

**HANDBOOK 2006-2007**  
**Federal Student Aid**

**Volume 1 – Student Eligibility**

**U.S. Department of Education**

# Student Eligibility

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## *Notes*

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# Introduction



*This volume of the Federal Student Aid Handbook discusses the eligibility requirements for students and parent borrowers and your responsibilities to ensure that recipients qualify for their aid awards.*

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## SOURCES OF INFORMATION

There are many factors that you must consider when reviewing a student's application for aid from the FSA programs, such as whether the student is a U.S. citizen or permanent resident, whether the student is making satisfactory academic progress, and whether the student has a defaulted FSA loan. To answer these questions you receive information about the student from several different sources, including the Department of Education's Central Processing System (CPS) for financial aid applications and the National Student Loan Data System (NSLDS).

Throughout the year the Department provides updates to schools in the form of Dear Partner/Colleague Letters. These letters and other information, such as Federal Register notices and announcements containing system updates and technical guidance, are available on the *Information for Financial Aid Professionals* (IFAP) website ([www.ifap.ed.gov](http://www.ifap.ed.gov)).

Schools using software from the Department also receive other materials that explain how the software operates, such as technical references, which are available on the FSA Download website (see the margin). The FSA Handbook doesn't cover the operation of specific pieces of software. Schools using third-party software should consult the vendor's reference materials for technical guidance.

## RECENT CHANGES

On page 10 we added a note that schools must include as part of their written policies what the enrollment equivalent is for the work portion of a co-op program

We moved the statement under "Losing eligibility" about checking citizenship status once per year from the end of Ch. 1 to the first page of Ch. 2.

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## Program and systems information online

### [www.fsadownload.ed.gov](http://www.fsadownload.ed.gov)

Software:

- Direct Loan Tools
- EDconnect
- EExpress for Windows
- ISIR Analysis Tool
- Return of Title IV Funds
- SSCR for Windows

Technical References and User Guides for:

- CPS (ISIR, Summary of Changes, Renewal FAFSA Process Guides, etc.)
- COD
- Electronic Data Exchange
- EExpress Packaging

### [www.ifap.ed.gov](http://www.ifap.ed.gov)

- Federal Registers
- Electronic Announcements
- Dear Partner/Colleague Letters
- FSA Assessment modules:
  - Student Eligibility—  
[www.ifap.ed.gov/qamodule/StudentEligibility/AssessmentC.html](http://www.ifap.ed.gov/qamodule/StudentEligibility/AssessmentC.html)
  - Satisfactory Academic Progress—  
[www.ifap.ed.gov/qamodule/SAPModule/SAPModuleIntro.html](http://www.ifap.ed.gov/qamodule/SAPModule/SAPModuleIntro.html)

There have been significant changes in the documentation used by the Department of Homeland Security for immigrants. Accordingly, we have revised Chapter 2. In particular note that the new machine readable immigrant visas (MRIVs) are placed in the passport of the holder and function as temporary evidence of permanent residence. There is also the new travel document for permanent residents, refugees, and asylees. Both of these are qualifying documents for receiving aid. Also note that determinations involving aliens who are permanently residing under color of law are no longer conducted by the Department of Homeland Security, but the pertinent section on the current G-845S does not reflect that.

We added on page 40 a margin note explaining that real-time corrections won't occur when a school is added to the FAFSA. Rather, the application will be sent through the NSLDS match again to ensure that the new school receives the latest financial aid history information.

On page 57 we added the code RH. See that page for the explanation of the RH status information letter sent by the Selective Service System.

We have moved several sections to other volumes of the Handbook where they are more relevant. In Chapter 1 the satisfactory academic progress information on transfer students and change of program was moved to or was already contained in Volume 2. In Chapter 6, in the Stafford and PLUS section, "Refusing to originate or certify a loan" and "FFEL lender of last resort" were moved to Volume 4; in the Federal Work Study section, all of the paragraphs except for the first one pertaining to student eligibility were moved to Volume 6.

If you have any comments regarding the FSA Handbook, please contact Research and Publications via e-mail at [fsaschoolspubs@ed.gov](mailto:fsaschoolspubs@ed.gov).

# School-Determined Requirements

*In this chapter, we discuss student eligibility requirements that don't require information from the Department's systems. The school determines on its own whether the student meets these eligibility requirements. In some cases the financial aid office will need to get information from other school offices, such as the admissions office or the registrar, or from other organizations, such as high schools or testing agencies.*

## REGULAR STUDENT IN AN ELIGIBLE PROGRAM

A person must be enrolled as a *regular student* in an eligible program in order to receive FSA funds (some exceptions are discussed later). A regular student is someone who is enrolled or accepted for enrollment in an eligible institution for the purpose of obtaining a degree or certificate offered by the school. The definition of an eligible program is discussed in detail in the *School Eligibility and Operations* volume of the Handbook.

A school must document a student's enrollment in an eligible program at the time of admission, and it must have a system to notify the financial aid office if the student leaves the program. It must also document that an aid recipient is a regular student.

▼ *Conditional acceptance.* Some schools admit students under a conditional or provisional acceptance. For example, a student might be conditionally accepted until he provides further documentation, such as academic transcripts or test scores, or demonstrates an ability to succeed in the program (by receiving acceptable grades in program coursework). Typically the school will limit the student's enrollment, in terms of number of courses or enrollment status, until the student meets the necessary conditions.

Students admitted as conditional are regular students only if the school officially accepts them into the eligible degree program. The Department does not define official acceptance or admission. If the student is merely allowed to take some courses before being officially admitted to the program, she is not considered to be a regular student and is not eligible until she is officially admitted.

▼ *Continuing education.* Regular students may receive aid for classes they take in a school's continuing education department as long as the classes apply to their degree or certificate program.

### Remedial coursework

Remedial coursework prepares a student for study at the postsecondary level (compare with preparatory coursework, which

### Basic student eligibility issues:

- must be enrolled as a regular student in an eligible program
  - cannot also be enrolled in elementary or secondary school
  - must have a high school diploma or equivalent, pass an approved ability-to-benefit test, or have been home-schooled
  - must make satisfactory progress
  - must meet enrollment status requirements
  - must have resolved any drug conviction issue
- 34 CFR 668.32

### Regular student citations and example

HEA Sec. 484(a)(1), (b)(3), (4);  
34 CFR 668.32(a)(1)

Lem Community College allows anyone with a high school diploma or the equivalent to enroll in any course. Many of LCC's students do not intend to receive a degree or certificate. LCC requires students who want to receive a degree or certificate to complete a form stating which degree or certificate they are studying for and to meet regularly with an academic advisor. LCC considers them to be regular students, while others in the same classes are not regular students.



### **Conditional acceptance examples**

1. Guerrero University allows students to take graduate courses before they have taken the GRE, but it limits them to no more than three courses and does not admit them into its graduate programs until they have submitted acceptable GRE scores. They aren't regular students, and since the school hasn't admitted them, they aren't eligible for FSA.

2. When Park University accepts students into its graduate programs, it requires that the students receive no grade lower than a "B" in the first three courses. During this time the school considers students to be admitted into the program, so they are eligible for FSA. If, however, students receive a grade lower than a B in any of the first three classes, their admittance will be withdrawn and they then will be ineligible for FSA.

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### **Continuing education examples**

1. Park University has a continuing education department that offers many on-line (telecommunications) courses that students in other departments of the school may take and that apply to the degree or certificate program the students are enrolled in. These are regular students who are eligible for FSA funds.

2. Guerrero University has a continuing education department that offers many courses. Some students enroll in these courses without being admitted to the university. They are not regular students and are not eligible for FSA funds.

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### **Remedial coursework**

34 CFR 668.20

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### **Teacher certification coursework**

34 CFR 668.32(a)(1)(iii)

prepares a student for a given program), and a student enrolled solely in a remedial program is not considered to be in an eligible program. If acceptance into an eligible program is contingent on completing remedial work, a student cannot be considered enrolled in that program until she completes the remedial work.

However, if the student is admitted into an eligible program and takes remedial coursework within that program, he can be considered a regular student, even if he is taking all remedial courses before taking any regular courses. The remedial classes must be at least at the high-school level, as determined by the state legal authority, your school's accrediting agency, or the state agency recognized for approving public postsecondary vocational education. If that agency determines that a remedial class is at the elementary level, the school must abide by that determination, and the class cannot be included for Title IV program assistance.

You may count a limited amount of remedial coursework in the student's enrollment status for financial aid purposes. A student may receive federal aid for up to one academic year's worth of remedial classes. For the purpose of this limit, that is 30 semester or trimester hours, 45 quarter hours, or 900 clock hours. ESL courses don't count against these limits. If the remedial coursework is noncredit or reduced-credit, you must determine how many credit hours the coursework is worth to count it in the student's enrollment (see "Enrollment Status" on p. 11).

You can't use noncredit remedial hours to determine a student's enrollment status if the course is part of a program that leads to a high school diploma or its recognized equivalent. A student is never permitted to receive funds for GED training or for coursework prior to the completion of high school, even if the GED or high school training is offered at postsecondary schools or is required for the postsecondary program.

### ***Preparatory coursework***

A student not enrolled in a degree or certificate program is eligible for Stafford and PLUS loans for up to one year if she is taking coursework necessary for enrollment in an eligible program. See the discussion under Stafford and PLUS loans on p. 63.

### ***Teacher certification coursework***

A student may receive Federal Work-Study and Stafford, Perkins, and PLUS loans if he is enrolled at least half time in required teacher certification coursework, even though it does not lead to a degree or certificate awarded by the school. To qualify, the coursework must be required for elementary or secondary teacher certification or recertification in the state where the student plans to teach. Optional courses that the student elects to take for professional recognition or advancement, and courses recommended by your school but not required for certification, do not qualify. You should document that the courses are required by the state for teacher certification.

For Stafford loans, such students may borrow at the fifth-year undergraduate loan level, and the loan limit is not prorated if the coursework lasts less than an academic year. For Perkins loans, a school establishes in its policy whether a student enrolled in a teacher certification program is an undergraduate or graduate student. That will then determine which Perkins loan limits apply; refer to *Volume 3: Calculating Awards and Packaging*.

A student with a bachelor's degree who is enrolled in a postbaccalaureate teacher certification program can also receive a Pell grant in certain limited situations. See p. 62.

## ELEMENTARY OR SECONDARY ENROLLMENT

**A student enrolled in elementary or secondary school is not eligible for aid from the FSA programs**, even if she is simultaneously enrolled in an eligible postsecondary program. A student is considered to be enrolled in a secondary school if she is pursuing a high school diploma. A student who has completed the diploma requirements but has not yet received a diploma is still considered to be enrolled in secondary school if she is taking postsecondary coursework for which the high school gives credit. A student who has completed but not received a diploma is also considered to be enrolled in secondary school if the high school granting the diploma still considers the student to be enrolled at that high school.

An adult pursuing a GED (not a high school diploma) is not considered to be enrolled in secondary school. However, as stated earlier, a student can't get aid for GED training, though he can receive aid for other college courses if he meets ability-to-benefit, home-school, or high school equivalent requirements. An adult can take a course offered by a high school, such as a driver's education course, without being considered enrolled there.

## ACADEMIC QUALIFICATIONS

To receive FSA funds, a student must be qualified to study at the postsecondary level. A student qualifies if she:

- has a high school diploma;
- has the recognized equivalent of a high school diploma, typically a general education development or GED certificate;
- has completed home schooling at the secondary level; or
- has passed a Department-approved ability-to-benefit test.

A student may self-certify that he has received a high school diploma or GED or that he has completed secondary school through home schooling as defined by state law. If a student indicates on the FAFSA that he has a diploma or GED, your school isn't required to ask for a copy, but if your school requires one for

## Elementary/secondary enrollment

HEA Sec. 484(a)(1), 34 CFR 668.32(b)

## Secondary school enrollment examples

Lida is a junior in high school and enrolls in an electronics technician program at Lem Community College (she is above the age of compulsory school attendance for her state and so can be admitted as a regular student at LCC). The coursework is offered evenings and weekends, so she can still attend her high school classes. The electronics technician program is an eligible postsecondary program, and Lida will receive a certificate from Lem when she completes the program. However, she is not eligible for aid because she is still enrolled in high school.

Owen, a regular student at Guerrero University, decides to take a driver's education course at the local high school during the summer. This does not mean he is enrolled in secondary school.

## What's a valid high school diploma?

As we note at the top of p. 6, students self-certify that they have a high school diploma, so a copy of one is not required for the financial aid office. But with the appearance of high school "diploma mills," you might have concerns about the validity of a diploma from a particular school. To find out if the diploma is valid, you should contact the department of education for the state in which the school is located. They can tell you if a diploma from the high school is recognized by their state (the school need not be accredited for its diplomas to be recognized by the state).

### Academic qualifications

HEA Sec. 484(d), 34 CFR 668.32(e)

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### Recognized equivalent of a high school diploma

34 CFR 600.2

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### Diploma equivalent example

Kitty enrolls in the bachelor's degree program at Brandt College. She didn't graduate from high school and doesn't have a GED. Brandt looks at her high school records to see if she excelled academically in high school. Because she had a C average, Brandt decides she didn't excel academically and so doesn't have the equivalent of a high school diploma. If she were enrolled in a two-year program that counted as two years of her bachelor's degree, she'd have the equivalent of a high school diploma when she completed that program, and would be eligible for FSA for the last two years of her degree program. However, since Kitty never went to college before, she'll need to pass an approved ability-to-benefit test if she wants to receive FSA.

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### Home-schooled students

HEA Sec. 484(d)(3),  
34 CFR 668.32(e)(4)

admission, then you must rely on that copy of the diploma or GED and not on the student's certification alone. Because the current FAFSA doesn't contain a self-certification for home schoolers, such students may certify their home schooling in writing, for example, on an admissions application, in a letter to your school, or in some other appropriate record.

### *Equivalents to a high school diploma*

The Department recognizes several equivalents to a high school diploma:

- A GED;
- A certificate demonstrating that the student has passed a state-authorized examination that the state recognizes as the equivalent of a high school diploma;
- An academic transcript of a student who has successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree; or
- For a student who enrolls before completing high school, a high school transcript indicating the student has excelled in high school. The student must no longer be enrolled in high school, must satisfy your school's written policy for admitting such students, and must be starting a program that leads at least to an associate's degree or its equivalent.

### *Home schooling*

Though home-schooled students are not considered to have a high school diploma or equivalent, they are eligible to receive FSA funds if their secondary school education was in a home school that state law treats as a home or private school. Some states issue a secondary school completion credential to home-schoolers. If this is the case in the state where the student was home-schooled, she must obtain this credential in order to be eligible for FSA funds. Her self-certification that she was home-schooled (see above) can include that she received this state credential.

Some students finish home schooling at an age younger than the age of compulsory school attendance for their state or your school's state. Another part of the federal law defines an eligible *institution* as one that admits as regular students only persons who have a high school diploma or equivalent or are beyond the compulsory attendance age for the school's state. The Department considers a home-schooled student to be beyond the age of compulsory attendance if your school's state would not require the student to further attend secondary school or continue to be home-schooled. See also *Volume 2: School Eligibility and Operations*.

### *Ability-To-Benefit (ATB) test*

If the student doesn't have a high school diploma or equivalent and was not home-schooled, she can still qualify for aid by passing a

Department-approved “ability-to-benefit” test. You don’t have to use the same test for all students; you can pick the one most suitable for each student. At the time of publishing, the March 11, 2005 *Federal Register* contained the most recent list of approved tests.

▼ *Arranging for ATB tests.* The regulations also specify testing procedures that your school must follow. You must make arrangements with one or more test administrators, who must be certified by the test publisher. You should contact the test publisher to locate a certified test administrator. Certified test administrators may include high school guidance counselors, test and measurement experts, human resource development professionals, qualified professional educators, or regional Armed Forces Command staff who are experts in education, training, and human resource development.

▼ *Ensuring independent testing.* To be independently administered, a test must be given by an individual or by an organization with no current or prior financial or ownership interest in the school, its affiliates, or its parent corporation other than the interest generated through its agreement to administer the approved test. The test can’t be given by a current or former employee, consultant, or student of the school, an owner or member of the board of directors, a person with a financial interest in the school, or a relative of any of these individuals. In addition, the test administrator cannot score the test, but must submit it to the publisher for scoring.

A test is also independently administered if it is given at an assessment center. An assessment center must be located at an eligible degree-granting school or public vocational institution, and must be responsible for evaluating students for multiple purposes, such as course placement. It must not have administering ATB tests as its primary purpose. The assessment center must be staffed by professionally trained personnel and be independent of the admissions and financial aid processes. An assessment center may score students’ tests unless its agreement with the test publisher prohibits it.

To be acceptable for FSA purposes, an approved test must be independently administered in accordance with the procedures specified by the test publisher—such as time limits for completion, rules on how often and within what time frame the test may be readministered, whether the test may be given verbally, and so forth. If a test comprises multiple parts, all **relevant** parts, as listed in the approval notice, must be administered in order for the test to be valid. The approval notice published by the Department will show either the approved score for each subpart or an approved composite score.

▼ *Testing non-native English speakers.* The General Provisions regulations specify when special tests can be used for students who are not native speakers of English. The CELSA test can be used for students who are enrolled solely in an ESL program or for students

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## ATB tests

34 CFR Part 668 Subpart J  
(Sections 141–156)

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## Factors for Test Selection

When selecting a test, the school should consider the following:

- **Relevance of the test to the educational program.** Are the skills and abilities assessed important for successful completion of the program of study?
- **Level of difficulty of the test.** Is the overall level of difficulty appropriate to the population of prospective students being assessed and to the coursework required in the program?
- **Native language.** If the student’s program will be taught in a language other than English, the student should be permitted to take the test in the language of the program.
- **Tests for students with physical disabilities.** Students with physical disabilities should receive appropriate assistance in test taking, in accordance with the guidelines developed by the American Educational Research Association, the American Psychological Association, and the National Council of Measurement in Education.



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### Test approval

The Department evaluates submitted tests according to guidelines published in regulations. To apply for approval, the test publisher must submit its test and documentation specified in the regulations. After reviewing the application, the Department will notify the test publisher of approval or disapproval. If a test is approved, the Department will publish in the Federal Register the name of the test and the test publisher and the passing score required for students taking the test.

The Department will also review all state tests or assessments that are submitted for approval. If a state test meets the criteria for approval, both public and private schools in that state may use the test. At this time, no such tests have been submitted for approval.

who are enrolled in a program that is taught in English and that has an ESL component in which the student is also enrolled (see the January 12, 2001 *Federal Register* for more on CELSA).

As an alternative, you may determine whether these students have the ability to benefit from your program by using the guidelines in the December 30, 1992 *Federal Register* and by using tests approved as of June 30, 1996.

▼ *Testing disabled students.* For students with disabilities, the Department adopted the use of the currently approved ability-to-benefit tests and passing scores (see the May 5, 1999 *Federal Register*) as long as those tests are given in a manner consistent with requirements of Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act. These requirements include giving the test in a manner that is accessible to disabled students and offering additional services such as a longer exam time for students with learning disabilities and Braille or large-print exams for visually impaired students. If your school can't give any of the approved ability-to-benefit tests in an accessible manner, it must use an alternate test as explained in the regulations (34 CFR 668.149).

▼ *Counting previous test results.* A student who has taken an approved, independently administered test must have the test publisher or the assessment center submit the official score to the school to demonstrate the student's ability to benefit. If you accept the results of a previously administered test, you must obtain documentation (usually through the previous school) that the test and its administration met federal requirements. Test scores are valid for ATB purposes indefinitely.

### SATISFACTORY ACADEMIC PROGRESS (SAP)

To be eligible for FSA funds, a student must make satisfactory academic progress, which minimally you must check at intervals of one year or half the length of the program, whichever is less. Your school must establish and publish its SAP policy, which explains when you check SAP as well as other details. See *Volume 2: School Eligibility and Operations* for complete guidance. The discussion below will only address the qualitative and quantitative standards that a student must meet in order to be eligible for aid.

#### Qualitative standards

The law specifies that by the end of the second academic year (regardless of how many credits the student has accrued), the student must have a C average or its equivalent or have an academic standing consistent with the requirement for graduation from the program. If your school does not use letter grades, it should define the equivalent of a C average.

