Summary of Changes for the Application Processing System

2016–2017

U.S. Department of Education

FEDERAL
STUDENT AID

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Introduction

Overview

The *Summary of Changes for the Application Processing System* is designed to meet the reference needs of financial aid administrators (FAAs), programmers, and data processing staff. In this guide, we describe updates and enhancements to the 2016-2017 application processing system and to student and school Web products. We recommend you review the information provided in this guide, as some enhancements may require you to modify your office procedures and system operations.

Note: At the time this document was posted, the 2016-2017 paper FAFSA was still in the final Office of Management and Budget (OMB) clearance process. As a result, additional changes to the form may be implemented that are not identified or described in this guide.

The following sections are included in this guide:

- **Major Changes** – This section provides information about major changes for the 2016-2017 processing cycle and covers the following topics:
    - Federal School Codes Listed on the ISIR and Displayed in FAA Access
    - Improve the Accuracy of IRA and Pension Data
    - Verification Enhancements
    - Need Analysis Income Threshold Increase

- **2016-2017 Application Processing System Schedule** – This section provides important processing deadlines and anticipated document and software release dates.

- **Summary of Changes to the 2016-2017 Paper** *Free Application for Federal Student Aid* (**FAFSA**®**) and FAFSA on the Web** – This section provides descriptions of the FAFSA and FAFSA on the Web Worksheet, including information about requesting and receiving paper forms and downloading electronic forms. It also describes changes to the 2016-2017 paper FAFSA and to FAFSA on the Web.

- **Summary of Changes to FAA Access to CPS Online** – This section provides information about FAA Access to CPS Online (FAA Access) enrollment requirements and changes to the FAA Access Web site.

- **Summary of Changes to the 2016-2017 Central Processing System** – This section provides information about changes to the Department of Education's Central Processing System (CPS). The following areas are described:
  - Database Matches
  - CPS Edits
  - Need Analysis
  - Application Output Sent to Students
  - Student Aid Report (SAR) Comments

- **Getting Help** – This section provides contact information for customer service and lists useful documents and Web sites you can access for additional assistance.

In addition to the annual 2016-2017 system updates we will implement in January 2016, we plan to release additional system updates intermittently. Scheduling intermittent releases enables us to continuously improve our Web sites and other systems.

We will describe enhancements implemented during the processing cycle in various future communications posted on the Information for Financial Aid Professionals (IFAP) Web site at ifap.ed.gov, including electronic announcements and updated guides and references.

Unless otherwise noted, we are implementing the changes described in this guide in January 2016, at the start of the 2016-2017 processing cycle.

Major Changes

Description of Major Changes

In this section, we describe major changes to the application processing system and Web products for 2016-2017, including updates and enhancements resulting from annual and legislative changes. You can find policy and operational guidance on the IFAP Web site.

Federal School Codes Listed on the ISIR and Displayed in FAA Access

Recently, we have become aware of possible misuse of the list of Federal School Codes provided on the ISIR. In response, we are changing how we provide Federal School Code information to schools and servicers on ISIRs and in FAA Access. We have designed a solution for 2016-2017 that allows us to send an ISIR to each school listed on the student's record and only include the Federal School Code of the school receiving the ISIR. In FAA Access, we now display only the school information associated with the Federal School Code entered by the user on the Destination/Federal School Code Entry page.

The Federal School Code information on the SAR *will not* change. Applicants will continue to receive SARs that list all the Federal School Codes selected on each transaction and will continue to have the same options for entering, updating, and viewing up to ten college choices in FAFSA on the Web.

If you are an FAA, you now see only the school information (Federal School Code, Name, and Housing Plans) associated with your school in FAA Correction Entry, Student Inquiry, and ISIR Compare and on the eSAR (PDF and HTML). All other Federal School Code and Housing Code positions will be blank. In addition, the Electronic Federal School Code Indicator and FAA Federal School Code fields are *always* blank and the Electronic Transaction Indicator (ETI) Flag is set to the ETI Flag of the school receiving the ISIR.

If the student has not included your school on a transaction, you can access the transaction in FAA Correction Entry by entering the student's Data Release Number (DRN), add your school's Federal School Code, and select a corresponding housing plan. However, if the student has already selected ten schools on that transaction, FAA Access now displays a message alerting you that you cannot add another school because the student already listed ten schools. If the

student wants to add your school, he or she can replace one of the ten schools with your Federal School Code by submitting a FAFSA correction.

