
Introduction



This publication is intended for financial aid administrators and counselors who help students begin the student 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 we mean something specific. “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 United States Department of Education.

We appreciate any comments that you have regarding the Application/Verification Guide as well as all the volumes of the Federal Student Aid Handbook. We revise and clarify the text because of 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 2006–07

No guidance pertaining to the federal student aid portions of the recent budget reconciliation legislation is contained in this volume. The Department is preparing and will be issuing guidance on that soon.

On page 3 we reworded the second paragraph to make it clearer that the FAFSA is the only application a student must fill out to apply for Title IV aid. We also noted that if you require students to provide you with information other than what appears on the FAFSA in order to apply for institutional or private aid, you must take that additional information into account in your awarding of Title IV aid. Also on this page is a margin note about the new FAFSA on the Web worksheet.

The paper renewal FAFSA has been discontinued, and we note this on page 4.

In the margin note on page 19, we have added a paragraph on how to count rental units as an asset when the family lives in the structure. This derives from Dear Colleague Letter GEN-05-16.

On page 23 we added a paragraph on students applying after the award year has begun and counting as dependents persons other than their children. We also added references to this on page 30 in the instructions on household size.

For the question on veteran status, we have added on page 24 the note that persons who fraudulently entered the service can be considered veterans if they were released under other than “dishonorable” conditions and their entire period of service was not voided.

At the bottom of page 26 is guidance in the example of a student who is receiving support from her boyfriend for her child. We received questions about whether the example meant that the support could be in-kind, if, for instance, the student and boyfriend were living together and he were paying all the bills. The answer is no; the topic sentence for the paragraph provides the correct context by indicating that the discussion is about a student receiving *money* for her child from any source other than her parents. We rewrote the text to make this clearer.

The maximum adjusted gross income permitted for qualification for the auto zero EFC has been increased to \$16,000. See page 36.

Last year Dear Colleague Letter GEN-04-04 was released just as the AVG went to the Web and so was not included. We have added a reference to the DCL in the margin of page 79.

On page 82 we noted that the IRS’s TeleFile option is no longer available.

There was a misleading example about students receiving an initial aid disbursement, making a change to their application, and then being selected for verification based on the new transaction. The implication of the example was that any aid received in the first disbursement need not be repaid if the student failed to complete verification. While Stafford loans and Federal Work Study fall into that category, other types of aid must be repaid by the student. We clarified the example and the accompanying text in the body of the page and moved the discussion to page 89, where it is better placed.

We also reorganized the rest of the section where the above example now appears, “Completing the Process,” at the end of Chapter 4 to make the guidance more logical and readable.