Having an academic standing consistent with the graduation requirement could mean you use an escalating grade point standard instead of a fixed one. For example, a school using a 4-point scale can

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### Satisfactory Academic Progress

HEA Sec. 484(c),  
34 CFR 668.16(e)  
34 CFR 668.32(f)  
34 CFR 668.34

## Approved Ability-to-Benefit Tests | Publishers

ASSET Program: Basic Skills Tests (Reading, Writing, and Numerical)—Forms B2, C2, D2, and E2  
*Passing Score:* Reading (35), Writing (35), and Numerical (33)

American College Testing (ACT), Placement Assessment Programs, 2201 North Dodge Street, P.O. Box 168, Iowa City, Iowa 52243, Contact: Dr. John D. Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790

Career Programs Assessment (CPAT) Basic Skills Subtests (Language Usage, Reading and Numerical)—Forms B and C  
*Passing Score:* Language Usage (42), Reading (43), and Numerical (41)

American College Testing (ACT), Placement Assessment Programs, 2201 North Dodge Street, P.O. Box 168, Iowa City, Iowa 52243, Contact: Dr. John D. Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790

Combined English Language Skills Assessment (CELSA): Forms 1 and 2  
*Passing Score:* CELSA Form 1 (90) and CELSA Form 2 (90)

Association of Classroom Teacher Testers (ACTT), 1187 Coast Village Road, PMB 378, Montecito, California 93108-2794, Contact: Pablo Buckelew, Telephone: (805) 965-5704, Fax: (805) 965-5807

COMPASS Subtests: Prealgebra/Numerical Skills Placement, Reading Placement, and Writing Placement  
*Passing Score:* Prealgebra/Numerical (25), Reading (62), and Writing (32)

American College Testing (ACT), Placement Assessment Programs, 2201 North Dodge Street, P.O. Box 168, Iowa City, Iowa 52243, Contact: Dr. John D. Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790

Computerized Placement Tests (CPTs)/Accuplacer (Reading Comprehension, Sentence Skills, and Arithmetic)  
*Passing Score:* Reading Comprehension (55), Sentence Skills (60), and Arithmetic (34)

The College Board, 45 Columbus Avenue, New York, New York 10023-6992, Contact: Ms. Suzanne Murphy, Telephone: (405) 842-9891, Fax: (405) 842-9894

Descriptive Tests of Language Skills (DTLS) (Reading Comprehension, Sentence Structure and Conventions of Written English)—Forms M-K-3KDT and M-K-3LDT; and Descriptive Tests of Mathematical Skills (DTMS) (Arithmetic)—Forms M-K-3KDT and M-K-3LDT  
*Passing Score:* Reading Comprehension (108), Sentence Structure (9), Conventions of Written English (309), and Arithmetic (506)

The College Board, 45 Columbus Avenue, New York, New York 10023-6992, Contact: Ms. Suzanne Murphy, Telephone: (405) 842-9891, Fax: (405) 842-9894

Wonderlic Basic Skills Test (WBST)—Verbal Forms VS-1 & VS-2, Quantitative Forms QS-1 & QS-2  
*Passing Score:* Verbal (200) and Quantitative (210)

Wonderlic Personnel Test, Inc., 1795 N. Butterfield Rd., Libertyville, IL 60048, Contact: Mr. David Teuber, Telephone: (877) 605-9499, Fax: (847) 680-9492

WorkKeys Program—Reading for Information Forms A01AA, A02AA, C01AA, and D10AA; Applied Mathematics Forms A01BB, A02BB, C01BB, and D01BB.  
*Passing Score:* Reading for Information—Forms A01AA (76), A02AA (75), C01AA (77), and D10AA (77); Applied Mathematics—Forms A01BB (73), A02BB (74), C01BB (73), and D01BB (73)

American College Testing (ACT), WorkKeys Development, Professional Development Services, 101 ACT Drive, P.O. Box 168, Iowa City, Iowa 52243-0168, Contact: Dr. A. Candace Noble, Telephone (319) 337-1296, Fax: (319) 337-1229

require students to have a 2.0 average by graduation but allow their average to be lower earlier in their academic career. If your policy permits such a progression and a student falls below a C average, you must be able to document that her average is consistent with the academic standard required for graduation.

### **Quantitative standards**

To accurately measure a student's progress in a program, more than a qualitative standard is needed. A student who is maintaining a high GPA by withdrawing from every course he attempts after the first year would meet a qualitative standard but wouldn't be progressing towards graduation. Therefore, the SAP policy must also include a quantitative measure to determine the number or percentage of courses, credit hours, or clock hours completed.

To quantify academic progress your school must set a maximum time frame in which a student is expected to finish a program. If your SAP review makes it clear that a student cannot mathematically finish the program within this period, she becomes ineligible for aid (though she may request an appeal; see Volume 2). For an undergraduate program the time frame cannot exceed 150% of the published length of the program measured in academic years or terms, credit hours attempted, or clock hours completed, as determined by your school. For instance, if the published length of an academic program is 120 credit hours, the maximum period must not exceed 180 ( $120 \times 1.5$ ) attempted credit hours.

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#### **Example: satisfactory academic progress appeal**

Steven is attending Brust Conservatory, and at the end of his second year, Brust determines that he isn't making satisfactory progress. He files an appeal in the fall, after he realizes he won't receive aid for the fall term. Brust finally approves his appeal in January, after the fall term is over. Therefore, Steven can't receive Pell or campus-based funds for the fall term but can receive aid for the winter term. Steven can receive a Direct loan or FFEL for the entire academic year because that is his period of enrollment.

### **Losing and regaining eligibility**

A student who loses FSA eligibility because she is not meeting your school's satisfactory academic progress standards will regain eligibility when you determine that she is again meeting the standards. She may also regain eligibility by successfully appealing a determination that she wasn't making satisfactory progress. You must document each case.

A student may be paid Pell and Campus-based funds for the payment period in which she resumes satisfactory academic progress. For Stafford and PLUS loans, she regains eligibility for the entire period of enrollment in which she again meets SAP standards unless school policy provides for reinstatement of eligibility at a later point.

## **ENROLLMENT STATUS**

A student must be enrolled at least half time to receive assistance from the Stafford and PLUS loan programs. The Pell and Campus-Based programs (except for Perkins in the case of a student enrolled in a program for a teaching credential) don't require half-time enrollment, but the student's enrollment status does affect the amount of Pell a student receives. (Volume 3 explains how enrollment status affects a student's Pell award.)

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#### **Full-time student definition**

34 CFR 668.2

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#### **Half-time enrollment**

HEA Sec. 428(b)(1)(A),  
34 CFR 668.32(a)(2), 674.2(b), 682.200,  
and 690.2(c)

To be enrolled half time, a student must be taking at least half of the course load of a full-time student. Your school defines a full-time

workload, but it must meet the minimum standards in the FSA regulations. The definition of full time used for FSA purposes (below) can differ from the definition used for other purposes at your school, such as the definition used by the registrar's office.

Your definition of a full-time workload for a program must be used for all students enrolled in that program and must be the same definition for all FSA-related purposes, including loan deferments. You can't accommodate a student with a learning disability or other handicap by allowing the student a full-time enrollment status lower than the minimum standard.

▼ *Minimum standards for full-time enrollment.* You may include any combination of courses, work, research, or special studies in your school's definition of workload. The regulations specify a minimum standard for undergraduate students but not for graduate students. For undergraduates, full-time status must be at least:

- 12 semester hours or 12 quarter hours per academic term in an educational program using a semester, trimester, or quarter system;
- 24 semester hours or 36 quarter hours per academic year for an educational program using credit hours but not using a semester, trimester, or quarter system, or the prorated equivalent for a program of less than one academic year;
- 24 clock hours per week for an educational program using clock hours;
- a series of courses or seminars equaling 12 semester or quarter hours over a maximum of 18 weeks; or
- the work portion of a cooperative education program in which the amount of work performed is equivalent to the academic workload of a full-time student.

Your school must have a written policy stating what enrollment status the work portion of a co-op program is equivalent to. If it equals a full-time academic load, the co-op student is considered full time regardless of how many credits are earned for the co-op work.

A student taking only correspondence courses is never considered to be enrolled more than half time. See *Volume 3* for more on Pell and enrollment status and correspondence courses.

If a student is enrolled in courses that do not count toward his degree, they cannot be used to determine enrollment status unless they are noncredit or remedial courses as described in the sidebar. This means you cannot award the student aid for classes that do not count toward his degree or certificate.

### **Pell and half-time enrollment**

For the purpose of the Pell Grant Program, a school may choose to define half time as half of the minimum full-time standard established in the regulations even if this is less than half the full-time standard established by the school. For example, if a school sets 14 semester hours as full time, it could use 6 semester hours (one half of the regulatory full-time minimum of 12) as half time instead of 7.

### **Counting non-credit or reduced-credit remedial work**

A student can receive aid for a limited amount of remedial coursework that is included as part of a regular program. As long as the student qualifies for aid for remedial courses, you must include the remedial courses in the student's enrollment status.

Some schools give no credit or reduced credit for remedial classes. To determine enrollment status, credit hours for the remedial class should be the same as for the comparable full-credit class. If you're using credit hours, you can compare the number of classroom and homework hours of study that the remedial course requires with the hours required for similar courses offered for full credit. Clock-hour schools should use the number of classroom hours attended in the remedial program.

34 CFR 668.20



**Drug convictions**

HEA Section 484(r)  
34 CFR 668.40

**STUDENTS CONVICTED OF POSSESSION OR SALE OF DRUGS**

A federal or state drug conviction can disqualify a student for FSA funds. The student self-certifies in applying for aid that he is eligible; you're not required to confirm this unless you have conflicting information.

A conviction that was reversed, set aside, or removed from the student's record does not count, nor does one received when the student was a juvenile, unless she was tried as an adult.

The chart below illustrates the period of ineligibility for FSA funds, depending on whether the conviction was for sale or possession and whether the student had previous offenses. (A conviction for sale of drugs includes convictions for conspiring to sell drugs.)

	Possession of illegal drugs	Sale of illegal drugs
1st offense	1 year from date of conviction	2 years from date of conviction
2nd offense	2 years from date of conviction	Indefinite period
3+ offenses	Indefinite period	

If the student was convicted of both possessing and selling illegal drugs, and the periods of ineligibility are different, the student will be ineligible for the longer period.

**Drug abuse hold**

The Anti-Drug Abuse Act of 1988 includes provisions that authorize federal and state judges to deny certain federal benefits, including student aid, to persons convicted of drug trafficking or possession. The CPS maintains a hold file of those who have received such a judgment, and it checks applicants against that file to determine if they should be denied aid. This is separate from the check for a drug conviction via question 31; confirmation of a student in the drug abuse hold file will produce a rejected application and a separate comment from those associated with responses to question 31. See the ISIR Guide for more information.

A student regains eligibility the day after the period of ineligibility ends or when he successfully completes a qualified drug rehabilitation program. Further drug convictions will make him ineligible again.

Students denied eligibility for an indefinite period can regain it only after successfully completing a rehabilitation program as described below or if a conviction is reversed, set aside, or removed from the student's record so that fewer than two convictions for sale or three convictions for possession remain on the record. In such cases, the nature and dates of the remaining convictions will determine when the student regains eligibility. It is the student's responsibility to certify to you that she has successfully completed the rehabilitation program; as with the conviction question on the FAFSA, you are not required to confirm the reported information unless you have conflicting information.

When a student regains eligibility during the award year, you may award Pell and Campus-based aid for the current payment period and Direct and FFEL loans for the period of enrollment.

### **Standards for a qualified drug rehabilitation program**

A qualified drug rehabilitation program must include at least two unannounced drug tests and must satisfy at least one of the following requirements:

- Be qualified to receive funds directly or indirectly from a federal, state, or local government program.
- Be qualified to receive payment directly or indirectly from a federally or state-licensed insurance company.
- Be administered or recognized by a federal, state, or local government agency or court.
- Be administered or recognized by a federally or state-licensed hospital, health clinic, or medical doctor.

If you are counseling a student who will need to enter such a program, be sure to advise the student of these requirements. If a student certifies that he has successfully completed a drug rehabilitation program, but you have reason to believe that the program does not meet the requirements, you must find out if it does before paying the student any FSA funds.

### **INCARCERATED STUDENTS**

A student is considered to be incarcerated if she is serving a criminal sentence in a federal, state, or local penitentiary, prison, jail, reformatory, work farm, or similar correctional institution (whether it is operated by the government or a contractor). A student is not considered to be incarcerated if she is in a half-way house or home detention or is sentenced to serve only weekends.

Incarcerated students are not eligible for FSA loans but are eligible for FSEOGs and FWS. They are also eligible for Pell grants if not incarcerated in a federal or state penal institution (see chapter 6 for more information).

You may accept the student's written self-certification that he is no longer incarcerated.

### **CONFLICTING INFORMATION**

In addition to reviewing data provided by the Department's application system and NSLDS (as discussed in the rest of this volume), your school must have an internal system to share information relevant to the student's eligibility, such as his academic standing. The FSA program regulations require a school to develop an adequate system to ensure the consistency of any data related to a student's application for federal student aid regardless of the source of that data. Your school is responsible for reconciling all inconsistencies that it receives with one exception: if the student dies during the award year, you aren't required to resolve conflicting information.

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#### **Incarcerated students**

HEA Sec. 401(b)(8)  
HEA Sec. 484(b)(5)  
34 CFR 668.32(c)(2)

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#### **Conflicting information**

34 CFR 668.16(b)(3) and (f)

### **Gaining eligibility examples**

Allen enrolls in a one-year certificate program at Sarven Technical Institute. Sarven won't officially admit Allen before he provides an academic transcript from his previous school, but it lets him start classes in the fall. Sarven receives Allen's transcript after he's attended for a month and officially admits him. He's still in his first payment period when admitted, so he can receive Pell and campus-based funds for his entire period of enrollment. The school can also use the program length of one year as the period of enrollment for which Allen can receive a loan.

Chavo is finishing his senior year in high school; his classes end June 4. He decides to start classes in the winter at Sarven Technical Institute on January 11. The second payment period begins on May 17. Chavo isn't eligible for aid when he first starts classes at Sarven. However, when he becomes eligible after June 4, Sarven can disburse Pell and campus-based funds to Chavo retroactively for the current payment period that started on May 17 (but not for the payment period that started in January) and a Stafford loan for the current period of enrollment, which does include the payment period that began in January.

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### **Losing eligibility example**

George is a student at Guerrero University. At the end of September, after the start of the fall term, he is convicted in a state court for possession of drugs. It is his first offense, and he isn't incarcerated, but he is ineligible for aid. Guerrero gave George his first Direct subsidized loan disbursement at the beginning of the semester in September and was going to disburse a Perkins loan to him in October. Now Guerrero can't disburse the Perkins loan. George doesn't have to pay back the first disbursement of his Direct loan, but he can't receive any more Title IV aid until one year elapses or he successfully completes a qualified drug rehabilitation program.

If your school has conflicting information for a student or you have any reason to believe his application information is incorrect, you **must** resolve such discrepancies before disbursing FSA funds. If you discover a discrepancy after disbursing FSA funds, you must reconcile the conflicting information and require the student to repay any aid for which he wasn't eligible, unless he is no longer enrolled for the award year and will not re-enroll. Refer to the *Application and Verification Guide* and the *School Eligibility and Operations* volume for more information.

### **CHANGE IN STATUS**

The student's eligibility status can change during the award year, which almost always affects whether the student can be paid. The special rules for changes in satisfactory academic progress status were discussed earlier in the SAP section.

#### ***Gaining eligibility***

A student who *applies for aid* by filling out a FAFSA is eligible for aid for the entire award year. A student who *gains eligibility* is one who was previously ineligible for some reason. In general, when a student gains eligibility, she may receive Pell and campus-based funds for the entire payment period and Stafford and PLUS loans for the period of enrollment in which she became eligible.

The student is eligible for Pell and Campus-based aid for the entire award year—not just the payment period—in which he becomes eligible by meeting the requirements for citizenship, valid Social Security Number (SSN), or Selective Service registration.

#### ***Losing eligibility***

A student cannot receive any federal student aid after losing eligibility for it, unless he qualifies for a late disbursement.

## Eligibility Requirements for Specific Educational Programs

See *Volume 2: School Eligibility and Operations* for more information on the topics below.

### **Correspondence courses**

A correspondence or “home study” course is one for which the school provides instructional materials and exams for students who don’t physically attend classes at the school and who are studying independently. When a student completes a portion of the materials, he takes the related exam and returns it to the school for grading. If the course uses video cassettes or discs, it is a correspondence course unless the school provides the same instruction to students who physically attend the school that year. A telecommunications course is considered a correspondence course under circumstances that are explained in the distance education chapter of Volume 2.

A student enrolled in a correspondence course can only receive FSA funds if the course is part of a program that leads to an associate’s, bachelor’s, or graduate degree; if the program leads to a certificate, the student is not eligible for aid for that course. There are also restrictions regarding cost of attendance for correspondence courses; see Volume 3 Chapter 2 for more information.

HEA Sec. 484(k), 34 CFR 600.2, 34 CFR 668.38

### **Telecommunications courses**

A telecommunications course is one offered principally through television, audio, or computer transmission. This includes open broadcast, closed circuit, cable, microwave, satellite, and audio or Internet conferencing. It also includes courses delivered on video cassette or disc as long as the courses are also offered that year to students who physically attend the school. If a course does not qualify as a telecommunications course then it is considered a correspondence course.

A student can receive FSA funds for a telecommunications course if:

1. The course is part of a program that leads to an associate, bachelor, or graduate degree or to a certificate for a program of one year or longer.
2. Less than 50% of all the courses the institution offered during its latest completed award year were telecommunications and correspondence courses.
3. At least 50% of the programs of study offered by the institution during its latest completed award year led to an associate, bachelor, or graduate degree.

HEA Sec. 484(l), 34 CFR 600.2, 34 CFR 668.38

### **Students studying abroad**

A student in a study-abroad program is eligible for aid if the program is approved for academic credit toward her degree by the eligible home school at which she is enrolled as a regular student. The home school must have a contractual agreement with the foreign school (or with another U.S. school that contracts with the foreign school) or a single written arrangement with a study-abroad organization to represent an agreement between the home school and the foreign school.

HEA Sec. 484(o), 34 CFR 668.39

*Notes*

*A student has to be a citizen or eligible noncitizen to receive FSA. In this chapter we describe how the student's FAFSA information is matched with citizenship records. We also describe immigration documents that you may have to collect to make sure that the student meets this requirement.*

## ELIGIBLE CATEGORIES

A student must be a citizen or eligible noncitizen to receive aid from the FSA programs. The general requirement for eligible noncitizens is that they be in the U.S. for other than a temporary purpose with the intention of becoming a citizen or lawful permanent resident, as evidenced by the United States Citizenship and Immigration Services (USCIS) in the Department of Homeland Security (DHS). The USCIS was briefly known as the Bureau of Citizenship and Immigration Services or BCIS, and before that it was the Immigration and Naturalization Service or INS. We use DHS throughout this chapter, and we also refer to USCIS since it is the actual agency that handles immigration matters and whose field offices you and your students might have to contact. The eligible statuses are:

- A U.S. citizen or national;
- A U.S. permanent resident;
- Citizens of the Freely Associated States: the Federated States of Micronesia and the republics of Palau and the Marshall Islands;
- Other eligible noncitizens.

The Department of Education performs matches against the application to verify the student's citizenship status. In addition, there are procedures that you must follow to confirm a noncitizen's status through the DHS and SSA if the CPS matches don't confirm that status. A student's citizenship status only needs to be checked once during the award year; if the status is eligible at that time, it remains so for the rest of the award year.

Students who are eligible because they are citizens of certain Pacific Islands can only receive aid from some of the FSA programs (see "Citizens of the Freely Associated States" on p. 34). Students in the other categories may receive any federal student aid an eligible

## Citizenship issues

- U.S. citizens matched with Social Security Administration (SSA) database
- U.S. permanent residents matched against DHS records
- If the match fails after primary verification and automated secondary confirmation, the school must collect documentation and conduct manual secondary confirmation

## Citizenship

HEA Sec. 484(a)(5),  
34 CFR 668.32(d),  
34 CFR 668.33,  
and Subpart I of Part 668.

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## Documenting citizenship

34 CFR 668.33(c)

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### Data doesn't match example

Allen put in an incorrect number for his SSN when he completed his FAFSA. The number he used isn't in the SSA database. Therefore, his application fails both the SSN match and the SSA citizenship match. Allen will need to fix the problem before he can receive aid. Because the SSN is incorrect, Sarven Technical Institute asks Allen to complete a new FAFSA instead of making a correction (see Chapter 4 for more on fixing SSN problems).

school in the United States offers. If they're attending foreign schools that participate in the FFEL Program, they may receive Stafford loans.