Servicers may notice an increase in the number of ISIRs received because of this change. If you are a servicer for more than one Federal School Code selected by the student on a given transaction, instead of receiving one ISIR with multiple Federal School Codes as you did for a given transaction in prior processing cycles, you now receive multiple ISIRs and each ISIR has only one Federal School Code. All other Federal School Code and Housing Code positions will be blank. The only difference between the ISIRs you receive for that transaction is the Federal School Code. The ISIR is transmitted to the Destination Point (TG Number/Mailbox) of the main campus for the selected Federal School Code. The Electronic Federal School Code Indicator and FAA Federal School Code fields are *always* blank and the Electronic Transaction Indicator (ETI) Flag is set to the ETI Flag of the school receiving the ISIR.

We encourage you to watch IFAP for further communications describing these changes.

Improve the Accuracy of IRA and Pension Data

The FAA community has expressed concern that applicants are not accurately reporting untaxed portions of IRA distributions and pensions, and are therefore not receiving accurate EFC calculations. These inaccuracies result from applicants not subtracting rollover amounts from reported values. The IRS does not currently provide rollover amounts for applicants who use the IRS Data Retrieval Tool (DRT).

To improve the accuracy of the financial data used to calculate EFCs, we have modified the 2016-2017 FAFSA on the Web Finances pages for applicants and parents who report untaxed portions of IRA distributions or untaxed portions of pensions in amounts greater than zero. For those applicants and parents, the Student Finances pages (Student Finances 3 and Student Finances – Corrections) and Parents Finances pages (Parent Finances 3 and Parent Finances – Corrections), respectively, now display a message to inform the users that they must subtract rollover amounts reported to the IRS from the value they report on the FAFSA.

The new message is displayed when the untaxed portion amount is entered by the applicant or parent and when the untaxed portion amount is transferred using the IRS DRT.

If an applicant or parent changes the amount of untaxed portions of IRA distributions or pensions transferred from the IRS by deducting rollover amounts, the IRS Request Flag continues to reflect this change. The "Transferred from the IRS" notation is removed and the IRS Request Flag changes from **02** (IRS data was transferred from the IRS and was not changed by the user prior to submission of the application or correction) to **03** (IRS data was transferred from the IRS and changed by the user prior to submission of an application or correction).

Verification Enhancements

We continue to refine our verification process and to conduct statistical analysis to establish the most effective and efficient criteria for selecting applicants with the highest probability of error on their FAFSA submissions for verification. We describe the following changes to the verification process for 2016-2017 below:

- Eliminated Child Support Paid Verification Tracking Group (V3)
- New CPS System-Generated Transactions
- Verification Tracking Group Changes
- FAA Access Identity Verification Reporting
- Verification Tracking Groups

For further information about 2016-2017 verification, including a chart of the FAFSA information you must verify and acceptable documentation for each verification tracking group, see [Dear Colleague Letter GEN-15-11](#) and the [Federal Register Notice](#) published June 26, 2015.

Eliminated Child Support Paid Verification Tracking Group

We published [Dear Colleague Letter GEN-15-11](#) on June 29, 2015, which announced 2016-2017 FAFSA information that may require verification and acceptable documentation for verifying that information for selected students.

As noted in the Dear Colleague Letter, the CPS will no longer assign records to Verification Tracking Group **V3** (Child Support Paid Verification Group). We have determined that verifying only child support paid did not result in any significant changes to applicants' EFCs.

We announced previously that, beginning in 2014-2015, we would no longer assign records to Verification Tracking Group **V2** (SNAP Verification Group). However, applicants must verify child support paid and the receipt of Supplemental Nutrition Assistance Program (SNAP) benefits if indicated on the applicant's ISIR for records placed in Verification Tracking Groups **V1**, **V4**, **V5**, and **V6**.

For 2016-2017 transactions, we updated the description associated with Verification Tracking Flag **V3** to "FSA Use Only" in our guides and in FAA Access to CPS Online.

CPS System-Generated Transactions

Beginning with the 2016-2017 processing cycle, the CPS may generate new transactions for records meeting suspect identity or fraud patterns. A new Transaction Source/Type, **5Y** (Identity Verification), is now assigned to the transaction when the CPS finds a previously processed record subsequently meets the criteria for suspect identity or fraud patterns.

You can find the Transaction Source/Type in Student Inquiry on the Match Found, Transactions, FAA Information, and ISIR Compare pages and on the eSAR (PDF and HTML).

When a new transaction is system-generated, students and parents, if applicable, receive a SAR Processing Notification.

