFC increase: All disbursements and FWS employment must be based on the results of the verified transaction.If the institution is unable to eliminate any resulting overpayment by reducing subsequent disbursements within the award year (or loan period for Direct Loans), the student must return any disbursed Title IV grant aid and Perkins Loan funds for which the student is no longer eligible.[[1]](#footnote-1) The student may retain any Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans previously disbursed, as well as any FWS wages earned. EFC decrease: If the student is eligible for additional Title IV aid subsequent disbursements must be based on the results of the verified transaction and be consistent with the late disbursement rules at 34 CFR 668.164(j), if applicable. |
|  | **October 31, 2016 - Chart B: Verification Results and Institutional Requirements****Subsequent Selection to V4 or V5** |
| Circumstance | Student Has Not Completed Verification | Verification Completed: No Change to EFC | Verification Completed Including Verification of Identity and High School Completion Status: Change to EFC |
| Not initially selected for verification; then selected for V4 or V5 while enrolled; ORPreviously selected for V1, V4, or V6; then selected for V5 while enrolled | While waiting for verification to be completed, no further disbursements of any Title IV aid can be made, including Direct Subsidized Loans, Direct Unsubsidized Loans and Direct PLUS Loans. No further Federal Work Study (FWS) employment may occur.If verification is never completed, or the student otherwise fails to verify identity or high school completion status, the student must return all Title IV aid disbursed before the student was selected for verification, including Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans. The student may retain FWS wages earned. This requirement for the student to return funds applies regardless of whether the student is still enrolled at the institution. | The student may receive all Title IV aid for which he or she is eligible, and may be employed under FWS once all verification requirements have been met, including verification of identity/statement of educational purpose and high school completion. | EFC increase: All disbursements and FWS employment must be based on the results of the verified transaction.If the institution is unable to eliminate any resulting overpayment by reducing subsequent disbursements within the award year (or loan period for Direct Loans), the student must return any disbursed Title IV grant aid and Perkins Loan funds for which the student is no longer eligible.[[2]](#footnote-2) The student may retain any Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans previously disbursed, as well as any FWS wages earned. EFC decrease: If the student is eligible for additional Title IV aid subsequent disbursements must be based on the results of the verified transaction and be consistent with the late disbursement rules at 34 CFR 668.164(j), if applicable. |

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|  | **October 31, 2016 - Chart C: Verification Results and Institutional Requirements****Tax Return Extension Filers[[3]](#footnote-3)** |
| Circumstance | Student never submits the institutionally required tax return transcript or uses the IRS DRT by the institutionally established deadline date | All verification requirements met, including the institutionally required submission of a tax return transcript or use of the IRS DRT: No change to EFC  | All verification requirements met, the institutionally required submission of a tax return transcript or use of the IRS DRT: Change to EFC  |
| Selected for verification and filed an income tax return extension but otherwise completed V1, V4, or V6 verification; and if the institution requires, once the tax return is filed, submission of a tax return transcript or the use of the IRS DRT.3 | The student must return all Title IV grant aid and Perkins Loan funds disbursed. Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans and FWS wages earned do not have to be returned. However, no further disbursements of those loans can be made and no further Federal Work Study (FWS) employment may occur. | The student may receive all Title IV aid for which he or she is eligible, and may be employed under FWS. | EFC increase: All disbursements and FWS employment must be based on the results of the verified transaction.If the institution is unable to eliminate any resulting overpayment by reducing subsequent disbursements within the award year (or loan period for Direct Loans), the student must return any disbursed Title IV grant aid and Perkins Loan funds for which the student is no longer eligible.[[4]](#footnote-4) The student may retain any Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans previously disbursed, as well as any FWS wages earned.EFC decrease: If the student is eligible for additional Title IV aid subsequent disbursements must be based on the results of the verified transaction and be consistent with the late disbursement rules at 34 CFR 668.164(j), if applicable. |

1. See Volume 4, Chapter 3 of the 2016-17 Federal Student Aid Handbook for information on the Department’s processes for collecting overpayments of Title IV grants and Perkins Loans [↑](#footnote-ref-1)
2. See Volume 4, Chapter 3 of the 2016-17 Federal Student Aid Handbook for information on the Department’s processes for collecting overpayments of Title IV grants and Perkins Loans [↑](#footnote-ref-2)
3. Although not required by the Department of Education, an institution may have a policy that requires an individual granted an IRS tax filing extension to submit, after the tax return is filed and within the institution’s established deadline, tax return information using the IRS DRT or by submitting an IRS Tax Return Transcript. Also refer to DOC-Q16/A16 which includes an exception related to IRS extensions for individuals called up for active duty or for qualifying National Guard duty during a war or other military operation or national emergency. [↑](#footnote-ref-3)
4. See Volume 4, Chapter 3 of the Federal Student Aid Handbook for information on the Department’s processes for collecting overpayments of Title IV grants and Perkins Loans. [↑](#footnote-ref-4)