If a parent wants to take out a PLUS loan for a dependent undergraduate student, both the parent and the student must be U.S. citizens or nationals or eligible noncitizens.

### U.S. CITIZEN OR NATIONAL

A person is a United States citizen by birth or by naturalization. Persons (except for the children of foreign diplomatic staff) who are born in the 50 states, the District of Columbia, and, in most cases, Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands are U.S. citizens, as are most persons born abroad to parents (or a parent) who are citizens. All U.S. citizens are considered to be U.S. nationals, but not all nationals are citizens: natives of American Samoa and Swain's Island are not U.S. citizens but are nationals and therefore may receive FSA funds.

### Citizenship match with Social Security Administration (SSA)

All applications are automatically matched with Social Security records to verify name, date of birth, U.S. citizenship status, the social security number, and possible date of death (see Chapter 4). The result of this match is reported under SSA of the match flags on the ISIR and "SSA Citizenship Code" on the SAR.

If the student leaves the citizenship question on the FAFSA blank, the CPS will still attempt the citizenship match with the SSA. If there is a complete match with the student's Social Security number, name, date of birth, and U.S. citizenship, the CPS will determine the student to be a citizen. The CPS will reject the application for insufficient information if one or more of the items are not provided.

Note that U.S. citizens born abroad might fail the citizenship check with the SSA, unless they have updated their citizenship information (see "Updating Status for Citizens Born Abroad," p. 20).

▼ *Successful match.* The SAR and ISIR won't have a comment if the match is successful, but a match flag will indicate that the student's status was confirmed.

▼ *Data doesn't match.* If the student's SSN, name, or date of birth, doesn't match Social Security records, the citizenship status can't be confirmed. A comment to this effect will be printed on the output document. The student should make the necessary corrections to the SSN, name, or date of birth (see Chapter 4 for a discussion of SSN match problems). When the corrections are sent to the CPS, the CPS performs the match again, and you must check the new results to see if the match confirmed the student's citizenship status.

If you have resolved the student's SSN problem but the match still doesn't confirm her citizenship, she can instead provide documentation of citizenship (see "Other documentation," p. 19).



▼ *Citizenship not confirmed.* If the Social Security match doesn't confirm that the student is a citizen, the SAR and ISIR will include a comment explaining that the student either needs to provide documents proving citizenship or make a correction to show that she is an eligible noncitizen.

If the student is a citizen, he must give you documentation of his citizenship status. If it verifies that he is a citizen, you can disburse aid to him. Unlike the case of eligible noncitizens, you don't submit the documents to the DHS or any other agency for verification, but you do need to keep a copy in the student's file. The student should also contact the Social Security Administration to have it update its database—something all naturalized citizens should do—but he doesn't have to do this to receive aid. See “Other documentation” below.

If the student is an eligible noncitizen, she must submit a correction, which must include the Alien Registration Number or A-Number. When the correction is sent in, the CPS will attempt a match with DHS records to confirm the student's status.

### *Other documentation*

If a student must prove his status as a citizen or national, you decide what documents are acceptable. The Department doesn't specify them, but here are documents you might choose to use:

- A copy of the student's birth certificate showing that she was born in the United States, which includes Puerto Rico (on or after January 13, 1941), Guam, the U.S. Virgin Islands (on or after January 17, 1917), American Samoa, Swain's Island, or the Northern Mariana Islands, unless the person was born to foreign diplomats residing in the U.S.
- A U.S. passport, current or expired, except limited passports (which are typically issued for short periods such as a year and which don't receive as much scrutiny as a regular passport when applying). In the case of nationals who are not citizens, the passport will be stamped “Noncitizen National.”
- A copy of Form FS-240 (Consular Report of Birth Abroad), FS-545 (Certificate of birth issued by a foreign service post), or DS-1350 (Certification of Report of Birth). These are State Department documents.
- A Certificate of Citizenship (N-560 or N-561), issued by USCIS to individuals who derive U.S. citizenship through a parent.
- A Certificate of Naturalization (N-550 or N-570), issued by USCIS through a federal or state court, or through administrative naturalization after December 1990 to those who are individually naturalized.

### **Example: citizenship not confirmed**

Chavo is a U.S. citizen, but SSA doesn't confirm his citizenship status. Sarven Technical Institute asks him to submit documentation of his status. Chavo first submits a Social Security card, but Sarven explains that the card doesn't document his status because noncitizens can have Social Security cards. Chavo then brings in his U.S. passport. Sarven makes a copy of the passport for its files, and tells Chavo his citizenship has been documented. Sarven also advises Chavo to have the SSA correct its database, so that he won't have this problem again.

### **Social Security card and driver's license**

A Social Security card or driver's license isn't acceptable for documenting citizenship or national status, since noncitizens and nonnationals can also have these forms of identification.



Older versions of the Certificate of Citizenship and of the Certificate of Naturalization instruct the holder not to photocopy them. The USCIS has advised the Department that these documents (and others) may be photocopied if done for lawful purposes (such as documenting eligibility for FSA funds).

### *Updating status for citizens born abroad*

Students born abroad to U.S. citizens are also U.S. citizens, and their status is usually noted in the SSA's database when they receive an SSN. But rarely a student's citizenship might not be correct, and such a student (for example, one born on a military base abroad) will fail the citizenship match even if he has a Social Security number. He can contact the SSA to have its database corrected.

Such students can document citizenship by providing a "Consular Report of Birth Abroad" (Form FS-240, which is *proof* of U.S. citizenship) or a "Certification of Report of Birth" (Form DS-1350, which is *evidence* of U.S. citizenship and equivalent to a birth certificate). If the birth of the student was registered with the American consulate or embassy in a foreign country before he turned 18, he can receive a copy of one of these by sending a written, notarized request to the State Department at

Passport Services  
Vital Records Section  
1111 19th Street, NW, Suite 510  
Washington, DC 20522-1705  
(202) 955-0307

The student should provide his name given at birth, the date and location of birth, the parents' names, available passport information, a return address, and a daytime phone number. The signature and a copy of valid photo identification of the requester must be included. For form FS-240 the student also has to include the original form (to exchange it) or a signed, notarized affidavit that the original was destroyed or lost. The FS-240 is \$30, and the DS-1350 is \$30 plus \$20 for each additional copy. This should be sent as a check or money order (no cash or foreign checks) payable to The Department of State. It will take four to eight weeks to receive the form.

If the student is over 18 and the birth wasn't registered, she can file a self-petition for a "Certificate of Citizenship" to any local USCIS office (Form N-600). Proof of the parents' U.S. citizenship at the time of the student's birth must be provided.

## **U.S. PERMANENT RESIDENTS AND OTHER ELIGIBLE NONCITIZENS**

A lawful permanent resident (LPR) is a noncitizen who is legally permitted to live and work in the United States permanently. Other eligible noncitizens:

- **Refugees** are given indefinite employment authorization. Their status continues unless revoked by DHS or until lawful

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permanent resident status is granted, which refugees may apply for after one year.

- **Persons granted asylum** in the United States are also authorized for indefinite employment, and they can apply for permanent residence after one year. Asylee status continues unless revoked by DHS or until permanent resident status is granted.
- **Conditional entrants** are refugees who entered the United States under the seventh preference category of P.L. 89-236 or whose status was adjusted to lawful permanent resident alien under that category. Note that the DHS stopped using this category on March 31, 1980.
- **Persons paroled into the U.S. for at least one year** must provide evidence (such as having filed a valid permanent resident application) from the DHS that they are in the U.S. for other than a temporary purpose and intend to become a citizen or permanent resident.
- **Cuban-Haitian entrants.**

Some **non-eligible statuses** are:

- **Family unity status.** Such individuals have been granted relief from deportation under the Family Unity Program. Previously they were eligible for FSA funds.
- **Temporary residents** are allowed to live and work in the U.S. under the Legalization or Special Agricultural Worker program. Previously they were eligible for FSA funds.
- **Persons with non-immigrant visas**, who include those with work visas, students, visitors, and foreign government officials.

## MATCH WITH DHS RECORDS

To verify the immigration status of U.S. permanent residents and other eligible noncitizens, the Department collects A-Numbers on the FAFSA. (The DHS assigns A-Numbers to all legal immigrants.) If the applicant indicates on the FAFSA that he is an eligible noncitizen and provides an A-Number, identifying information from the FAFSA is automatically sent to the DHS for “Primary Verification.”

The results of the match are shown by a match flag in the FAA information section of the output document, under the heading “DHS” on the ISIR or “DHS Match Flag” on the SAR. There will also be a comment about the results on the output document.

Because all applications are matched with SSA records, an application that is matched with DHS records will also be matched with citizenship information from the SSA. Results from the DHS match take precedence over any results from the SSA match, so the latter’s

### The A-Number on the FAFSA and the DHS verification number

When the CPS matches with DHS records, a 15-digit verification number is assigned to the student and printed in the “FAA Information” section of the SAR and ISIR. This number is needed for paper secondary confirmation with the DHS (see “Secondary Confirmation”) and is reported in box 6 of the G-845S form. **If the student does not provide an A-Number on the FAFSA, the match can’t be made and the student won’t receive a DHS verification number.** The student’s information should be resubmitted with the A-Number so that a computer match may be attempted because the school won’t be able to check the student’s status through the secondary process unless it has a DHS verification number.

citizenship match flags won’t appear on the output document. You should follow the usual procedures for resolving any DHS match discrepancies.

If a student leaves the citizenship question blank but provides an A-Number, the CPS will assume the applicant is an eligible noncitizen and will attempt to match the A-Number with DHS records. If the student leaves both the citizenship question and A-Number blank, the CPS won’t match with DHS records and will reject the application. The student must submit a correction with the citizenship status and A-Number if he is an eligible noncitizen.

▼ *Successful match.* If the match confirms the student’s immigration status, then he can receive aid if the other eligibility criteria are also met. The SAR and ISIR with the successful match results are documentation of the student’s eligibility. Of course, if you have other information about his status that seems to contradict the successful match result, you must resolve the conflict before paying the student (see “Conflicting Information” in Chapter 1).

▼ *Not enough information.* If the student said she was an eligible noncitizen but provided either no A-Number or an illegible or invalid one, the match won’t be attempted. Instead, the student will receive a C code and a comment stating that there’s a question about the A-Number and directing her to provide the school with documentation of her eligibility. Compare the document with the SAR/ISIR; if appropriate, the student should correct the A-Number and resubmit it so that the match can be conducted.

Note that the same will apply to citizens of the Marshall Islands, the Federated States of Micronesia, and Palau because such students won’t have A-Numbers to report. However, these students aren’t required to provide proof of eligible noncitizen status.

▼ *Status not confirmed.* If the match was conducted but didn’t confirm the student’s status, the discrepancy must be resolved before you pay him. (First make sure that his alien registration number and date of birth are correct.) To confirm he is eligible for FSA funds, his record will have to pass through a subsequent process called secondary confirmation.

### AUTOMATED SECONDARY CONFIRMATION

If the database match with immigration records doesn’t confirm a student’s claim to be an eligible noncitizen, the DHS will automatically check if it has documentation that determines the student’s citizenship. If this automated process confirms a student’s eligible noncitizen status, the process obviates the manual or paper secondary confirmation that uses the G-845S form.

The CPS will wait for up to three days to give the DHS time to conduct the automated secondary confirmation. If after three days the DHS has not been able to confirm the student’s citizenship

status, the CPS will process SARs and ISIRs with a secondary confirmation match flag value of “P”, meaning that the procedure is still in progress. Once the DHS finishes the confirmation, the CPS will generate SARs and ISIRs reporting the results.

The school should wait at least five but no more than 15 business days for the result of automated secondary confirmation. If the result has not been received by that time, the school must begin the paper process.

A correction made while the DHS is conducting the automated secondary confirmation will start the process over, i.e., the correction will be sent through primary confirmation. Though unlikely, if the new primary confirmation match yields a “Y,” the transaction can be used to award aid. A correction made to a transaction that contains secondary confirmation results of “Y” or “C” (or a transaction with a primary confirmation result of “Y”) will not be sent through the DHS citizenship match again. Otherwise the record will be re-sent for matching.

## PAPER SECONDARY CONFIRMATION

If the student didn’t pass automated secondary confirmation or if you have conflicting information about his immigration status, you must use paper secondary confirmation. The student has to give you unexpired documentation showing that he is an eligible noncitizen. If you determine the evidence is not convincing, he isn’t eligible for FSA funds. However, if the documentation appears to demonstrate that he is an eligible noncitizen, you must submit it to the USCIS (in the DHS) to confirm it is valid.

### *Documents that establish aid eligibility*

The standard document for a **permanent resident** of the United States is the Permanent Resident Card (Form I-551 since 1997) or Resident Alien Card (Form I-551 before 1997). Both forms are referred to colloquially as “green cards,” though they are not green. Permanent residents holding the older Alien Registration Receipt Card (Form I-151, issued prior to June 1978) should have replaced it with a newer card, but for receiving FSA funds it remains acceptable as evidence of permanent residence.

Permanent residents may also present an Arrival/Departure Record (CBP Form I-94) or the new Departure Record (Form I-94A, which is used at land border ports of entry) with the endorsement “Processed for I-551. Temporary Evidence of Lawful Admission for Permanent Residence. Valid until \_\_\_\_\_. Employment Authorized.” The form will have an A-Number annotated on it and is acceptable if the expiration date has not passed.

The U.S. Customs and Border Protection (CBP) now issues a machine readable immigrant visa (MRIV) in the holder’s passport. The MRIV will have an admission stamp, and the statement “UPON ENDORSEMENT SERVES AS TEMPORARY I-551 EVIDENCING

## Automated secondary confirmation comment codes

“Y”: citizenship status confirmed. The student is eligible for aid.

“C”: in continuance. The DHS has not yet been able to confirm that the student is an eligible noncitizen. The school is encouraged but not required to wait ten business days for another ISIR with an updated match result. If there is no update, the school begins the paper (G-845S) secondary confirmation process.

“N”: citizenship not confirmed. The DHS did not confirm the student’s citizenship status as eligible. The school should begin paper secondary confirmation.

“X”: DHS needs more information. The school should begin paper secondary confirmation.

## School policies on secondary confirmation

34 CFR 668.134

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### Status not confirmed example

On his original application Hector didn't give his A-Number and reported that he was a citizen. When the SSA didn't confirm this, Hector told the FAA at Guerrero University that he was a permanent resident. He made a correction, but the USCIS didn't confirm his status as an eligible noncitizen. He explained to the FAA that he had applied for permanent resident status but didn't have documentation yet. The FAA told him that when he had documentation that his application was approved, he should bring it to Guerrero so that it could be submitted to the USCIS for confirmation.

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### Conditions requiring secondary confirmation

34 CFR 668.133(a)

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### Use of copy of I-94 or I-94A

Note that a refugee or an asylee may apply for permanent-resident status. During the period in which the application is being reviewed, the student may have a copy of the I-94 that includes the endorsement "209a (or 209b) pending. Employment Authorized." Students with this form of documentation are eligible for FSA funds as long as the I-94 has not expired.

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### Documentation for Cuban-Haitian entrants

The I-94 for some Cuban-Haitian entrants who are applying for permanent residence may be stamped "applicant for permanent residence." (Or the student may instead be given a separate document acknowledging the receipt of his or her application for permanent residence.) Because the application for permanent residence is not sufficient to make a student eligible for FSA funds, a student who is a Cuban-Haitian entrant must request documentation of that status from the USCIS.

PERMANENT RESIDENCE FOR 1 YEAR" will appear directly above the machine readable section. An MRIV with this statement, contained in an unexpired foreign passport and endorsed with the admission stamp, constitutes a temporary I-551, valid for one year from the date of endorsement on the stamp.

The USCIS now issues the United States Travel Document (mint green cover), which replaces the Reentry Permit (Form I-327) and the Refugee Travel Document (Form I-571). It is used by lawful permanent residents (as well as refugees and asylees) and is annotated with "Permit to Reenter Form I-327 (Rev. 9-2-03)."

For classes of eligible noncitizens other than permanent residents, evidence of their status typically is on the I-94, but other documents will also serve.

- **Refugees** may have a Form I-94 or I-94A annotated with a stamp showing admission under Section 207 of the Immigration Nationality Act (INA). They may also have the old Refugee Travel Document (Form I-571) or the new U.S. Travel Document mentioned above annotated with "Refugee Travel Document Form I-571 (Rev. 9-2-03)."
- **Asylees** will have an I-94 or I-94A with a stamp showing admission under Section 208 of the INA. They may also have the same travel documents described under refugees above.
- **Conditional entrants** will have a stamp indicating the student has been admitted to the United States as a conditional entrant. Because the DHS stopped using this category after March 31, 1980, you should not disburse FSA funds if the student has an I-94 with conditional entrant status granted after that date.
- **Parolees** must have a stamp indicating that the student has been paroled into the United States for at least one year, with a date that has not expired. (Federal student aid cannot be disbursed after the document has expired.)
- **Cuban-Haitian entrants** will have a stamp across the face of the I-94 indicating that the student has been classified as a "Cuban-Haitian Entrant (Status Pending). Reviewable January 15, 1981. Employment authorized until January 15, 1981." Note that a document showing that the holder is a Cuban-Haitian entrant is valid even if the expiration date has passed.

As of January 2005, the above stamps use red and blue security ink: the date of admission is red, and the rest of the stamp is blue. The stamp contains three codes: the first is a two-digit code to the left of the date that designates the field office with jurisdiction over the port of entry. On most stamps this code will be two numbers and no letters. Letters are currently only used on HQ stamps. The three-letter code located under the word "ADMITTED" shows the port of entry. The third code, to the right of the date, is the stamp's unique

four-digit number. When referring to a particular stamp, the port of entry code and the stamp's unique number should be used.

You must always examine and copy original documents, and you must keep in the student's file a copy of the immigration documentation he submits, along with the secondary confirmation results received from the USCIS. While copying immigration documents is generally not permitted, you may legally photocopy documents he uses as proof of his immigration status (such as Forms I-551 or I-94) for a lawful purpose such as applying for federal student aid.

The endorsement or stamp can be placed anywhere on the I-94. If the original stamp does not copy well due to the ink color, you should replicate it by hand on the photocopy. Because DHS Customs and Border Protection (CBP) offices don't have uniform procedures or stamps, you should contact the local office with questions regarding acceptable immigration documents.

### *Special circumstances*

If the student has an I-551 with a baby picture, she should update the I-551 with the USCIS. Permanent residents are expected to get a new picture and be fingerprinted at the age of 14. However, you can submit the documents to USCIS and ultimately pay a student who has an I-551 with a baby picture as long as you can confirm that the I-551 belongs to the student. You can confirm this by comparing the I-551 to a current photo ID that has the student's name, date of birth, and signature. The current photo ID must also be consistent with any identifying information that you keep in the student's file.

A student who has an approved application for permanent residence on file with the USCIS and who is waiting for a permanent resident card may not have proof of her permanent resident status. She should contact her local USCIS office for the passport stamp or I-94 stamp described at the end of this chapter, as these are available to a student before the normal permanent resident documentation is issued. Note that an **application** for permanent resident status is not sufficient for determining eligibility for FSA funds.

The Marriage Fraud Amendments established a two-year conditional permanent resident status for certain alien spouses and their children. The alien spouse of a U.S. citizen or legal immigrant is given conditional permanent resident status if the marriage took place less than two years before the spouse applied for permanent resident status or citizenship. This status may also apply to any of the spouse's children who are aliens.

An alien who is granted conditional permanent resident status will be given a Form I-551. This is the same I-551 that is issued to regular permanent residents, except that the card for a conditional permanent resident expires in two years, as opposed to ten years for the regular card. A conditional permanent resident must file a petition for removal of this restriction in the 90 days before the end of the two

### **Jay Treaty**

There is one unusual circumstance where you will need to collect documentation from the student without requiring secondary confirmation. The Jay Treaty of 1794 (as well as subsequent treaties and U.S. immigration law) gives Canadian-born Native Americans with "50% Indian blood" the legal right to live and work in the United States. Such individuals are not subject to the legal restrictions typically imposed on aliens by the DHS, are not required to obtain documentation from the DHS, and are considered "lawfully admitted for permanent residence." They also are permitted to have an SSN, which they must enter on the FAFSA.