Verification Tracking Group Changes

In prior processing cycles, an applicant selected for verification remained in the original verification tracking group for the entire cycle. Beginning with the 2016-2017 processing cycle, the CPS may move applicants from previously assigned Verification Tracking Groups **V1**, **V4**, and **V6** to Verification Tracking Group **V5** based on corrections made to the applicant's record or other information available to Federal Student Aid. We believe that the number of applicants who may change verification tracking groups will be minimal.

We added a new Verification Selection Change Flag value of **C** (Change in Verification Tracking Group) to notify schools when the Verification Tracking Group changes to a different verification tracking group on a subsequent transaction.

We will continue to use Verification Selection Change Flag **Y** (Transaction is now selected for verification when the transaction being corrected was not selected). We will assign Verification Selection Change Flag **C** only when a prior transaction was selected for verification and the CPS is moving the new transaction to the **V5** Verification Tracking Group.

In FAA Access to CPS Online, you can find the Verification Selection Change Flag in Student Inquiry on the FAA Information and ISIR Compare pages and on the eSAR (PDF and HTML).

In addition, we now print a Verification Select Flag in the FAA Section on the SARs and SAR Acknowledgements mailed to students. The Verification Select Flag has the same valid values of **Y**, **C**, or **blank**.

Verification Tracking Groups

The 2016-2017 verification tracking flags and the verification tracking groups they represent are as follows:

   V1 = Standard Verification Group
   V2 = FSA Use Only
   V3 = FSA Use Only
   V4 = Custom Verification Group
   V5 = Aggregate Verification Group
   V6 = Household Resources Verification Group

FAA Access Identity Verification Reporting

Currently, the FAA Access Identity Verification Results tool, which FAAs use to submit identity verification results to the CPS, defaults to the most current school year.

To help you remember to change the selection to the correct school year when reporting results for a prior year, we have revised FAA Access for 2016-2017 to require you to select the appropriate school year before entering identity verification results.

To do this, we now display the word "Select" instead of a default school year, requiring you to think about and select the school year for which they are submitting verification results.

Need Analysis Income Threshold Increase

The income threshold for an automatic zero EFC has increased from $24,000 to $25,000 for the 2016-2017 Award Year.

2016-2017 Application Processing System Schedule

Schedule for the 2016-2017 Application Processing System

Date	Event
May 27, 2015 and August 4, 2015	The Secretary of Education announces the annual updates to the tables used in the statutory "Federal Need Analysis Methodology" to determine an applicant's Expected Family Contribution (EFC) for the 2016-2017 processing cycle on May 27, 2015 ([May 27, 2015 [80 FR 30217]](#)) and updated on August 4, 2015 ([August 4, 2015 [80 FR 80315]](#)).
September 3, 2015	Federal Student Aid announces the availability of the *[2016-2017 Application Processing System Specifications for Software Developers](#)* on the IFAP and FSAdownload Web sites. The *Application Processing System Specifications for Software Developers* provides CPS system edits that can assist you in designing and building your own software to communicate with Federal Student Aid.

Schedule for the 2016-2017 Application Processing System (Continued)

Date	Event
September 4, 2015	Federal Student Aid announces the availability of the *EDExpress for Windows Packaging Technical Reference* on the FSAdownload Web site. The *Packaging Technical Reference* provides instructions and record layouts for schools and other organizations that need to integrate their software or systems with the EDExpress 2016-2017 Packaging module (available January 2016). Record layouts are included for all imports from external systems, such as Packaging Import External Add, Packaging Import External Change, and Packaging Import Add Funds. Packaging module setup guidance and setup worksheets are also provided.
September 23, 2015	Federal Student Aid announces the availability of the *2016-2017 Electronic Data Exchange (EDE) Technical Reference* draft (including the ISIR Record Layout and ISIR Cross-Reference) on the IFAP and FSAdownload Web sites. The *EDE Technical Reference* provides programmer specifications and information that can assist you in designing or building your own software to communicate electronically with Federal Student Aid.
September 29, 2015	Federal Student Aid announces the availability of the *FAFSA MyStudentData Download guide* on the IFAP Web site. This guide includes the record layout for the FAFSA MyStudentData download file, which is available for students who file a FAFSA using FAFSA on the Web, have valid FSA IDs, and processed FAFSAs. The file includes a student's processed results in a machine-readable, plain text file.
October 6, 2015	Federal Student Aid announces the availability of the *EFC Formula Guide* on the IFAP Web site, pending final 2015 IRS tax legislation. This guide can be used to calculate an EFC.
October 16, 2015	Federal Student Aid announces the availability of *the CPS Test System User Guide* on the FSAdownload Web site. This user guide describes the CPS Test System, a system in which you can test electronic application and correction data transmissions from your system with the CPS (outside of the normal CPS production environment). The test system will be available on December 27, 2015.
October 28, 2015	Federal Student Aid posts an electronic announcement asking schools to remind applicants to update their e-mail addresses in the CPS by January 12, 2016, so that Renewal Reminders can be sent to the correct e-mail address.
October 30, 2015	The *2016-2017 Federal School Code List* is available online on the IFAP Web site and is updated quarterly.