Because few FSA applicants are eligible under the Jay Treaty, the FAFSA does not include a separate response for such students. Therefore, any student eligible for FSA funds through the Jay Treaty should report that he or she is an "eligible noncitizen" and fill in "A999999999" for the A-Number. The student will fail the match and a comment 144 will be printed on the output document. The school must obtain proof that the student has 50% Native American blood and was born in Canada. To do so, the student should provide one or more of the following documents:

- A "band card" issued by the Band Council of a Canadian Reserve, or by the Department of Indian Affairs in Ottawa;
- Birth or baptism records;
- An affidavit from a tribal official or other person knowledgeable about the applicant's or recipient's family history;
- Identification from a recognized Native American provincial or territorial organization.

If the student can provide one of the above forms of documentation, and is otherwise eligible, the school must document the file and can award FSA funds.

years. The USCIS will review the petition and, if the result of the review is satisfactory, drop the restriction and issue new documents. Conditional permanent residents holding a valid I-551 are eligible to receive FSA funds until the expiration date.

If a person is applying to suspend deportation, she must request a hearing before an immigration law judge who will render an oral or written decision. If the decision is favorable, the USCIS will give the applicant a Form I-551, which will certify her lawful permanent resident status. Therefore, there is no special category for persons who have been granted suspensions of deportation.

### *Documents showing ineligible statuses*

If the document a student submits is for a noneligible status, you shouldn't submit the documentation for secondary confirmation. The USCIS can only confirm whether or not the documentation is genuine; it doesn't determine whether the student is eligible for FSA funds. Unless the student can submit documentation for an eligible status, as described above, the student can't receive aid.

An approved Form I-797, "Application for Voluntary Departure Under the Family Unity Program," indicates that the student has been granted relief from deportation under the Family Unity Program. Students with this status are no longer eligible for aid.

The Immigration Reform and Control Act of 1986 (IRCA) established a legalization program (also called the amnesty program) for certain illegal aliens. The alien might eventually be granted permanent resident status. Although these individuals were given documentation that allowed them to work while their application was being processed, they aren't eligible for aid until their application for permanent resident status is approved. Documents such an individual might have in the interim are the Employment Authorization Card (Form I-688A), Employment Authorization Documents (Form I-688B or the I-766), or the Temporary Resident Card (Form I-688). None of these documents qualifies the student for FSA eligibility.

A student with a nonimmigrant visa isn't eligible for FSA funds unless he or she has a Form I-94 with one of the endorsements listed earlier. Nonimmigrant visas include the F-1, F-2 or M-1 Student Visa, B-1 or B-2 Visitor Visa, J-1 or J-2 Exchange Visitors Visa, H series or L series Visa (which allow temporary employment in the U.S.), or a G series Visa (pertaining to international organizations). Also, someone who has only a "Notice of Approval to Apply for Permanent Residence (I-171 or I-464)" cannot receive FSA funds.

Some students may present Forms I-94 stamped "Temporary Protected Status." This status is used for persons who are from countries that are in upheaval, but the status differs significantly from "Refugee" or "Asylee" because it provides no conversion to permanent resident status. A student with this status is **not** eligible for FSA funds.



### *Using the G-845S for secondary confirmation*

To initiate paper secondary confirmation, you must complete a Form G-845S and send it to the USCIS field office for your area within 10 business days of receiving the student's documentation. The G-845S ("Document Verification Request") is a standard form that asks the USCIS to confirm the noncitizen's immigration status.

To complete the G-845S, fill in each item on the top half of the form. You must enter the A-Number in box 1. **For box 6 you must provide the 15-digit DHS verification number that is printed on the SAR and ISIR. Secondary confirmation requests without this number will be returned unprocessed.** "Education Grant/Loans/Work Study" must be marked in box 8, "Benefits." You must state your name as the submitting official and your school's name as the submitting agency.

Photocopies of the front and back sides of the student's immigration document must be attached to the G-845S. Be sure to submit each pertinent visa and immigration document along with the form; the G-845S submitted by itself can't be used to determine FSA eligibility. A student who lost documents or surrendered them when entering prison is responsible for getting copies of them before the G-845S is submitted. (See "Replacing Lost DHS Documents" on p. 35.) You can request copies of immigration documents directly from penal institutions at the request of the student. Send the completed G-845S and attachments to the field office serving the prison's locale.

Noncitizens may also present other pertinent documents, such as marriage records or court orders, that indicate the identity or United States residency of the holder. Although these documents may not serve as adequate proof of immigration status, copies of them should be submitted with the G-845S, as they may be useful to the status verifier.

A status verifier at the district USCIS office will search the student's record to confirm his immigration status, complete the "INS Response" section (the form still uses "INS" because it has not yet been updated), and send the G-845S back to your office, generally within ten working days of receipt. We recommend that you document any mailings to the USCIS and, if you haven't heard back, that you call its office to make sure the G-845S was received. If you don't receive a response from the USCIS within 15 working days (ten working days plus five days' mail time) of the date you sent the G-845S, you should review the file and use your best judgment to determine whether the student meets the eligible noncitizen requirements based on the documentation the student provided and the information in this chapter. If you believe that the student meets the requirements, you can make any disbursement for which the student is otherwise eligible; however, you must note in the student's file that USCIS exceeded the time allotment and that noncitizen eligibility was determined without their verification.

When secondary confirmation results in an eligible status, you must keep the G-845S. If the confirmation process indicates a

### **Contacting the USCIS/DHS**

Send the G-845S to the USCIS field office that serves your area. This will be either a district office or a sub office. You can get the address by calling the USCIS at 1-800-375-5283 or by visiting their website at [www.uscis.gov](http://www.uscis.gov) and looking under field offices.



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**School policies and procedures  
on secondary confirmation**

34 CFR 668.134–135

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**Determining eligibility if USCIS re-  
sponse is late**

34 CFR 668.136(b)

discrepancy, you must ask the student to correct the discrepancy with the USCIS. No certification of loans or further disbursement of funds can be made until the discrepancy is corrected. If the discrepancy isn't reconciled, the student must repay all aid except wages earned under FWS. Whenever the student is able to provide new information, it must be submitted to the USCIS on a new G-845S.

As long as you have followed the procedures outlined here, including notifying the student of the discrepancy and withholding further payments and loan certifications as soon as a discrepancy is found, your school isn't liable for aid disbursed prior to secondary confirmation. (This, of course, assumes that you had no other conflicting information prior to making the disbursement and had reviewed the available documentation and concluded that the student was otherwise eligible.)

*Interpreting the USCIS response*

The status verifier will mark one or more of the checkboxes on the G-845S. The following list explains whether checking a box means the student is eligible. In reviewing the completed G-845S, bear in mind that it reflects the student's most recent status with the USCIS and may show a different status than the documentation presented by the student. In this case, you should verify that both documents identify the same person. If they do, the status on the G-845S should be used since it is more current.

1. "This document appears valid and relates to a **Lawful Permanent Resident alien** of the United States." Block #1 is checked when the document submitted is determined to be a valid I-551, I-151, I-94, I-94A, U.S. Travel Document annotated with "Permit to Reenter Form I-327 (Rev. 9-2-03)," or a passport with an MRIV bearing the statement: "Upon endorsement serves as temporary I-551 evidencing permanent residence for 1 year." A student with this status is eligible for FSA.
2. "This document appears valid and relates to a **Conditional Resident alien** of the United States." The document is determined to be a valid I-551, I-94, I-94A, or a passport with an MRIV bearing the statement "Upon endorsement serves as temporary I-551 evidencing permanent residence for 1 year." A student with this status is eligible for FSA.
3. "This document appears valid and relates to an alien **authorized employment** as indicated below:" This indicates whether the authorization covers full-time or part-time employment and when, if applicable, the period of employment will expire ("indefinite" will be indicated if there is no expiration date). Employment authorization by itself doesn't mean that the student is eligible for FSA funds. Unless some other eligible status is also checked or the student can provide other documentation that can be confirmed by the USCIS, the student isn't eligible for FSA.

4. “This document appears valid and relates to an alien who has an application pending for” This is checked when an alien is waiting for a new immigration status or a change of immigration status. If a change of status is pending, the appropriate block indicating the current status will also be checked elsewhere on the G-845S. A pending application for an immigration status doesn’t (by itself) make the student eligible for FSA funds. To be eligible, the student must have an eligible status checked on the form, or provide other documentation of an eligible status.
5. “This document relates to an alien having been **granted asylum/refugee** status in the United States.” This is checked when an alien has been granted asylum or refuge in the United States. Documentation presented may include a Form I-94 or I-94A stamped with “Section 207-Refugee” or “Section 208-Asylee,” a Refugee Travel Document (Form I-571), or the new U.S. Travel Document annotated with “Refugee Travel Document Form I-571 (Rev. 9-2-03).” A student with this status is eligible for aid.
6. “This document appears valid and relates to an alien **paroled** into the United States pursuant to Section 212 of the I&N Act” This is checked for parolees, of which there are a few eligible classes. Documentation may include Form I-94 or I-94A stamped with “Section 212(d) (5)—Parolee.” The student is eligible for aid if paroled into the U.S. for at least one year and if he has evidence from the DHS (such as having filed a valid permanent resident application) that he is in the U.S. for other than a temporary purpose and intends to become a citizen or permanent resident.
7. “This document appears valid and relates to an alien who is a **Cuban/Haitian entrant**.” This is checked for Cubans who entered the United States illegally between April 15, 1980 and October 10, 1980 and Haitians who entered the country illegally before January 1, 1981. A student with this status is eligible for FSA aid.
8. “This document appears valid and relates to an alien who is a **conditional entrant**.” This is checked for conditional entrants under the old provisions of P.L. 89-236. Documents may include Form I-94 stamped with “Section 203(a) (7).” Noncitizens who fall into this category had to have entered the United States prior to the enactment of the Refugee Act of 1980. A student with this status is eligible for aid.
9. “This document appears valid and relates to an alien who is a **nonimmigrant**” This is checked to indicate an alien who is temporarily in the United States for a specific purpose. This category includes students, visitors, and foreign government officials. Documents presented may include the I-94 or I-94A. Students with this status aren’t eligible for aid.

10. “This document appears valid and relates to an alien **not authorized employment** in the United States.” This block is checked when an alien’s status prohibits employment in the United States. Students with this status aren’t eligible for aid.
11. “Continue to process as legal alien. INS is searching indices for further information.” This block is checked if the USCIS is withholding judgment, pending further investigation on the status or validity of documentation. This statement doesn’t imply that the applicant is an illegal alien or the holder of fraudulent documentation. Benefits shouldn’t be denied on the basis of this statement.

The student’s documentation should be accepted at face value until the USCIS sends final notification regarding immigration status. If the student appears to be an eligible noncitizen based upon your review of the documents, you may pay the student any FSA funds for which she is eligible. If the USCIS later notifies you that the student’s documentation isn’t valid, you must cancel further disbursements, but your school isn’t liable for the payments already made—the student is.

12. “This document is **not valid** because it appears to be” This is checked when the document has expired or when it appears to be counterfeit or altered (there are checkboxes to indicate which of these applies). Notify the student that unless corrective action is taken with the USCIS, the case will be submitted to the Office of Inspector General (OIG). Until this discrepancy is resolved, no further aid may be disbursed, awarded, or certified. If the student does not take corrective action in a timely manner, you must report the case to the OIG. Note, however, that students whose LPR card has expired are still lawful permanent residents, and if there are no other problems, they should not be reported to the OIG, but they should update their card.

Citizenship and Immigration Services will initial and stamp the front of the G-845S in the signature block.

The comments block on the back of the G-845S provides further instructions. The intended meaning of each of the following blocks that may be checked follows:

13. “No determination can be made from the information submitted. Please obtain a copy of the **original** alien registration documentation and resubmit.” This is normally checked when you haven’t provided copies of any of the USCIS documents. You should resubmit the G-845S with copies of the original alien documentation.

**Section A-To be completed by the submitting agency.**

To: U.S. Citizenship and Immigration Services (USCIS)

**6. Verification Number**7. Photocopy of Document Attached  
(If printed on both sides, attach a copy of the front and back.)

Other Information Attached (Specify documents).

From: Typed or Stamped Name and Address of Submitting Agency

**Attn: Status Verifier**

(USCIS may use above address with a No. 10 window envelope)

1. Alien Registration Number or Form I-94 Number

2. Applicant's Name (Last, First, Middle)

3. Nationality

4. Date of Birth (mm/dd/yyyy)

5. U.S. Social Security Number

8. (Benefit)	(Your Case Number)
AFDC	
Education Grant/Loans/Workstudy	
Food Stamp	
Housing Assistance	
Medicaid/Medical Assistance	
Unemployment Insurance	
Employment Authorization	
Other (specify)	

9. Name of Submitting Official

10. Title of Submitting Official

11. Date

12. Telephone Number  
( )**Section B-To be completed by USCIS****USCIS RESPONSE: From the documents or information submitted and/or a review of our records we find that:**

- This document appears valid and relates to a **Lawful Permanent Resident alien** of the United States.
- This document appears valid and relates to a **Conditional Resident alien** of the United States.
- This document appears valid and relates to an alien **authorized employment** as indicated below:
  - Full-Time
  - Part-Time
  - No Expiration (Indefinite)
  - Expires on:  
(Specify mm/dd/yyyy below)
- This document appears valid and relates to an alien who has an application pending for:  
(Specify USCIS below)
- This document relates to an alien having been granted asylum/refugee status in the United States.
- This document appears valid and relates to an alien paroled into the United States pursuant to Section 212 of the I&N Act.
- This document appears valid and relates to an alien who is a Cuban/Haitian entrant.
- This document appears valid and relates to an alien who is a **conditional entrant**.
- This document appears valid and relates to an alien who is a **nonimmigrant**.  
(Specify type or class below)
- This document appears valid and relates to an alien not authorized employment in the United States.
- Continue to process as legal alien. USCIS is searching indices for further information.
- This document is not valid because it appears to be:  
(Check all that apply)
  - Expired
  - Altered
  - Counterfeit

USCIS Stamp

Please see reverse for additional comments.

### Comments

13. No determination can be made from the information submitted. Please obtain a copy of the original alien registration documentation and resubmit.
14. No determination can be made without seeing both sides of the document submitted. (Please resubmit request.)
15. Copy of document is not readable. (Please resubmit request.)

### "PRUCOL"

#### **For Purposes of Determining Only If Alien Is Permanently Residing Under Color of Law!**

16. USCIS is actively pursuing the removal of an alien in this class/category.
17. USCIS is not actively pursuing the removal of an alien in this class/category at this time.
  
18. Other.

### Instructions

- Submit copies (*front and back*) of alien's original documentation.
- Make certain a *complete return address* has been entered in the "From" portion of the form.
- The Alien Registration Number ("A" Number) is the letter "A" followed by a series of seven or eight digits. The number found on Form I-94 may also be recorded in this block. (Check the front and back of the Form I-94 document. If the "A" Number appears, record that number when requesting information instead of the longer admission number because the "A" Number refers to the most integral record available.)
- If Form G-845 is submitted without copies of the applicant's original documentation, it will be returned to the submitting agency without any action taken.
- Address this verification request to the local office of the U.S. Citizenship and Immigration Services.

14. “No determination can be made without seeing **both** sides of the document submitted.” Resubmit the G-845S with copies of both sides of each document.
15. “Copy of document is not readable.” Resubmit the G-845S with higher quality copies of the original documentation.

The comments listed under “Permanently Residing Under Color of Law” (PRUCOL) apply to determinations that are no longer made. This section will be removed in the upcoming revision of the G-845S.

### *Student rights*

You must allow the student at least 30 days from the time you receive the output document to provide documentation of his immigration status. During this period and until the results of the secondary confirmation are received, you can’t deny, reduce, or terminate aid to him. If the documentation supports the student’s status as an eligible noncitizen, and if at least 15 business days passed since the date on which the documentation was submitted to the USCIS, you can disburse aid to an otherwise eligible student pending the USCIS response.

Your school isn’t liable if you erroneously conclude that a student is an eligible noncitizen, provided that you had no conflicting data on file and you relied on:

- a SAR or ISIR indicating that the student meets the requirements for federal student aid,
- a USCIS determination of an eligible immigration status in response to a request for secondary confirmation, or
- immigration status documents submitted by the student, if the USCIS did not respond in a timely fashion.

The student (or parent borrower of a PLUS loan) is liable for any FSA funds received if he is ineligible. If you made your decision without having one of these types of documents, your school is held responsible for repaying FSA funds to the Department.

Your school should establish procedures to ensure due process for the student if FSA funds are disbursed but the aid office later determines (using secondary confirmation) that the student isn’t an eligible noncitizen. The student must be notified of his ineligibility and given an opportunity to contest the decision by submitting to your school any additional documents that support his claim to be an eligible noncitizen. If the documents appear to support the student’s claim, you should submit them to USCIS using paper secondary confirmation. You must notify the student of your office’s final decision, based on the secondary confirmation results.

### **Procedures when ineligibility is determined after disbursement**

34 CFR 668.136(c)

### **Lack of response example**

Mikko is a refugee and received aid from Guerrero University for the 2005–06 school year. His status wasn’t confirmed through the DHS match, so Guerrero had to perform secondary confirmation. The DHS didn’t respond in time, so Guerrero paid Mikko without any response. When Mikko applies for 2006–07, the CPS still doesn’t confirm his status. Even though Guerrero began secondary confirmation for Mikko last year and his documents haven’t expired, because the school never received a DHS response, it must perform secondary confirmation again.

### **Citizens of the Freely Associated States**

The Compact of Free Association (P.L. 99-239) created three political entities from the former Trust Territory of the Pacific Islands. Two of these entities, the Marshall Islands and the Federated States of Micronesia, voted in 1986 to end political ties with the United States. The third entity, Palau, voted to ratify the compact in 1994; its independence was effective October 1, 1994. These three entities are the Freely Associated States. 34 CFR 600.2

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### **Losing FSEOG and FWS**

The Compact of Free Association Amendments Act of 2003, or the Compact Act, eliminates eligibility for citizens of the Republic of the Marshall Islands and the Federated States of Micronesia for FSEOG and FWS funds. (The citizens of Palau are eligible for these funds under the Higher Education Extension Act.) To mitigate this loss, the Compact Act also authorizes Supplemental Education Grants (SEGs) that can be awarded starting with the 2005 fiscal year. For more information, students should contact their local education authority. Students who are citizens of the above states will continue to be eligible for FWS and FSEOG for up to four academic years after December 17, 2003, provided they were attending an institution of higher education on that date in the United States or its territories, the Federated States of Micronesia, or the Republic of the Marshall Islands. If they were not in such attendance, they are not eligible for FWS and FSEOG.

For every student required to undergo secondary confirmation, you must furnish written instructions providing:

- an explanation of the documentation the student must submit as evidence of eligible noncitizen status (see the “Summary Chart of Acceptable Documentation”);
- your school’s deadline for submitting documentation (which must be at least 30 days from the date your office receives the results of the primary confirmation);
- notification that if the student misses the deadline, he may not receive FSA funds for the award period or period of enrollment; and
- a statement that you won’t decide the student’s eligibility until he has a chance to submit immigration status documents.

### **CITIZENS OF THE FREELY ASSOCIATED STATES**

Students who are citizens of the Freely Associated States (Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia) are eligible for Pell grants, FWS, and FSEOG but are not eligible for FSA loans (see also the margin note); they should indicate on the FAFSA that they are eligible noncitizens and leave the A-Number item blank. If the student doesn’t have an SSN, he can leave that item blank as well. Because he isn’t giving an A-Number, his application won’t go through the DHS match. As long as his file contains consistent information on his citizenship, you aren’t required to collect documentation.

Citizens of the Freely Associated States whose application was sent through FAA Access to CPS Online may indicate that they are eligible noncitizens, and their state of legal residence will be confirmed. If they are determined to be residents of the Freely Associated States, they won’t be required to provide an A-Number.

### **DOCUMENTING IMMIGRATION STATUS IN LATER AWARD YEARS**

There are several cases in which you must document a student’s immigration status in a subsequent award year if that student again is not confirmed through the application process.

For example, a student who presented a Temporary Form I-551 in a prior award year should have received a permanent I-551 by the next year and shouldn’t still have a temporary card. You should refer the student to USCIS to obtain a permanent I-551 or an updated endorsement on the previous card. The documents should also be submitted to USCIS on a G-845S.

You must also document the eligible noncitizen status each award year for a conditional permanent resident, a refugee, a Cuban-Haitian

entrant, or a person granted asylum. Students in any of these categories may have been redesignated to permanent-resident status or may have had their statuses revoked. You will have to send the documents for secondary confirmation if the student's status isn't confirmed through the USCIS match.

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**Exclusion from subsequent  
secondary confirmation**  
34 CFR 668.133(b)

You don't have to document a student's eligible noncitizen status in subsequent award years if you've documented that the student is a U.S. citizen or national, is a citizen of the Freely Associated States, or has a Form I-551 or I-151.

In addition, you aren't required to perform secondary confirmation if for a previous award year it showed that the student was an eligible noncitizen and the documents used for that secondary confirmation haven't expired. You must also have no conflicting information or reason to doubt the student's claim of having eligible noncitizen status. Also note that you must have **confirmed the status** in a previous award year. (Although you can disburse aid without the USCIS response if the USCIS doesn't respond in time, you can't count that lack of response as confirmation for the following year.)

## REPLACING LOST DHS DOCUMENTS

If a student can't locate his official USCIS documentation, the student must request that the documents be replaced because noncitizens who are 18 years and older must have immigration documentation in their possession at all times while in the United States. Requests for replacement documents should be made to the USCIS District Office that issued the original documents.

The student will be asked to complete a Form I-90, "Application to Replace Alien Registration Card" or a Form I-102, "Application for Replacement/Initial Nonimmigrant Arrival-Departure Document." PDF versions of these forms can be downloaded from the USCIS web site at [www.uscis.gov](http://www.uscis.gov). A temporary I-94 may be issued while the replacement documents are pending.

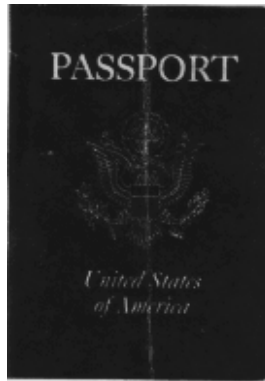
In cases of undue hardship, where the student urgently needs documentation of his status, the Freedom of Information Act (FOIA) allows him to obtain photocopies of the documents from the USCIS District Office that issued the original documents. The student can submit a Form G-639 to make this request or can simply send a letter to the district office. If he is not sure which district office issued the original documents, he can submit the request to the field office nearest to his place of residence.



**CITIZEN NOT BORN IN U.S./NONCITIZEN NATIONAL**

**U.S. Passport**  
 Can be used to document citizenship for citizen born abroad.

For a noncitizen national, must be stamped “Noncitizen National” (Note that a passport issued by another country may be used to document permanent resident status if it has the endorsement “Processed for I-551” and has a currently valid expiration date.)

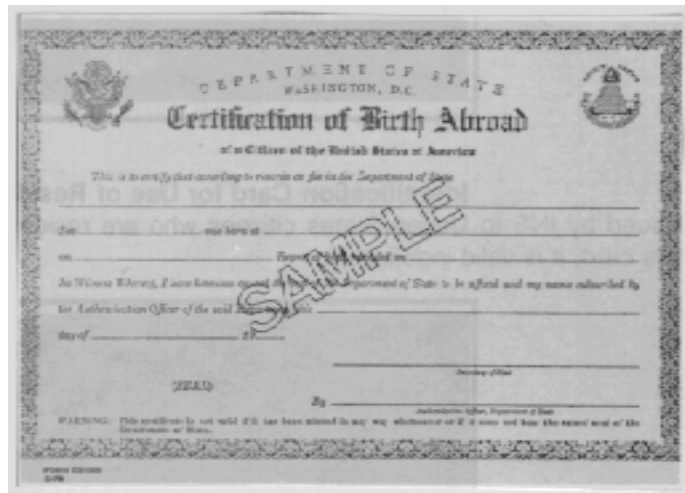


**Certificate of Citizenship**

The Certificate of Citizenship is issued to persons who were born abroad of U.S. parent(s), who became citizens when their parents were naturalized, or who were adopted by U.S. parents.

**Certification of Birth Abroad**

Issued to U.S. citizens born abroad. Must have embossed seal of the State Department.



## Certificate of Naturalization

*The Certificate of Naturalization is issued to naturalized U.S. citizens.*



*A revised version of the Certificate of Naturalization is issued to citizens who filed for naturalization after October 1, 1991.*



## PERMANENT RESIDENT/OTHER ELIGIBLE NONCITIZEN

### I-94 Arrival-Departure Record

*For permanent resident status, must be stamped "Processed for I-551" with expiration date or "Temporary Form I-551" with appropriate information filled in.*

*For other eligible noncitizens, must be stamped as Refugee, Asylum Status, Conditional Entrant (before April 1, 1980), Parolee, or Cuban-Haitian Entrant. See pp. 23–25.*

Departure Number  
742831632 01

U.S. IMMIGRATION  
300 WAS 177

SEP 13 1991

ADMITTED UNTIL B-2 MARCH 16, 1992

14 Family Name  
DOE

15 First (Given) Name  
JOHN

17 Country of Citizenship  
ENGLAND

16 Birth Date (DD-MO-YR)  
01/01/91

See Other Side STAPLE HERE

**Warning** - A nonimmigrant who accepts unauthorized employment is subject to deportation.

**Important** - Remain this permit in your possession; you must surrender it when you leave the U.S. Failure to do so may delay your entry into the U.S. in the future. You are authorized to stay in the U.S. only until the date written on this form. To remain past this date, without permission from immigration authorities, is a violation of the law.

**Surrender this permit when you leave the U.S.:**

- By sea or air, to the transportation line;
- Across the Canadian border, to a Canadian Official;
- Across the Mexican border, to a U.S. Official.

Students planning to reenter the U.S. within 30 days to return to the same school, see "Arrival-Departure" on page 2 of Form I-20 prior to surrendering this permit.

Record of Changes

Port: \_\_\_\_\_ Departure Record

Date: \_\_\_\_\_

Carrier: \_\_\_\_\_

Flight #/Ship Name: \_\_\_\_\_

For sale by the Superintendent of Documents, U.S. Government Printing Office  
Washington, D.C. 20402

The image shows the front of a CBP I-94A form. A green box labeled "Class of Admission" points to the "L1" stamp. Another green box labeled "Officer Badge number" points to "CA606". A third green box labeled "Date Admitted to" points to "09/17/2007". The form includes fields for "Family Name" (SAMPLE), "First (Given) Name" (AHMET), "Country of Citizenship" (PAKISTAN), and "Birth Date (Day Mo. Yr)" (22, 12, 50). A blue circular stamp reads "ADMITTED USA FEB 05 2005". Other text includes "Departure Number 813106636 11", "Department of Homeland Security", "CBP I-94A (11/04) Departure Record", "20041122 US-VISIT 20041122 MULTIPLE", and "STAPLE HERE".

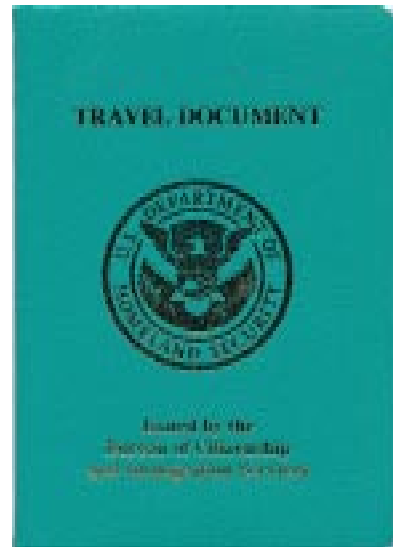
**Form CBP I-94A**

*The computer-generated Form CBP I-94A replaces—in many instances, but not all—the Form I-94A that was completed manually. For eligible noncitizens, it must be annotated as described on pages 23 and 24.*

**United States Travel Document**

(front cover)

*This replaces the Reentry Permit (Form I-327) and the Refugee Travel Document (Form I-571). It is used by lawful permanent residents, refugees, and asylees and will be annotated as described earlier in the chapter.*



**Machine Readable Immigrant Visa (MRIV)**

*The MRIV will appear in the holder's (foreign) passport. If the passport is unexpired and endorsed with an admission stamp and the statement "Upon endorsement serves as temporary I-551 evidencing permanent residence for 1 year," it serves as a temporary I-551 and as valid documentation for establishing aid eligibility.*







# NSLDS Financial Aid History

*Students who have previously attended other colleges may have a financial aid history that affects their eligibility for FSA funds at your school. You can re-view a student's financial aid history by using the National Student Loan Data System (NSLDS, online at [www.nsldsfa.gov](http://www.nsldsfa.gov); for questions call 1-800-999-8219). NSLDS will also help you track changes to the student's financial aid history through the postscreening and transfer student monitoring processes.*

A person generally isn't eligible for FSA funds if he is in default on an FSA loan or he owes an overpayment on an FSA grant or loan and he has not made a repayment arrangement for the default or overpayment. Also, for a parent to receive a PLUS Loan, neither the parent nor the student may be in default or owe an overpayment on an FSA loan or grant (though a parent in default on a PLUS loan does not make a student ineligible for aid). Exceptions to these general rules are noted in the discussion below.

Any student applying for FSA funds must certify that he isn't in default on any FSA loan and doesn't owe an overpayment on any FSA grant, or that he has made satisfactory arrangements to repay the overpayment or default. This certification statement is printed on the *Free Application for Federal Student Aid (FAFSA)*.

A student is also ineligible if she inadvertently exceeded annual or aggregate loan limits. She can regain eligibility by repaying the extra amount borrowed or making arrangements, satisfactory to the loan holder, to repay it. See *Volume 5*.

Finally, a student is ineligible if his property is subject to a judgment lien for a debt owed to the United States, and a parent can't receive a PLUS loan if either the student or parent is subject to such a lien. For example, if the Internal Revenue Service (IRS) had placed a lien on a student's property for failure to pay a federal tax debt or make satisfactory arrangements for repayment, the student would be ineligible for federal student aid.

When the FAFSA is processed, the Central Processing System (CPS) matches the student against the National Student Loan Data System (NSLDS) to see if she is in default, owes an overpayment, or has exceeded the loan limits. The CPS doesn't perform any matches to determine whether or not the student is subject to a judgment lien for a federal debt, and you aren't required to check for such liens. However, if you know that she is subject to such a lien, you can't pay her Title IV funds.

## FSA loans

- FFEL and Direct Stafford loans, subsidized and unsubsidized
- FFEL and Direct PLUS loans
- FFEL and Direct consolidation loans
- Federal Perkins loans (including National Direct Student loans and National Defense Student loans)
- Loans formerly known as Guaranteed Student loans, Income Contingent loans (ICL), SLS, and FISL

## Federal default and debt

HEA Sec. 484(a)(3), 484(f),  
34 CFR 668.32(g), 668.35

## Loan limits and eligibility

See Volume 3 for loan limits  
HEA Sec. 484(f),  
34 CFR 668.32(g)(2), 668.35(d)

## Financial aid history

34 CFR 668.19  
Dear Colleague Letter GEN-96-13;  
Federal Register notice  
September 16, 1996

### Judgment lien example

When Charlotte provides her parents' tax return to the aid administrator at Brandt College, he notices that they've reported business income, but didn't report a business asset on the FAFSA. Charlotte explains that they didn't report the business as an asset because there's a lien against the business for a federal loan. The aid administrator tells her that the asset must still be reported, and also that her parents won't be able to borrow a PLUS Loan as long as they are subject to the lien.

## NSLDS MATCH

To help you identify students with problems such as defaulted loans or overpayments, the CPS matches the student's FAFSA information with her financial aid history in the NSLDS database. You must resolve any conflicts between NSLDS and other information you have about the student before disbursing Title IV aid, for example, if NSLDS shows that a student isn't in default but you have documentation showing that she is in default.

The results of the NSLDS match are provided on the SAR and ISIR on the NSLDS Financial Aid History page. As with other matches, a "C" next to the student's EFC indicates problems that must be resolved. See Appendix B of the ISIR Guide for the complete tables of NSLDS match results.

### Successful match

The SAR and ISIR will contain the NSLDS financial aid history only if the student's identifying information matches the database and there is relevant information for the student in the database. If the student has no defaults or overpayments or has made satisfactory repayment arrangements on a defaulted loan, the NSLDS match flag will be 1 and no C code will appear on the output document. A match flag of 2, 3, or 4 indicates that the student has defaulted loans or owes an overpayment or both. You will need to document that the problem has been resolved before disbursing aid, as already noted.

Note that for "real-time" processing—if a student uses Corrections on the Web or an FAA uses FAA Access to CPS Online—the CPS does not match against the NSLDS database (except when a school is added, see the margin note), but the output document will show NSLDS data from the last transaction that did match against NSLDS.

### No data from match

There are several reasons why an output document may not have financial aid history information: for example, if the application was rejected for lack of a signature or if identifying information was missing. For other cases, you can check the NSLDS flags reported in the "FAA Information" section.

▼ *Partial match.* If the student's SSN is in the NSLDS database, but the first name and date of birth don't match what the student reported, no financial aid history will be reported and the output document will have an NSLDS match flag of "7" and a C code. There will also be a comment explaining why the financial aid history isn't given and directing the student to work with the school to resolve any discrepancies. A partial match **requires resolution**; otherwise you won't have information from the Department on defaults and overpayments.

If the student originally reported incorrect identifying information, you can have her submit correct information, which will be sent through the match again.

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### Adding a school and the NSLDS match

Beginning in 2006–07, when a school is added to the FAFSA, the application will go through the NSLDS match again rather than be processed in real time. This will ensure that the new school receives the latest financial aid history on the ensuing transaction. This change does not affect schools' responsibility to use transfer student monitoring. See p. 25 of the Summary of Changes for the Application Processing System posted as an electronic announcement on the IFAP website on 11/25/05.

You can also access NSLDS online and use the reported SSN to determine if the record belongs to the student by considering whether other information you have about the student is consistent with the NSLDS data. For example, if the name reported on the application is a nickname and the name in NSLDS is the actual name, you may assume that the record is the student's and use the NSLDS data to confirm the student's eligibility. Or if you know that the student attended a particular school in a particular award year, and NSLDS shows aid received at that school in that year, you may assume that the record belongs to the student. If you discover the discrepancy is due to the student misreporting the name or date of birth on the FAFSA, you should have the student make a correction. However, you may use the NSLDS record to determine the student's eligibility; you don't need to wait for the corrected data to be reported.

If you find that the financial aid history associated with the student's SSN doesn't belong to the student, you should assume that the student has no relevant financial aid information. You (or the student) may also contact NSLDS or the agency that reported someone else's data using the student's SSN, but you aren't required to do so. See Dear Colleague Letter GEN-96-13 for further discussion.

▼ *Student not in database.* If a match with NSLDS is completed but there's no information on the student in the database, then no financial aid history can be provided. The output document will have a comment explaining that the student's SSN is not associated with any financial aid history. You can thus assume that she has no financial aid history unless you have conflicting information. If a loan history should exist, help the student by contacting the lender (for FFEL) or the Direct Loan Servicing Center.

▼ *No relevant history.* If a student's SSN matches a record in the NSLDS database but there's no relevant financial aid history information to report, then no information will be on the output document. For example, no data would be reported if the only information for a student was for a Pell grant received in the previous year because that information isn't needed to determine the student's eligibility for aid for the current year. The SAR and ISIR will have a comment explaining that the student's record was matched with NSLDS, but no information was found to print on the NSLDS page.

▼ *Processing problem.* If there was a problem with the match, the SAR and ISIR won't include financial aid history information. The output document will have a C code and a comment explaining that the CPS couldn't determine whether the student has loans in default and will direct the student to contact the financial aid administrator. You must get the student's financial aid history before disbursing aid. If the student has to make corrections of any kind, the FAFSA information will go through the match again when the corrections are submitted, and you can use the results of that match to determine the student's eligibility.

### Example of misreported information on the FAFSA

When Sarven Technical Institute receives Tod's ISIR, it shows that there was a discrepancy with the NSLDS database, and so no financial aid history information is provided. The FAA asks Tod if he provided the correct name and birth date on the application. Tod says he wrote in the wrong month for his birth date, but his name is correct. The FAA checks the NSLDS database using Tod's SSN. NSLDS shows the correct birth date, but the first name of the student is Warren, not Tod. Sarven checks again with Tod, and this time he explains that Tod is a nickname, and Warren is his real name. Sarven determines that the financial aid history associated with the SSN belongs to Tod. It could disburse aid without requiring a correction, but Tod has other corrections to make, so Sarven will wait for the correction before disbursing aid.

### Example of incorrect NSLDS data

Lydia is a first year undergraduate at Bennet College, and has never attended college before. When Bennet receives Lydia's ISIR, it shows that there was a partial match, and there's some data associated with her SSN. Bennet checks NSLDS directly, and it shows that a lender is reporting a loan made ten years ago (when Lydia was in elementary school) under her SSN, but with a completely different name and birth date. Bennet determines that this isn't Lydia's loan, and so she has no financial aid history in NSLDS. Bennet also suggests to Lydia that she should contact NSLDS or the lender and ask them to correct the NSLDS data so it doesn't cause problems for her later on.



### Targeted alert process

The preamble to the November 1, 2001 regulations explains why a separate transfer student monitoring process was developed: if the ISIR were used to provide this information, “every school that the student listed on the FAFSA would be required to receive an updated ISIR every time new disbursements were reported to NSLDS, including the school that reported those disbursements.”

Note that transfer student monitoring will not send unnecessary alerts to your school when you report award changes that you have made—it only alerts you about changes to the student’s financial aid history at other schools.

See the preamble to November 1, 2001 General Provisions amendments FR Volume 65, No. 212, page 65669.

### Postscreening—changes after initial match

Once you have received the financial aid history through NSLDS, you aren’t required to check for changes to the data before you disburse funds to the student. However, if you learn from NSLDS or another source that he was not or is no longer eligible, you must not deliver or disburse any more FSA funds and must help make sure he arranges to repay the aid for which he wasn’t eligible.

NSLDS uses a postscreening process to let you know when there are significant changes (such as a defaulted loan or an overpayment) to a student’s financial aid history. If postscreening identifies changes that may affect the student’s eligibility, the CPS will generate new output documents so that schools that are listed for receipt of the student’s FAFSA information will automatically be notified. Items that have changed since the last transaction are marked on the output document with a “#” sign, and the reason code for the postscreening will be given.

To help you identify when NSLDS data has changed, the document will include an NSLDS transaction number in the “FAA Information” section with the other match flags. This is the number of the last transaction on which NSLDS data changed, so if you receive an output document on which that number is higher than the one on the document you used to determine the student’s eligibility, you must review the NSLDS data on the new document to be sure there are no changes affecting the student’s eligibility. There will be postscreening codes to help determine what changed.

## CHECKING THE FINANCIAL AID HISTORY FOR TRANSFER STUDENTS

Before disbursing Title IV funds, you **must** obtain a financial aid history for a student who has received aid at another school, and you must inform NSLDS about the transfer student so that you can receive updates through the Transfer Student Monitoring Process. The financial aid history is used to identify students who are ineligible for any Title IV aid due to default or overpayment on an FSA grant or loan, or for aid from a particular Title IV program because they’ve reached that program’s annual or aggregate limit.

▼ *Transfer Student Monitoring Process.* You must send NSLDS identifying information for students transferring to your school so that NSLDS can notify you of changes to their financial aid history. You may send information for students who have expressed an interest in attending your school even if they have not yet formally applied for admission.

Through transfer student monitoring, NSLDS will alert you to any relevant changes in the transfer student’s financial aid history—other than the default and overpayment information reported in the post-screening process—that may affect the student’s current award(s). There are three steps: inform, monitor, and alert.

- You **must** identify students who are transferring to your school by creating a list of transfer students on the NSLDS website or by sending the list to NSLDS as an electronic batch file through SAIG. You may use either method, both methods, or alternate between methods. A change in method used does not require prior notification to NSLDS. To begin using the “Inform” feature, you must designate a school contact on the School Transfer Profile Page ([www.nslsdfap.ed.gov](http://www.nslsdfap.ed.gov)) prior to creating any Inform records. The School Transfer Profile tells NSLDS who will be submitting Inform files from or on behalf of your school, and how your school wants to receive an alert notice.
- NSLDS will monitor these students for a change in financial aid history that may affect their current awards and alert you when: a new loan or Pell grant is being awarded, a new disbursement is made on a loan or Pell grant, or a loan or Pell grant (or a single disbursement) is cancelled. *Note: Defaulted loans and overpayment information will not be monitored in the Transfer Student Monitoring Process, as they are already covered in the current postscreening process.* If the student has not already listed your school in Step Six when filing the FAFSA, you would need to have the student add your school in order for you to receive the postscreening information.
- Finally, when NSLDS creates an alert for one or more of your students, it will also send an e-mail notice to your school’s designated contact person. That person may then either review the alert list on the NSLDSFAP website or download a batch file, if batch alerts were requested, through SAIG in report or extract format.