Schedule for the 2016-2017 Application Processing System (Continued)

Date	Event
November 17, 2015	Federal Student Aid announces the availability of the *2016-2017 Electronic Data Exchange (EDE) Technical Reference* on the IFAP and FSAdownload Web sites. The *EDE Technical Reference* provides programmer specifications and information that can assist you in designing or building your own software to communicate electronically with Federal Student Aid. The *EDE Technical Reference* includes information about record layouts, required edits, printing, and reject messages.
November 17, 2015	Federal Student Aid announces the availability of the *2016-2017 SAR Comment Codes and Text* guide on the IFAP and FSAdownload Web sites. The *SAR Comment Codes and Text* guide provides the SAR comment codes, comment text, reject resolutions, and database match information.
Mid-November 2015	In preparation for the 2016-2017 processing cycle, postsecondary schools, high schools, libraries, and community agencies can begin to place orders for the FAFSA on the Web Worksheet from Federal Student Aid's online publications ordering system (FSAPubs) located at FSAPubs.gov. The worksheet is a tool to assist applicants and parents who complete their FAFSAs on the Web and generally follows the flow and logic of the online application. FSAPubs is your source for real-time information about Federal Student Aid's publications and their availability.
November 24, 2015	Federal Student Aid announces the availability of the *2016-2017 ISIR Guide* on the IFAP and FSAdownload Web sites. The *ISIR Guide* assists FAAs in interpreting applicant information from an ISIR.
Late December 2015	Federal Student Aid begins shipping orders of the 2016-2017 FAFSA on the Web Worksheet from Federal Student Aid's online publications ordering system located at FSAPubs.
December 27, 2015	The 2016-2017 CPS Web Applications Demo System is available at fafsademo.test.ed.gov. The user name is "eddemo" and the password is "fafsatest."
December 27, 2015	The CPS Test System is available. You can test electronic application and correction data transmissions from your system with the CPS (outside of the normal CPS production environment).
December 27, 2015	The PDF version of the FAFSA is available for download from FAFSA on the Web. Schools can also access the PDF from our Web sites, including FSAPubs.

Schedule for the 2016-2017 Application Processing System (Continued)

Date	Event
December 27, 2015	The PDF version of the FAFSA on the Web Worksheet is available to applicants on FAFSA on Web (fafsa.gov) and to schools on the IFAP Web site.
January 1, 2016	The 2016-2017 FAA Access to CPS Online Web site (faaaccess.ed.gov) is available to FAAs.
January 1, 2016	The 2016-2017 FAFSA on the Web site is available to applicants.
January 2, 2016	The 2016-2017 CPS begins processing.
January 2, 2016	EDExpress for Windows 2016-2017, Release 1.0, which includes Global, Application Processing, and Packaging functionality for the 2016-2017 processing cycle, is posted to the FSAdownload Web site.
Early January 2016	Applicants and parents can begin requesting up to three copies of the paper FAFSA from the Federal Student Aid Information Center.
January 12, 2016	For applicants to receive a 2016-2017 Renewal Reminder, any needed corrections to 2015-2016 applicant records must be made by January 12, 2016. These corrections can include updating e-mail address or resolving 2016-2017 renewal eligibility issues, such as rejects. For example, if an applicant does not have a 2015–2016 transaction with an EFC because all transactions have reject codes, the rejects must be corrected by January 12, 2016, to create a valid transaction so that the applicant receives a reminder notification for the new processing cycle.

You can continue to submit 2015-2016 applications and correction transactions for 2016-2017 renewal eligibility purposes after January 12, 2016, but affected applicants do not receive Renewal Reminders. These applicants have access to their renewal FAFSA data, however. |
January 15, 2016 – January 22, 2016	Renewal Reminders are sent to renewal-eligible applicants with a valid e-mail address who have not yet filed a 2016-2017 FAFSA.
January 2016	Federal Student Aid announces the availability of the final *2016-2017 Application Processing System Specifications for Software Developers* on the IFAP and FSAdownload Web sites.
February 7, 2016	The Internal Revenue Service Data Retrieval Tool (IRS DRT) is available to applicants.
Late March 2016	EDExpress for Windows 2016-2017, Release 2.0, which includes the William D. Ford Federal Direct Loan (Direct Loan), Federal Pell Grant (Pell Grant) and Teacher Education Assistance for College and Higher Education (TEACH) Grant modules for the 2016-2017 cycle, is posted to the FSAdownload Web site.