▼ *Reviewing the student’s financial aid history.* If a student transfers to your school during the award year, you’ll need to review the student’s NSLDS financial aid history on the ISIR or on-line at the NSLDS Web site. Using the Financial Aid History, you can determine:

- Whether the student is in default or owes an overpayment on an FSA loan or grant,
- The student’s scheduled Pell grant and the amount already disbursed for the award year,
- The student’s balance on all FSA loans, and
- The amount and period of enrollment for all FSA loans for the award year.

In most cases, the financial aid history on the ISIR will be enough. There are some cases where you might want to check NSLDS for more information. For example, if the student has more than six loans, the ISIR won’t have detailed information for some of the loans. If you need that level of detail for those loans, you can get the information

### Transfer student monitoring process

Through this process for checking the eligibility of transfer students, you may either check the student’s financial aid history on the NSLDS website for professionals, or wait seven days after you’ve submitted the student’s information for monitoring to receive a response from NSLDS.

NSLDSFAP  
[www.nslsdfap.ed.gov](http://www.nslsdfap.ed.gov)

Dear Partner Letters GEN-00-12 and GEN-01-09

### How to get the student’s financial aid history.

There are several ways for you to get a student’s financial aid history from NSLDS. You can:

- use the NSLDS Financial Aid History section of the ISIR,
- log on to NSLDS directly and access the data online for an individual student,
- for multiple students, use the FAT 001 Web report, which you submit on the NSLDS website (you retrieve the results through SAIG), or
- send a batch TSM/FAH Inform file to request aid history data for several students, which will be returned in either extract or report format through SAIG.

### **Resolving grant overpayments**

Because Title IV grants have priority in packaging, aid overpayments can often be resolved by adjusting other types of aid in the package. If necessary, you can also adjust later grant payments for the same award year. But if a student receives more Pell or FSEOG money than she is eligible for and the excess can't be offset, then she must return the overpayment. As noted at the beginning of the chapter, a student with an outstanding Title IV grant overpayment is ineligible for aid until she repays it or makes satisfactory repayment arrangements. See Volume 5 for a complete discussion.

from NSLDS. Or, as discussed previously, you might need to use NSLDS to resolve a partial match situation (see “Partial match,” p. 40).

▼ *Timing of the disbursement.* To pay the student you'll need to have an output document and an accurate EFC—a valid ISIR will include that and the student's financial aid history. The ISIR will also tell you if the student is in default or owes an overpayment, and the postscreening process will send you another ISIR if he subsequently goes into default or owes an overpayment.

When you initiate transfer monitoring for a student, NSLDS will alert you to any significant award changes that have occurred since you last received an ISIR for her. If you initiate transfer monitoring before you begin receiving ISIRs for a student, NSLDS will track changes in her financial aid history from the date of your request, or any future date, to 90 days after the start of enrollment.

The regulations state that a school may not make a disbursement to the student for seven days following the transfer monitoring request to NSLDS, unless it receives an earlier response from NSLDS or checks the student's current financial aid history by accessing NSLDS directly. Therefore, it's usually a good idea to submit the student's name to NSLDS for monitoring as soon as possible, even if he has not yet decided to enroll at your school.

▼ *Consequences when a transfer student subsequently is found to be ineligible for all or part of an aid disbursement.* If the school has followed the proper procedures for obtaining financial aid history information from NSLDS, it is not liable for any overpayments if the student's situation subsequently changes. However, the student will be liable for the overpayment in this situation, and you may not pay the student further FSA funds until the overpayment is resolved. (See *Volume 5* for information on resolving overpayments.)

### **EFFECT OF BANKRUPTCY OR DISABILITY DISCHARGE**

A student who has filed bankruptcy or had a loan discharged for disability might need to provide additional documentation before receiving aid.

#### ***Bankruptcy***

A student with an FSA loan or grant overpayment that has been discharged in bankruptcy remains eligible for FSA loans, grants, and work-study (NSLDS loan status code BC for loans that did not default and status code DK or OD for loans that defaulted prior to the bankruptcy discharge). A borrower doesn't have to reaffirm a loan discharged in bankruptcy in order to be eligible. The Bankruptcy Reform Act of 1994 prohibits denial of aid based solely on filing for bankruptcy or having a debt discharged in a bankruptcy.

A borrower who lists a defaulted FSA loan or grant overpayment in an active bankruptcy claim is eligible for further FSA funds if the

borrower provides you with documentation from the holder of the debt stating it is dischargeable (NSLDS loan status code DO).

A borrower who includes a non-defaulted FSA loan in an active bankruptcy claim, so that collection on the loan is stayed, is eligible for aid as long as he has no loans in default (including the stayed loan).

### **Total and permanent disability discharge**

Perkins, Stafford, and PLUS loan borrowers can have their loans discharged for a total and permanent disability. As of July 1, 2002, there is a three-year conditional period beginning the day the borrower became totally and permanently disabled and during which she will not have to pay on the loan. If she meets the disability discharge requirements for those three years, the loan will be discharged.

If a borrower whose loan is discharged wishes to take out another FSA loan, he must obtain a physician's certification that he has the ability to engage in substantial gainful activity, and he must sign a statement that he is aware the new FSA loan can't later be discharged for any present impairment unless it deteriorates so that he is again totally and permanently disabled. If the prior loan was *conditionally* discharged on or after July 1, 2002 and the three-year period hasn't yet elapsed, the student must also sign a statement affirming that collection will resume on the old loan (which must begin before receipt of the new loan) and that unless his condition substantially deteriorates, the old loan can't be discharged in the future for any impairment present when he began the conditional discharge or when he tried to get the new loan. If a defaulted loan was discharged and then reaffirmed or was conditionally discharged and payment resumed on it, the student must make satisfactory repayment arrangements before receiving the new loan. A conditionally discharged defaulted loan remains in default until it is permanently discharged at the end of the three-year period.

## **RESOLVING DEFAULT STATUS**

A student in default on an FSA loan can't receive further Title IV aid until she resolves the default, which she can do in a few ways.

▼ *Repayment in full (including consolidation).* A student can resolve a default by repaying the loan in full and thereby regain eligibility for FSA funds (loan status code DP). If the student and the loan holder agree on a compromised amount for settling a loan, or if the school writes off a regulatorily permissible amount, and the student repays the amount, that also counts as paying the loan in full (loan status code DC). If a defaulted loan is successfully consolidated, then it is also counted as paid in full (loan status code DN). However, if the loan holder simply writes off the entire loan, the loan isn't paid in full, and the student remains ineligible for Title IV funds [loan status code DW, though there is no code for a Perkins write-off, which does not make a student ineligible; see 34 CFR 674.47(h)].

### **Total and permanent disability discharge**

Perkins: 674.61(b)

FFEL: 682.402(c)

DL: 685.213

Dear Colleague Letter GEN-02-03

### **Total and permanent disability**

The condition of an individual who is unable to work and earn money because of an injury or illness that is expected to continue indefinitely or result in death.

### **Substantial gainful activity**

The phrase "substantial gainful activity" generally describes a situation in which a borrower is sufficiently physically recovered to be capable of attending school, successfully completing a program of study, and securing employment in order to repay the new loan the borrower is seeking. If a physician's certification does not appear to support this status, the school should contact the physician for clarification.

### **Clarification**

Reaffirming a loan that was discharged between July 1, 2001, and June 30, 2002, means that the loan must be reinstated because it was discharged. This is different from resuming payment on a loan for which the conditional discharge period has not elapsed; the loan in this case has not been discharged.

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**Example: documenting loan  
“paid in full”**

Eddy had a Stafford loan as an undergraduate that went into default while he was out of school. When he applies for financial aid so he can go to graduate school, his ISIR shows that the loan is still in default. Eddy tells the aid administrator at Guerrero University that he paid off the loan last year. The aid administrator asks Eddy to bring in a letter from the guaranty agency documenting that the loan has been paid and advises Eddy that he should ask the guaranty agency to update his status in NSLDS.

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**Other ways of re-establishing  
eligibility for Perkins loans**

A provision in the Perkins Loan Program reestablishes the borrower’s eligibility if she meets any of the conditions that would remove her Perkins loan from the school’s cohort default rate. This provision only allows the borrower to regain eligibility for Perkins loans, not the other FSA programs. See Volume 6.

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**Satisfactory repayment and  
rehabilitation**

HEA Sec. 428F(a) and (b), 464(h)(1) and (2)

General Provisions: 34 CFR 668.35(a)(2)

Perkins: 34 CFR 674.9(j), 674.39

FFEL: 34 CFR 682.200(b), 682.405

DL: 34 CFR 685.102(b), 685.211(f)

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**Rehabilitation example**

Eric makes the 12 payments required for rehabilitation of his defaulted loan. His original lender isn’t handling student loans anymore, so the guarantor finds another lender to purchase the loan. It takes the guarantor three months to arrange the purchase, and Eric needs to keep making the agreed-on payments on time. Once the new lender has the rehabilitated loan, Eric can apply for an in-school deferment.

The student regains eligibility whether repayment was completed voluntarily or involuntarily (that is, through IRS offset or wage garnishment). A student who has repaid her defaulted loan in full is eligible for aid if the repayment was voluntary. However, you *can* still consider the default to be evidence of a student’s unwillingness to repay loans and deny the student Perkins loans. If the repayment was involuntary, you *should* consider the default as such evidence and deny the student Perkins loans (see *Volume 6*).

If a student has paid a defaulted loan in full but the SAR and ISIR have a comment showing that he is ineligible because of the default, the student must give you documentation proving that the loan has been paid in full.

▼ *Satisfactory repayment arrangements.* A student in default on an FSA loan can be eligible for Title IV aid if he has made repayment arrangements that are satisfactory to the loan holder. After the student makes six consecutive, full, voluntary payments on time, he regains eligibility for Title IV funds (loan status code DX). Voluntary payments are those made directly by the borrower and do not include payments obtained by federal offset, garnishment, or income or asset execution.

You can pay the student as soon as you have documentation that she has made satisfactory repayment arrangements. For example, the lender may update the code for the loan in NSLDS to DX once six payments have been made; you could then use that as confirmation of the repayment arrangement. You may also use a written statement from the loan holder indicating that the student has made satisfactory repayment arrangements as documentation of the arrangement.

▼ *Loan rehabilitation.* Although a student can regain eligibility for all FSA funds by making satisfactory repayment arrangements, the loan is still in default. After the student makes more payments, the loan may be rehabilitated, that is, it won’t be in default anymore, and the student will have all the normal loan benefits, such as deferments. A loan will not be rehabilitated until the borrower makes 12 consecutive, full, voluntary payments on time (see *Volume 6* for more information on rehabilitation in the Perkins/NDSL program).



# NSLDS Loan Status Codes

2006–2007 SARs & ISIRs

Code	Status	Eligible for FSA funds
AL	Abandoned Loan	Yes
BC	No Prior Default Bankruptcy Claim, Discharged	Yes, because loan was not in default and was discharged
BK	No Prior Default Bankruptcy Claim, Active	Yes, because loan was not in default
CA	Cancelled (For Perkins means Loan Reversal)	Yes
CS	Closed School Discharge	Yes
DA	Deferred	Yes
DB	Defaulted, then Bankrupt, Active. (Perkins: all bankruptcies; FFELP and Direct Loans: Chapter 13)	No, unless debtor can show that loan is dischargeable. See Dear Colleague letter GEN-95-40, dated September 1995
DC	Defaulted, Compromise	Yes, because compromise is recognized as payment in full
DD	Defaulted, Then Died	No, because if borrower is reapplying, then loan status is in error
DE	Death	No, because if borrower is reapplying, then loan status is in error
DF	Defaulted, Unresolved	No
DI	Disability	Yes
DK	Defaulted, Then Bankrupt, Discharged. (Perkins: all bankruptcies; FFELP and Direct Loans: Chapter 13)	Yes, because defaulted loan has been totally discharged
DL	Defaulted, in Litigation	No
DN	Defaulted, Then Paid in Full Through Consolidation Loan	Yes
DO	Defaulted, Then Bankrupt, Active, other. (FFELP and Direct Loans in Chapters 7, 11, and 12)	No, unless debtor can show that loan is dischargeable. See Dear Colleague letter GEN-95-40, dated September 1995
DP	Defaulted, Then Paid in Full	Yes, because loan was paid in full
DR	Defaulted Loan Included in Roll-up Loan	Yes, because the loan was combined with other loans and subrogated to the Department, which reported the same information to NSLDS in one loan. The status of that record will determine eligibility.
DS	Defaulted, Then Disabled	Yes, because loan debt is cancelled
DT	Defaulted, Collection Terminated	No
DU	Defaulted, Unresolved	No
DW	Defaulted, Write-Off	No
DX	Defaulted, Satisfactory Arrangements, and Six Consecutive Payments	Yes, assuming student continues to comply with repayment plan on defaulted loan, or is granted forbearance by the GA

Code	Status	Eligible for FSA funds
DZ	Defaulted, Six Consecutive Payments, Then Missed Payment	No, loan is back in active default status
FB	Forbearance	Yes
FC	False Certification Discharge	Yes
IA	Loan Originated	Yes
ID	In School or Grace Period	Yes
IG	In Grace Period	Yes
IM	In Military Grace	Yes
IP	In Post-Deferment Grace (Perkins only)	Yes
OD	Defaulted, Then Bankrupt, Discharged, other (FFELP and Direct Loans in Chapters 7, 11, and 12)	Yes, because defaulted loan has been totally discharged
PC	Paid in Full Through Consolidation Loan	Yes, because it does not matter if the consolidation loan was a FFEL or Direct Loan, nor whether underlying loans were in default
PF	Paid in Full	Yes
PM	Presumed Paid in Full	Yes
PN	Non-defaulted, Paid in Full Through Consolidation Loan	Yes
RF	Refinanced	Yes, because defaulted loans cannot be refinanced
RP	In Repayment	Yes
UA	Temporarily Uninsured—No Default Claim Requested	Yes
UB	Temporarily Uninsured—Default Claim Denied	Yes, because the loan is not a federal loan while temporarily uninsured
UC	FFEL: Permanently Uninsured/Unreinsured—Non-defaulted Loan. Perkins: Non-defaulted Loan Purchased by School	Yes
UD	FFEL: Permanently Uninsured/Unreinsured—Defaulted Loan. Perkins: Defaulted Loan Purchased by School	Yes, because the loan is no longer a federal loan
UI	Uninsured/Unreinsured	Yes, does not matter if the loan was in default
XD	Defaulted, Satisfactory Arrangements, and Six Consecutive Payments	Yes, assuming student continues to comply with repayment plan on defaulted loan, or is granted forbearance by the GA

# Social Security Number

*To be eligible to receive FSA funds, each student must provide a correct Social Security number (SSN). To confirm the student's SSN for schools, the Department conducts a match with the Social Security Administration. In this chapter, we discuss the SSN requirement and the match process.*

The FAFSA collects the student's SSN (and parents') so that the Central Processing System (CPS) can validate it through a match with the Social Security Administration (SSA). The CPS verifies that the name and birth date associated with the SSN match the name and birth date on the application. For the full list of SSN match results, see Appendix B of the 2006–07 ISIR Guide ([www.ifap.ed.gov](http://www.ifap.ed.gov)).

The CPS won't process an application without an SSN. A student who doesn't have an SSN or doesn't remember it must contact the local Social Security office for help. For more information (in English and Spanish), a student should call the SSA at 1-800-772-1213 or go to its website ([www.ssa.gov](http://www.ssa.gov)). There is one exception to the requirement to provide SSNs, as discussed below (see "Exception for Micronesia, Marshall Islands, Palau").

The SSN is a key identifier for the student's records, so you must be sure the Department knows the right SSN if you find out it's wrong on the application or output document. We discuss correcting such errors later.

## SSN MATCH

The CPS prints the SSN match result in the "FAA Information" section of the output document as the SSN Match Flag. If the match is successful, the CPS doesn't match the student's data against the Social Security database on subsequent transactions. However, the CPS will attempt the match again if the student makes corrections to the name, birth date, or SSN.

### Successful match

If the CPS match with the Social Security Administration confirms the student's SSN, and the Social Security records have the same name and birth date as reported on the FAFSA, you may disburse aid to the otherwise eligible student. No comment is provided on the output document when the SSN match is successful. Of course, if you have any conflicting information about the SSN, you must resolve the conflict before disbursing FSA funds to the student.

### SSN requirement

Higher Education Act  
Sec. 484(p),  
Student Assistance General Provisions  
34 CFR 668.32(i), 668.36

### SSN doesn't match

Student reported wrong SSN  
→Correct FAFSA data

FAFSA processing error  
→Call 1-800-4-FED-AID

Error in SSA database  
→Contact SSA office; resubmit SSN as  
correction after SSA change is made

### Other match problems

→SSN matches, but name and date of  
birth don't match

→Missing FAFSA information: student  
didn't report a name or birth date, or  
didn't sign the FAFSA

→SSN record includes date of death



Once a student's SSN is confirmed and there is no discrepancy on the name or birth date, the student can't change the SSN. If a student whose match data have been confirmed subsequently tries to change his SSN, the CPS won't accept the change. Instead, the student's SAR will have a comment telling the student to contact his financial aid administrator for help. In the unlikely event that the confirmed SSN is wrong, the student must correct it by filing a new FAFSA.

### ***No match on the Social Security Number***

You must resolve any problems with the match before disbursing aid. If the SSN is not found in the Social Security Administration database, the student's application will be rejected. The student will also receive a comment that instructs her to correct her SSN or contact the SSA if she believes the number reported is correct. If it is wrong on the application, the student will have to correct it with the CPS and get a successful match result before she can receive aid.

▼ *Student reported wrong SSN on the FAFSA.* If the student's application is rejected because she reported an SSN that is not in the Social Security Administration's database, the student must provide the correct SSN to the CPS. This will change the current SSN in the CPS, but it will not change the original, identifying SSN. Previously the Department recommended that a student file a new FAFSA to correct the original SSN, but now that Common Origination and Disbursement (COD) will use the current SSN to process records, changing the original SSN is not always necessary (but see Applicants Using Same SSN later in this chapter).

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### **COD and SSN changes**

See the electronic announcements on the ifap website at [www.ifap.ed.gov](http://www.ifap.ed.gov) for information about COD. See the January 7, 2004 announcement for SSN corrections in CPS.

COD replaced the Direct Loan and Pell (RFMS) reporting systems, but there are other systems, such as EDExpress and possibly some mainframe and servicer systems, that will still use the original SSN to identify records. These systems will be able to interface with COD but might still need the original SSN to process records.

▼ *FAFSA data entry error.* If a student provided the correct SSN on the FAFSA, but the SSN on the output document is wrong, the student can contact the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243). If the Information Center confirms that there was a data entry error, it will refer the error to the Department for correction—the student does not need to submit a correction. After the data entry error is corrected, the CPS will produce new output documents. See Chapter 5 of the *Application and Verification Guide* for general information on data entry error corrections.

▼ *Error in Social Security database.* If the SSN on the FAFSA is correct but isn't in the Social Security database, the student must contact a local or regional Social Security Administration office to correct the database, which is updated daily with information from local and regional offices. The student must report the correct SSN and provide verifying documentation. He must also contact a Social Security office directly—the Department of Education cannot correct SSA records. Once the database is updated, the student can submit a correction by re-entering the SSN originally reported as if it is a

correction. The CPS will then do another SSN match. The student can't simply verify that the SSN is correct; the application will be rejected until the SSA database is updated.

### **No match on name or birth date**

The student's application will be rejected if her or a parent's SSN is in the Social Security database but the name there differs from the one she gave. Misspellings or name changes due to marriage are common reasons for a non-match. The student should make sure that the name on the application matches the one on the Social Security card.

This reject is verifiable, which means that the name is questionable but not necessarily wrong. The student can eliminate the reject by entering the right name. If the name was correct on the application, she reenters it on the paper SAR, or she chooses "Data is Correct" for both the first and last name on Corrections on the Web. If her name is incorrect in the SSA database, we strongly recommend that she contact the SSA to correct it.

If the student's (or parent's) name and SSN match the SSA's database but the date of birth does not, the application will also be rejected, and the student must correct the application. If the error is with the SSA's database, he should contact the SSA to correct the record. He can override the reject by reentering the date on the paper SAR or, on Corrections on the Web, by choosing "Data is Correct" for the date of birth. The application will be sent through the match again, and if the SSA's record has been corrected, the match flag will be cleared and no further action is needed. If there is still a disagreement with the SSA record, the student will need to provide the aid office with documentation of his date of birth.

If the student reported the current or a later year as her birth date, her application will be rejected and she must correct the error.

### **Missing information**

No match is performed if the student doesn't sign the FAFSA or provide a last name or birth date. The student's FAFSA will be rejected and the student must submit the missing information.

Although the CPS doesn't conduct the match, it will check to see whether the reported SSN falls within a range of valid numbers. If it does, the student will receive a comment explaining that the match could not be conducted without the name, birth date, or signature. The student must submit a correction providing the missing information. When the correction is sent, the information will be sent to the Social Security Administration for matching, and you should check the new output document for match results.

*If the SSN is not within the valid range,* the student will receive a comment and reject P stating that the reported SSN does not appear to be valid. In addition to submitting the missing name, birth date, or signature on a correction, the student must either contact the Social

### **Example: Incorrect name on application**

When Sarven Technical Institute receives Tod's ISIR, the SSN match shows the name on the application isn't the one associated with the SSN in the database. The FAA asks Tod to bring in documentation showing his correct name and SSN. He brings in his Social Security card, and the first name on the card is Warren, not Tod. He also has a driver's license showing his first name is Warren. The FAA tells Tod to correct his name on the application to Warren.

### **Example: Correct name not in database**

Elizabeth's ISIR shows that her name doesn't match the one the SSA has on file for her SSN. When the FAA talks to Elizabeth, she explains that she recently got married and changed her last name. Elizabeth gives the FAA a copy of her marriage certificate. The FAA plans to disburse aid to Elizabeth and tells her to reenter her current name and advises her to contact SSA to have its database updated to prevent future problems.

**Example: Students using same SSN**

Hector completes an application in January, but uses his brother Eddy's SSN instead of his own. When Hector gets his SAR, he realizes that he used the wrong SSN, corrects the SAR, and mails it back to the processor. He gets a new SAR with the correct SSN, but it has the same identifier as the first SAR. Eddy files an application in April, and is surprised to receive a SAR that doesn't match what was on his application because it has Hector's information instead. Eddy goes to the financial aid office at Guerrero University, where a counselor tells him he'll need to file a correction application. Hector is also attending Guerrero, so the counselor contacts Hector to explain why he'll need to file a new application even though he already has a SAR with the correct information.

Security Administration to correct its records (if the reported SSN is correct) or correct the SSN she reported. Again, you should check the new output document for match results.

***Date of death***

If the Social Security Administration's database shows a date of death associated with the SSN the student reported, the student's application will be rejected. Students resolve this problem in the same way as problems matching the SSN. The student must either contact Social Security Administration to get the records corrected, or must submit a change with the correct SSN (see "No Match on SSN," p. 50).

**MASTER DEATH FILE**

The CPS will verify that student SSNs do not appear on a master death file the Department obtains from the SSA. This will be in addition to the date of death match above. The CPS will regularly compare its records with those in the master death file. If a match is found, the CPS will resend the student record to SSA. If the SSA does not confirm a date of death for the applicant, the CPS will do nothing further. If the SSA does confirm a date of death, the CPS will send an ISIR to the schools listed on that transaction but will not send a SAR to the student.

Also, the CPS will disable PINs and will not generate renewal applications for individuals found in the death file. Their record will not be deleted from the CPS database. If an applicant wrongly appears in the death file, he will need to apply for a PIN again and receive a clean match before a new PIN will be issued.

**APPLICANTS USING SAME SSN**

When one student uses another's SSN, the duplicate SSN flag will be set in the ISIR, and the student's application will likely fail the SSN match, but it will be processed. She will have to make a correction as described earlier in this chapter.

If a student uses the same SSN **and** first two letters of the last name (together these data are the record identifier) as another student, the CPS will not accept her application because it will assume it to be a duplicate application of the first student. If she is using FAFSA on the Web, she will receive an immediate message telling her the proper way to make a correction or, if her record identifier is correct and she is trying to apply for aid, how she can proceed. If she is submitting a paper FAFSA, she will receive a letter giving her the same information and stating that the application was not processed.

If the student using the correct SSN applied after the other student, she must submit a special "correction application" that she can only get from the Department of Education. It will enable the CPS to accept her data instead of treating her application as a duplicate. The first student, who used the wrong SSN, **must** correct

the error by filing a new FAFSA because the CPS uses the record identifier for students for the entire award year, even if they later change their SSN or last name. If the student simply corrected her SSN, her record identifier would still be wrong.

If the student using the correct SSN applied first, the CPS will have her data, so a correction application isn't necessary. The second student will need to submit a new application.

Both students should keep copies of all output documents, including those from the first FAFSAs filed. When a student files a correction application or a new FAFSA, the application receipt date is changed. Because some schools and agencies use this receipt date to determine if the student met a deadline, she should keep the output documents to show the original receipt date and to show why a later application was necessary.

Contact the Department at (785) 838-2281 if you believe that a correction application may be needed; one can be mailed to your office or to the student.

### **EXCEPTION FOR THE FREELY ASSOCIATED STATES: MICRONESIA, MARSHALL ISLANDS, AND PALAU**

Students from the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau are not required to provide SSNs. Instead the CPS will assign an identification number to students who indicate on their FAFSA that their state of legal residence is one of the above Pacific islands and who do not provide a Social Security number. These applications are exempt from the SSN match with the SSA. If the students are using FAFSA on the Web, there is an edit that allows them to enter in the SSN field their identification number, which will begin with 888.

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**SSN exception for residents of  
the Freely Associated States**  
HEA Sec. 484(d)(4)

*Notes*

*Any man required to register with Selective Service at any time must have done so to receive aid. The Department performs a match with Selective Service to confirm a student's registration status. In this chapter, we discuss the registration requirement and the Selective Service match.*

## GENERAL INFORMATION

Men aged 18 through 25 are required to register with the Selective Service System. This requirement covers men residing in the United States who are U.S. citizens or noncitizens, except that a man who is in the U.S. as a lawful nonimmigrant isn't required to register as long as he maintains that status (see the exceptions to the registration requirement under "Exemptions" below). Students who are required to register with the Selective Service must do so to be eligible for FSA funds, but parents who want to borrow a PLUS loan aren't required to have registered.

The student has several ways to register, which include using the application process. There's a question on the FAFSA that asks if the student wants Selective Service to register him. By answering "yes," the student gives the Department of Education permission to submit his registration information to the Selective Service so that he may be registered. He can also ask to be registered by changing the answer to this question on the SAR to "yes" and submitting the correction (of course, the answer to the question "Are you male?" must be yes too). The student may also register at the post office with a form available there, or he can register online at the Selective Service website ([www.sss.gov](http://www.sss.gov)).

In some cases, a student will not be able to register using the FAFSA or SAR. Generally, however, a male student who is 18 through 25 and who has not registered previously may use this method. Students who have questions about Selective Service registration may contact the Selective Service at (847) 688-6888 or on the Web.

## EXEMPTIONS

Men exempted from the requirement to register include:

- males currently in the armed services and on active duty (this exception does not apply to members of the Reserve and National Guard who are not on active duty);

## Selective Service requirement

General Provisions  
34 CFR 668.32(j), 668.37

## Age and registration

The student can be registered with Selective Service as early as 30 days before his 18th birthday. If the student is too young, Selective Service will hold the registration until the student is within 30 days of his 18th birthday. Students 26 and older can't be registered.

## Gender and registration

Only males are required to register. Whether a person is male or female is a matter for medical determination. If a school needs to determine whether a student is male or female for Selective Service purposes, the school should tell the student to contact the Selective Service for a Status Information Letter.



## Exemptions

34 CFR 668.37(a)(2)

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### Exemption examples

Tod has been on active duty in the Army from the time he was 18 and didn't register with Selective Service before he joined the Army. He's now 24, is planning to leave the Army, and wants to receive financial aid. If he applies while he's still on active duty, he doesn't need to be registered with Selective Service. Once he leaves, he must be registered, or else he won't be able to receive aid in later years. In most cases, when someone completes an enlistment contract he is automatically registered, so Tod is probably already registered even though he didn't complete a separate registration form.

George was enrolled in an officer procurement program at the Virginia Military Institute, which he started a month before he turned 18. When he was 22, he had a serious accident and was hospitalized; he officially dropped out of school a month after he was hospitalized. Due to his injuries he was hospitalized for four years. Because he qualified for a waiver for the entire time he was 18 through 25, he was not required to register with Selective Service.

- males who are not yet 18 at the time that they complete their applications (an update is not required during the year, even if a student turns 18 after completing the application);
- males born before 1960;
- citizens of the Republic of Palau, the Republic of the Marshall Islands, or the Federated States of Micronesia\*;
- noncitizens who first entered the U.S. after they turned 26;
- noncitizens who entered the U.S. as lawful nonimmigrants on a valid visa and remained in the U.S. on the terms of that visa until after they turned 26.

There are certain less common situations in which registration isn't necessary. Students who weren't required to register prior to meeting one of these criteria and who meet a criterion for the entire time through the age of 25 qualify for the waiver if:

- they are unable to register due to being hospitalized, incarcerated, or institutionalized;
- they are enrolled in any officer procurement program at The Citadel, North Georgia College and State University, Norwich University, Virginia Military Institute, Texas A&M University, or Virginia Polytechnic and State University; or
- they are commissioned Public Health Service officers on active duty or members of the Reserve of the Public Health Service on specified active duty.

If the student isn't required to register, you must document the student's status. If the student isn't clearly exempt from the requirement to register, you should ask the student to document the exemption by providing the school with a Status Information Letter from the Selective Service.

As mentioned above, noncitizens who first enter the U. S. after the age of 26 aren't required to register. Only those immigrant men who enter and live in the U.S. at ages 18 through 25 are required to be registered. If a male immigrant can show proof that he first entered the U.S. when he was past registration age, he is clearly not required to be registered, and no Status Information Letter is needed. The student's entry documentation is enough to show whether he was required to register.

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\*A citizen or national of the Republic of the Marshall Islands or the Federated States of Micronesia who lives in the United States for more than one year for any reason except as a student or employee of the government of his homeland must register.

## SELECTIVE SERVICE MATCH

To check that students who must be registered actually are registered, the CPS performs a match with the Selective Service System. The CPS provides a match flag showing the results in the FAA Information section of the output document. In addition, the output document has a comment about the match results.

### Successful matches

If the match shows that the student is registered or exempt, a comment confirming this fact will be on the student's output document. The student is then eligible for aid.

The student is also eligible for aid if the match shows that the student is still too young to register. If the student asks to be registered, Selective Service will hold onto that registration request until 30 days before the student's 18th birthday and will then register the student.

Finally, the student is also eligible if the CPS successfully forwards the student's name to Selective Service for registration.

### Unsuccessful matches

If the match doesn't confirm the student's registration, or the student can't be registered, the output document will have a comment about the problem. A "C" flag will also be printed next to the student's EFC. Until the student resolves the registration problem, you can't pay FSA funds to the student or certify or originate a loan.

▼ *Registration not confirmed.* If the match shows that the student isn't registered, the student must either register or provide evidence that he is registered or is exempt from registration. The student's Selective Service Registration Acknowledgement or letter of registration shows that the student is registered. You can also go to the Selective Service website at [www.sss.gov](http://www.sss.gov) and check on the student's registration status—a printout of the webpage is acceptable documentation that the student is registered. If the student doesn't have an acknowledgement or letter of registration, and the website doesn't confirm his registration, he'll have to contact Selective Service to resolve the problem. If the conflict is resolved in the student's favor, he'll receive a letter from the Selective Service documenting that he is registered or that he is exempt from registering.

▼ *Unsuccessful registration.* The CPS won't be able to forward the student for registration if certain information—first and last name and date of birth—is missing. The student should submit a correction with the required information, and you can check the match results from this correction to see if the student is eligible.

If the student is 26 or older, the CPS cannot register the student but will send his record through the data match. If the student is not registered, he can no longer do so, and you will have to determine if he is eligible for aid despite failing to register.

### Status information letter codes

The Selective Service has different status information letters, which are indicated by a code that appears in the lower left-hand corner. Determination of aid eligibility for a man who failed to register with Selective Service should not be based solely on these letter codes. Financial aid administrators are obliged to review all evidence presented by a student to determine if he has shown "by a preponderance of evidence" that his failure to register was neither willful nor knowing. The codes are:

- **E1–E8:** These codes indicate that the student was not required to register or was exempt the entire time he could have registered (ages 18 through 25).
- **NM:** The student did not register although he was on active duty in the armed forces only for a portion of the time when he could have registered (between ages 18 through 25) and was, therefore, required to register.
- **NR:** The student was born before 1960 and is therefore not required to register.
- **RD:** The student gave a reason for not registering or documentation to show he was exempt from the requirement, but the Selective Service determined the reason or documentation to be invalid. Therefore, the student was required to register but did not. No requests to comply with the registration requirement were sent.
- **RH:** The student was sent one or more letters requesting that he register during the required period, but all letters were returned by the post office as undeliverable.
- **RL:** The student was required to register, but the Selective Service has no record of his registration and their records show he was sent one or more letters requesting that he register.
- **RR:** The student said he attempted to register, but Selective Service has no proof of the attempt.



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### **Unsuccessful registration example**

On his FAFSA, Hector asks the CPS to forward his information to the Selective Service for registration. However, he's over 26, so the Selective Service can't register him. His output document comes back with a blank match flag and comment 33. Hector didn't enter the U.S. until after his 26th birthday, so he doesn't have to be registered. Guerrero University already has information about his citizenship status, including the date he arrived in the U.S., so it has documentation that he is exempt from registration. The FAA explains to Hector why he wasn't required to register.

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### **Failure to register**

34 CFR 668.37(d),(e)

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### **Veteran Status Match**

See the Application and Verification Guide for information on the veteran match and dependency status.

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### **Appeals—Selective Service registration**

The school's decision is final and cannot be appealed to the Department except in one limited instance. The regulations state that the Department will hear appeals from students who have provided their schools with proof that they are in compliance (i.e., that they are registered or exempt from registration) but who are still being denied federal student aid based on the registration requirement. 34 CFR 668.37(f)

## **FAILURE TO REGISTER**

Some students have been denied aid because they failed to register with the Selective Service before their 26th birthday. The Selective Service will register only males age 18 through 25, leaving older students with no way to remedy their situation if they failed to register. However, the student may still be eligible to receive aid if he can demonstrate that he did not knowingly and willfully fail to register.

A student who served on active duty in the armed forces but who did not register before turning 26 is still eligible to receive FSA funds because it's reasonable to conclude that he was not trying to avoid registering for the draft. Ask the student to provide a copy of his DD Form 214, "Certificate of Release or Discharge from Active Duty," showing military service in the armed forces — other than the reserve forces, the Delayed Entry pool, and the National Guard.

Students without military service who knew of the registration requirement but chose not to register are considered to have knowingly and willfully failed to register and are therefore ineligible for FSA funds. Your school's decision in this case is final and cannot be appealed to the Department except as noted in the margin.

### ***Determining if non-registration was knowing and willful***

Unless you can document that the student meets one of the allowable exemptions regarding registration or can document that the student served in active duty in the armed forces (and whose character of service was other than dishonorable), the student must write to the Selective Service to get a status information letter addressing his failure to register. He may also download a request form from the Selective Service website ([www.sss.gov](http://www.sss.gov)) to print out, complete, and mail. The student should provide as complete a description about his situation as possible: where he was living during the period when he should have registered, whether he was incarcerated or institutionalized, his citizenship status during the period, if applicable, and so on.

If the student receives a "general exemption letter" (codes E1-E8) or a "DOB before 1960" letter (code NR), the student is exempt from registration and may receive FSA funds. If the student receives any other type of letter, you must determine based on all relevant evidence whether the student knowingly and willfully failed to register. The letter from Selective Service may provide information that is crucial to your decision. For example, if the student received a letter indicating a compliance letter had been sent (code RL), this letter would be a negative factor when you make the determination. If the student received a "Military Service: Noncontinuous" letter (code NM), you might reasonably determine that the student did not knowingly and willfully avoid registration.

Most of the status information letters state that the final decision regarding the student's eligibility rests with the agency awarding funds. For the purposes of the FSA Programs, the decision is made by your school, which represents the Department of Education. If you

determine that the student's failure to register was knowing and willful, the student loses FSA eligibility.

When deciding whether the student had knowingly and willfully failed to register, you should consider the following factors:

- **Where the student lived when he was age 18 through 25.** For example, if a student was living abroad, it is more plausible that he would not come into contact with the requirement for registration.
- **Whether the student claims that he thought he was registered.** Mistakes in recordkeeping can occur. Correspondence indicating an attempt to register could form a basis for determining that the student did not knowingly and willfully fail to register. On the other hand, a letter from Selective Service stating that it received no response to correspondence sent to the student at a correct address would be a negative factor.
- **Why the student claims he was not aware of the widely publicized requirement to register when he was age 18 through 25.**

*Notes*

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# Program-related Eligibility Requirements

*Most of the student eligibility requirements we have discussed so far apply to all or most of the FSA programs, but there are additional factors that are program-specific.*

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## PELL GRANTS

In general, a student must be enrolled in an undergraduate course of study to receive a Pell grant, though there are rare teaching certification exceptions (see the next page). A student who has earned a baccalaureate degree or a first professional degree (a degree offered by professional programs such as pharmacy, dentistry, or veterinary medicine) is not considered to be an undergraduate and cannot receive a Pell grant.

An undergraduate course of study usually doesn't exceed four academic years or is a program of four to five academic years designed to lead to a baccalaureate or first professional degree. If the program is longer than five years (for example, a six-year pharmacy program), then students are considered undergraduates only for the first four academic years of the program unless the school designates that the graduate program begins after the end of the third academic year; see the definition of graduate or professional student in 34 CFR 674.2, 675.2, or 682.200(b).

A student with a baccalaureate or professional degree is ineligible even if the degree is from an unaccredited school or is not recognized by your school. Similarly, a student with a baccalaureate or professional degree from a foreign school usually isn't eligible for a Pell grant. But because a foreign degree often won't translate neatly into the American classification, the school must judge whether it equates to a U.S. bachelor's degree. If the student provides written documentation that the foreign degree is not equivalent to a bachelor's degree awarded in the United States, your school may determine that he does not have a bachelor's degree. The documents may include information about the type of school the student attended and total years of education leading to the degree.

A student who has received an associate degree—or any certificate or diploma below the baccalaureate level—and who enrolls in another undergraduate program continues to be considered an undergraduate student until she has completed the curriculum requirements for a first bachelor's degree.

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## Undergraduate student definition and requirement

34 CFR 690.2, 34 CFR 690.6, HEA Sec. 401(c)

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## Wrong grade level on the FAFSA

When an undergraduate student incorrectly reports on the Free Application for Federal Student Aid (FAFSA) that he will be a graduate student or has a bachelor's degree, he must correct that information. Because the application shows that the student isn't an undergraduate, the Department's records will show that he is ineligible for Pell. If the application isn't corrected, the school won't be able to pay him a Pell grant.

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### **Eligible postbaccalaureate program and the FAFSA**

34CFR 690.6(c)

Normally a student who indicates on the FAFSA that he has a bachelor's degree won't be listed in the Department's records as a Pell-eligible student, and the school won't be able to receive Pell funds for the student. However, in order to allow students who are eligible under the postbaccalaureate program provision to be paid, students who correctly report that they have a bachelor's degree but also indicate on the FAFSA that they're in a teaching credential program will be listed as Pell-eligible students. Of course, you must determine whether the student actually falls under the eligible postbaccalaureate provision.

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### **Incarcerated Students & Pell**

HEA Sec. 401(b)(8), 34 CFR 668.32(c)(2)(iii), "Dear Colleague" Letter P-94-7  
Costs for incarcerated students  
HEA Sec. 472(6)

Occasionally a student will complete all the requirements for a bachelor's degree but will continue taking undergraduate courses without accepting the degree. Your school must decide whether and at what point the student completed the baccalaureate course of study. If your school determines that the student did complete a bachelor's program, then he is no longer eligible to receive a Pell grant.

#### ***Eligible postbaccalaureate program***

A student who is enrolled at least half time in a postbaccalaureate teacher certification or licensure program is eligible to receive a Pell Grant for the period necessary to complete the program if:

- the program does not lead to a graduate degree,
- the school offering the program does not also offer a bachelor's degree in education,
- the student is pursuing an initial teacher certification or licensing credential within a state, and
- the program consists of the courses required by a state to receive a professional certification or licensing credential necessary for employment as a teacher in an elementary or secondary school in that state.

Under this very limited provision, a postbaccalaureate program is defined as a program that generally requires a student to have a bachelor's degree before being admitted to the program. Accordingly, a program in which undergraduate students are routinely allowed to enroll would not meet the definition of a postbaccalaureate program for this purpose, nor would a program that is generally open to undergraduates but that also admits students with bachelor's degrees.

For FSA purposes, a school must treat a student who receives a Pell grant under this provision as an undergraduate student enrolled in an undergraduate program. The student is eligible for fifth year undergraduate (not graduate student) Stafford loan limits. However, the student would not be eligible for an FSEOG.

#### ***Incarcerated students***

Students incarcerated in federal and state penal institutions aren't eligible for Pell grants, but students incarcerated in local penal institutions are. Students incarcerated by jurisdictions defined as a state in the law, such as the District of Columbia, are considered to be in a state penal institution and aren't eligible for Pell grants. A student isn't considered incarcerated if she is in a halfway house or home detention or is sentenced to serve only on weekends.

The cost of attendance for students who are incarcerated in local penal institutions is limited to tuition and fees and the price of books and supplies specifically related to the student's course of study. For more information on the cost of attendance, see *Volume 3*.

## STAFFORD AND PLUS LOANS

Some Stafford and PLUS loan rules, such as those for defaults and total and permanent disability discharges, have already been discussed in Chapter 3. One point may be added here: a parent may not borrow a PLUS loan, nor may a student borrow a Stafford loan, from both the FFEL and DL programs for the same enrollment period at the same school, yet the student and parent do not have to borrow from the same program [see 34 CFR 685.300(a)(8)].

Generally a student must be enrolled or accepted for enrollment in a degree or certificate program to receive FSA funds, but there are exceptions that apply to DL and FFEL Stafford and PLUS loans.

### **Preparatory coursework**

A student may apply for a Stafford or PLUS loan for coursework the school has documented is necessary for him to enroll in an eligible program. The courses must be part of an eligible program otherwise offered by the school, though the student does not have to be in that program. If enrolled at least half time in these prerequisite courses, he is eligible for loans for one consecutive 12-month period (not per program) beginning on the first day of the loan period. If the period of preparatory courses spans more than one academic year, the student may receive multiple loans.

Students seeking to enter an undergraduate degree or certificate program may borrow at the first-year undergraduate loan level, and students trying to enroll in a graduate or professional program may borrow at the fifth-year undergraduate loan level. For undergraduate and graduate students, the loan limit is not prorated if the coursework is less than an academic year.

To be eligible under this exception, the student must be taking classes that are a prerequisite for admission. If he is only taking them to raise his GPA in order to be admitted, he would not qualify for loans under this exception.

### **Teacher certification coursework**

Chapter 1 explains when a student may receive a Stafford or PLUS loan, among other aid, for courses necessary for an elementary or secondary school teaching credential or certification.

### **Parent borrower eligibility**

To borrow a PLUS loan for a student, the parent must be the student's biological or adoptive mother or father. Both parents may get a PLUS loan as long as the total aid package does not exceed the student's cost of attendance. A stepparent is also eligible to borrow a PLUS loan if her income and assets would be taken into account when calculating the dependent student's EFC. A legal guardian is not considered a parent for FSA purposes.

A parent may receive a PLUS loan only to pay for the educational costs of a dependent undergraduate student who meets the eligible student definition.

### **Members of a religious order**

Members of any religious order, society, agency, community, or other organization aren't considered to have financial need if the order

(1) has as a primary objective the promotion of ideals and beliefs regarding a Supreme Being,

(2) requires its members to forego monetary or other support substantially beyond the support it provides, and

(3) directs the member to pursue the course of study or provides subsistence support to its members.

Members of these religious orders can't receive subsidized Direct loans, subsidized FFELs, Pell grants, or campus-based aid. They are eligible, however, for unsubsidized FFELs and unsubsidized Direct loans.

34 CFR 674.9(c), 675.9(c), 676.9(c), 682.301(a)(2), 685.200(a)(2)(iii), 690.75(d)

### **Preparatory coursework example**

Eddy has a bachelor's degree, with a major in mathematics. He wants to enroll in a graduate computer science program at Guerrero University. He needs 12 more semester hours of computer science coursework to meet Guerrero's admission requirements. He enrolls in courses that are part of Guerrero's undergraduate degree program, but because he is not enrolled for the purpose of receiving an undergraduate degree, he is not a regular student. However, because the coursework is necessary for his enrollment in the graduate program, he may receive a FFEL or Direct loan for this coursework.



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### **Medical internships and residencies**

A student is ineligible to receive a Stafford loan or a Perkins loan while in a medical internship or residency program unless it is part of the school's degree program. This restriction does not apply to students in dental internship programs.

A parent must meet the same citizenship and residency requirements as a student. Similarly, a parent who owes an overpayment on an FSA grant or is in default on an FSA loan is ineligible for a PLUS loan unless he has made satisfactory arrangements to repay the grant or loan. Yet the parent's ineligibility for a PLUS loan does not affect the student's eligibility for FSA funds.

Under the FFEL program, if the parent borrower has previously borrowed a Stafford or PLUS loan on which collection activity has ceased, she must reaffirm the loan in the same way that is described in 34 CFR 682.201(a)(4) for student borrowers.

Under both the FFEL and DL programs, if the parent had a prior Stafford loan that was cancelled for total and permanent disability, he must adhere to the same eligibility requirements outlined for Stafford borrowers in chapter 3.

Finally, a parent is not eligible for a PLUS loan if the federal government holds a judgment lien on her property.

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### **Student credit checks**

Financial aid administrators may not perform credit checks on students in connection with awarding them federal aid.

### ***Parent adverse credit history***

A parent with an adverse credit history is prohibited from obtaining a PLUS loan unless the parent meets additional criteria. The lender or the Department obtains a credit report on each applicant for a loan from at least one national credit bureau. An applicant is considered to have an adverse credit history if:

- he is 90 days or more delinquent on any debt, or
- during the 5 years preceding the date of the credit report, he has been determined to be in default on a debt, his debts have been discharged in bankruptcy, or he has been the subject of foreclosure, repossession, tax lien, wage garnishment, or write-off of an FSA debt.

A FFEL lender is permitted to establish a more stringent definition of adverse credit history than these regulatory criteria. However, under both the FFEL and DL programs, a parent cannot be rejected for a PLUS loan because she has no credit history—i.e., the absence of a credit history cannot be construed as an adverse credit history.

A parent with an adverse credit history can qualify for a PLUS loan by securing an endorser who doesn't have an adverse credit history. The endorser for this purpose may not be the dependent student for whom the parent is borrowing. Instead of securing an endorser, a parent may appeal a determination of adverse credit history to the lender (for FFELs) or ED (for DLs) by documenting extenuating circumstances. The lender or ED has the final decision on whether to make a loan to the parent.

If your school participates in the PLUS program but a student's parent cannot obtain a PLUS loan, the student is allowed to borrow additional unsubsidized Stafford money (see Volume 3, Chapter 4).



## CAMPUS-BASED AID GENERAL REQUIREMENTS

Unlike the Stafford and PLUS loan programs, a student does not have to be enrolled at least half time to be eligible to receive aid through the campus-based programs unless the student is seeking aid to attend a teacher certification or professional credential program.

A student enrolled as an undergraduate, graduate, or professional student is eligible to receive assistance from the Federal Perkins Loan and Federal Work-Study (FWS) programs. Only undergraduate students who do not have a baccalaureate or first professional degree are eligible to receive Federal Supplemental Education Opportunity Grants (FSEOGs). This means that a student who has earned a bachelor's or first professional degree may receive a Perkins loan or FWS wages to pursue a graduate or additional undergraduate degree, but he may not get an FSEOG.

See the margin note on p. 34 about how the Compact Act affects FSEOG and FWS eligibility for students from the Republic of the Marshall Islands and the Federated States of Micronesia.

### **Teacher certification programs**

As with Stafford loans, a student may receive a Perkins loan or FWS for coursework that doesn't lead to a degree or certificate from the school but that is required by a state for an elementary or secondary school teaching credential or certificate. See chapter 1.

## PERKINS LOANS

Both undergraduate and graduate students may receive loans under the Federal Perkins Loan Program, but students with *exceptional need* (as defined by your school) have priority. To be eligible for a Perkins loan, a student must meet the general student eligibility requirements and must not have borrowed the maximum amounts. A student who has earned a bachelor's or first professional degree may receive a Perkins loan to pursue an additional undergraduate degree.

A student is ineligible to receive a Perkins loan while in a medical internship or residency program unless it is a dental internship or is part of the school's degree program.

A borrower who is in default on an FSA loan is not eligible for a Perkins loan unless she has regained eligibility. However, a borrower who satisfies any of the conditions that remove her defaulted Perkins loan from the school's cohort default rate becomes eligible for additional Perkins loans.

As with Stafford loans, if a borrower has obtained a discharge of a Perkins loan or NDSL due to total and permanent disability and is applying for another Perkins loan or NDSL, she must follow the procedure explained in chapter 3.

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### **Perkins loan eligibility**

34 CFR 674.9

Medical internship or residency  
HEA 464(c)(2)(A)(i)

Incarceration  
34 CFR 668.32(c)(2)(ii)

Default  
HEA 464 (b)(1)

Teacher certification programs  
34 CFR 668.32(a)(1)(iii)

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### **Previous disability cancellation**

34 CFR 674.9(g) and (h)

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### **Willingness to repay**

34 CFR 674.9(e)

As mentioned above, a school may award Perkins loans or FWS to students for enrollment in an eligible teacher certification or professional credential program; see chapter 1.

#### ***Willingness to repay***

In selecting Perkins loan recipients, a school must consider evidence of a borrower's willingness to repay the loan. Previous delinquency, default, or other failure to meet repayment obligations on a previous loan is evidence that the borrower is unwilling to repay other loans. For example, if a borrower has previously satisfied a defaulted student loan involuntarily (such as by garnishment of the borrower's wages), a school should consider this as evidence of unwillingness to repay and should deny further loan assistance to the borrower.

#### ***Previous Perkins loan discharged in bankruptcy***

As a result of the Bankruptcy Reform Act of 1994, a student or parent may not be denied FSA loans solely on the basis of a bankruptcy filing or discharge. They also may not be required to repay a previously discharged loan in order to reestablish eligibility for new loans. However, FAAs have somewhat more latitude in making awards under the Perkins program than under DL and FFEL because they may consider a student's willingness to repay. If a student has filed for or received a discharge in bankruptcy, has had an FSA loan determined dischargeable by a court of law, or has had an FSA loan discharged in bankruptcy, the bankruptcy may be considered when determining a student's willingness to repay provided it is not the sole basis for the determination and for a denial of a Perkins loan. Schools may also, of course, consider the student's post-bankruptcy credit history in determining willingness to repay.

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### **Additional FWS criteria**

For information on eligible FWS jobs, see Volume 6, The Campus-Based Programs.

### **FEDERAL WORK-STUDY (FWS)**

To be eligible for a Federal Work-Study (FWS) job, a student must meet the usual eligibility criteria and must have financial need, that is, his cost of attendance (COA) must be greater than his expected family contribution (EFC). Also, a financial aid administrator may not award FWS employment to a student if that award, when combined with all other resources, would exceed the student's need. However, unlike the other two campus-based programs, the FWS Program does not require that priority be given to students who have *exceptional* financial need. In choosing students for FWS employment, schools must follow the selection procedures discussed in Volume 3.

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### **FSEOG eligibility**

34 CFR 676.9

34 CFR 668.32(c)(1)

### **FSEOG**

To receive a Federal Supplemental Educational Opportunity Grant (FSEOG), a student must meet the general eligibility requirements discussed in the other chapters of this volume. An eligible recipient must also be an undergraduate student and have financial need, and students with the lowest EFCs who will also receive Pell grants for the award year have primary consideration for FSEOG money. See the volume on calculating awards.

An undergraduate student is defined under the FSEOG Program as a student who is enrolled in an undergraduate course of study at an institution of higher education and who:

- has not earned a bachelor’s degree or first professional degree; and
- is in an undergraduate course of study that usually does not exceed four academic years or is enrolled in a four- to five-academic-year program designed to lead to a first degree.

A student who has earned a bachelor’s or first professional degree is not eligible to receive an FSEOG to pursue an additional undergraduate degree based on the above definition of undergraduate student. A school must make FSEOG funds reasonably available (to the extent that funds remain) to all eligible students.

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### **FSEOG undergraduate student definition**

34 CFR 676.2(b)

## **LEAP PROGRAM**

To be eligible for assistance under the Leveraging Educational Assistance Partnership (LEAP) Program, all students must meet the general eligibility requirements for the FSA programs and the additional eligibility criteria that state higher education agencies establish. The student must also demonstrate *substantial financial need*, as defined by the state agency and approved by the Department. The definition may be in terms of income, expected family contribution (EFC), or cost of attendance minus available resources. Regardless of how it defines need, the state agency is responsible for developing a consistent method for approving individual student recipients. States may decide whether to make individual LEAP awards that vary according to student need or to give a set amount to all students who meet the established need criteria.

The maximum award is \$5,000, though states can reduce that. They also determine what costs can be covered; some states limit awards to cover only tuition and fees, while others include allowances for commuting, room, board, and other costs.

Many states exclude students who attend schools outside the state, but some have reciprocal arrangements with neighboring states so that students may receive LEAP funds from their home state even though they are enrolled in another state. LEAP funds may be awarded to students participating in study-abroad programs that are approved for credit by the home school.

Most states limit LEAP awards to undergraduates attending at least half time, but each state may choose to allow graduate, less-than-half-time, and other nontraditional students to also receive LEAP awards.

If a student owes a refund on a LEAP overpayment, she would still be eligible to receive additional FSA funds as long as she meets all other eligibility requirements and as long as the school can eliminate the overpayment by adjusting financial aid payments (other than Pell grants) in the same award period in which the overpayment occurred.

### ***Application, need, and dependency status***

In states that have *centralized* administration of the LEAP Program, the student applies directly to the state higher education agency, which receives and processes applications, notifies students of awards, verifies attendance, makes disbursements, and keeps records of all student awards. In states that have *decentralized* administration, the student applies indirectly through the school, to which the state agency has delegated certain functions of the program, such as awarding funds (though these funds are still considered state—not institutional—aid). The school recommends potential recipients to the state agency, which then approves individual awards. Every award requires the agency’s formal approval, based on a determination of need. You can find a list of the state agencies on the Department’s website at [www.ed.gov](http://www.ed.gov).

Most states measure need as determined by the processing of the FAFSA. However, in decentralized programs LEAP applications may be processed according to need as determined by the school. Either way, the state agency has final authority for selecting recipients according to its standards.

The Department may approve on a case-by-case basis a state’s criteria for determining dependency status if they vary from the established criteria that are listed in the *Application and Verification Guide*. The state must show that it has good reason to use different criteria, yet its definition of an independent student might not differ totally from the federal definition. For example, a state might use all the federal criteria but delete the professional judgment provision.

### ***Cost of applying***

To award a student LEAP aid, a state may require him to provide information on the Free Application for Federal Student Aid (FAFSA) or on another free form. In addition, the state may require him to provide more information on a supplemental form. If there is a fee for submitting and processing this supplemental form, the fee must be payable to the state regardless of whether the information from it may also be used for institutional aid.

## **ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM**

Byrd scholarships are awarded on the basis of outstanding academic achievement and the promise of continued achievement, through procedures established by the state education agency (SEA, the department of education or other agency in the state that is primarily responsible for the supervision of public elementary and secondary schools) in the state where the student is a legal resident. A student attending an out-of-state secondary school, such as a boarding school or a U.S. Department of Defense school overseas, must apply for a Byrd scholarship through the SEA of her state of residence.

The SEA develops its selection procedures after consulting with school boards and administrators, teachers, counselors, and parents. Before each state’s selection criteria and application procedures are implemented, they are reviewed and approved by the Department.

Students can receive up to \$1,500 for one year of study, which is the period during which a full-time student is expected to complete one year of coursework as defined by the school.

### ***Initial student eligibility***

The eligibility criteria for receiving a Byrd scholarship are similar to those for the FSA Programs but not identical. Each student must meet the criteria listed below during the same secondary academic year in which he submits the scholarship application. The student must:

- graduate from a public or private secondary (high) school (home-schooled students and those at military schools are not eligible for Byrd scholarships) or receive the recognized equivalent of a high school diploma (a GED certificate or a certificate that is earned by passing a state-authorized examination and that the state recognizes as a diploma equivalent);
- have applied to or been accepted for enrollment as a full-time student (one who carries a full-time academic workload as determined by the school for a given program) at an institution of higher education;
- be a legal resident of the state to which he is applying for a scholarship;
- be a U.S. citizen or national or provide evidence from the U.S. Citizenship and Immigration Services (U.S.C.I.S.) that he is

Δ a permanent resident of the United States,

Δ in the United States for other than a temporary purpose, with the intention of becoming a citizen or permanent resident, or

Δ a citizen of the Freely Associated States (Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau);

- is not ineligible to receive assistance as a result of default on a federal student loan or other obligation, as provided under 34 CFR 75.60; and
- is registered with the Selective Service, if so required, in accordance with the regulations in 34 CFR 668.33.

### ***Continuing eligibility criteria***

Awards can be renewed for up to three additional years provided that funds are appropriated and students remain eligible. A student remains eligible for the scholarship as long as she continues to:

- meet the citizenship/permanent resident requirements given previously,

### **Part-time attendance example**

Wendy is a student at Frisson University who received a Byrd scholarship as a freshman. For her sophomore year she enrolls full-time for the fall semester and half-time for the spring semester since she will be working part-time in a co-op job related to her field of study. Because of this, the SEA waives Wendy's full-time enrollment requirement for spring and prorates the \$1500 scholarship. Wendy would still receive half the scholarship for the fall term ( $\$1,500 \times 0.5$  years = \$750), and because she is attending half time in the spring, she will be eligible to receive half of the remaining \$750 ( $\$750 \times 0.5 = \$375$ ).

- avoid loan default, as outlined above,
- meet Selective Service obligations,
- maintain the satisfactory academic progress standards of the school in accordance with the provisions of 34 CFR 668, and
- be enrolled as a full-time student (though see the exception below) at an institution of higher education.

Byrd scholarships are awarded for not more than four years. If the student completes his undergraduate program in three years, then he is eligible to receive the scholarship for only those three years.

### ***Part-time enrollment after the first year***

Byrd scholars must be enrolled full time for the first year of study. If after the first year the SEA determines that unusual circumstances justify waiving the full-time requirement, the student may enroll part time and continue to receive the scholarship, but the SEA must prorate her payments according to her enrollment status.

### ***Scholarship suspension***

A scholar who fails to meet any of the eligibility requirements within an award year will have her scholarship suspended by the SEA. The scholar's eligibility remains suspended until she is able to demonstrate to the satisfaction of the SEA that she again meets the requirements. Once the suspension period reaches 12 months, her eligibility for that scholarship is terminated.

The SEA may define exceptional circumstances under which it will extend the 12-month suspension period without ending the student's eligibility.

### ***Scholars may postpone or interrupt enrollment***

A state agency may permit a scholar to interrupt or postpone his enrollment at a postsecondary school for up to 12 months. For a postponement this begins on the date the student would have enrolled in the school after the state agency awarded him the scholarship.

Each state agency establishes standards that determine when it will approve a postponement or interruption. If the SEA does approve the postponement or interruption, it must document the scholar's subsequent enrollment.

A scholar who postpones or interrupts her enrollment is not eligible to receive scholarship funds until she is again enrolled at the school. Note that for a student whose scholarship has been suspended, a postponement or interruption does not count against her in calculating the 12 months of suspension.

### ***Scholarship limited to domestic schools***

A Byrd scholar may not use his scholarship to attend a foreign school. He must attend an eligible postsecondary school located in one of the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, American Samoa, or the



Freely Associated States (the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau).

However, a scholar studying abroad through an eligible institution (the home school) that is located in a state or one of the other regions listed in the previous paragraph is eligible to receive funds as long as she is enrolled at the home school and receives credit from it.

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**Byrd Program on the Web**

The Department gives information on the Byrd Program at

**[www.ed.gov/programs/idadesbyrd/index.html](http://www.ed.gov/programs/idadesbyrd/index.html)**

This site has contact information if you have questions (the program is not administered by FSA).

*Notes*