Schedule for the 2016-2017 Application Processing System (Continued)

Date	Event
Mid-June 2016	Direct Loan (DL) Tools for Windows, Release 16.0, is posted to the FSAdownload Web site. DL Tools is a supplemental software product for Direct Loan participants and contains Rebuild, Cash Management, and Compare functionalities for the 2014-2015, 2015-2016, and 2016-2017 cycles.
Late June 2016	The CPS accepts 2015-2016 paper and electronic FAFSAs and renewal FAFSAs until late June 2016. Watch the IFAP Web site for a Federal Register Notice with the final deadline. Electronic FAFSAs must be transmitted to and received by the CPS by midnight Central Time (CT) to meet the deadline.
Mid-September 2016	The CPS accepts 2015-2016 paper and electronic corrections until mid-September 2016. Watch the IFAP Web site for a Federal Register Notice containing more information about this deadline. Electronic corrections must be transmitted to and received by the CPS by midnight CT to meet the deadline.
Late June 2017	The CPS accepts 2016-2017 paper and electronic FAFSAs until late June 2017. Watch the IFAP Web site for a Federal Register Notice with the final deadline. Electronic FAFSAs must be transmitted to and received by the CPS by midnight CT to meet the deadline.
Mid-September 2017	The CPS accepts 2016-2017 paper and electronic corrections until mid-September 2017. Watch the IFAP Web site for a Federal Register Notice containing more information about this deadline. Electronic corrections must be transmitted to and received by the CPS by midnight CT to meet the deadline.

Summary of Changes to the 2016-2017 Paper Free Application for Federal Student Aid (FAFSA®) and FAFSA on the Web

2016-2017 FAFSA® and FAFSA on the Web Worksheet Availability

FAFSA®

While most applicants use FAFSA on the Web to apply for financial aid, paper application options are still available. The paper FAFSA is a ten-page form (six application pages and four instructional pages) used to apply for Title IV aid. The FAFSA is also available as a screen-fillable PDF document that can be printed and submitted by postal mail.

Paper FAFSA Request

Beginning in early 2016, applicants and parents can request up to three copies of the paper FAFSA (in English or Spanish) by calling the Federal Student Aid Information Center (FSAIC).

PDF FAFSA Availability

The PDF FAFSA is an official FAFSA that can be completed on the computer and printed, or it can be printed and completed manually. The printed and signed PDF FAFSA is mailed to Federal Student Aid for processing or, in some instances, can be delivered to a school where the student's application data is entered and submitted using FAA Access or third-party software. The signed FAFSA is stored by the school according to Title IV regulatory record retention requirements.

English and Spanish 508-compliant PDF versions of the 2016-2017 FAFSA will be available online for download in late December 2015 from the IFAP Web site. Schools can also access the PDF FAFSA from our Web sites, including FSAPubs (in late December 2015) and FAFSA on the Web (on December 27, 2015), by selecting the PDF link from the "Other Filing Options" link.

FAFSA on the Web Worksheet

The FAFSA on the Web Worksheet is a tool that applicants can use to prepare for completing the online application process. The FAFSA on the Web Worksheet is a paper or electronic PDF document that presents some of the FAFSA questions in the order in which they appear on FAFSA on the Web. This form is available for orders or can be printed from the Web.

The 2016-2017 FAFSA on the Web Worksheet is available for order by schools, libraries, and community agencies. We recommend you continue to remind applicants and their parents that the worksheet is not a FAFSA and is not processed as such if submitted.

FAFSA on the Web Worksheet Paper Request

Orders for the 2016-2017 FAFSA on the Web Worksheet can be placed beginning mid-November 2015. At that time, postsecondary schools, high schools, libraries, and community agencies can order copies of the FAFSA on the Web Worksheet on the FSAPubs Web site. Distribution begins in mid-December 2015. Additional worksheets can be ordered from the FSAPubs Web site throughout the processing cycle.

FAFSA on the Web Worksheet PDF Availability

The FAFSA on the Web Worksheet will also be available in PDF in late December 2015 on StudentAid.gov and the IFAP Web site, and on December 27, 2015, on FAFSA on the Web.

2016-2017 Paper FAFSA® Changes

This section describes changes and enhancements to the *paper* and *PDF* 2016-2017 FAFSA.

Note: At the time this document was posted, the 2016-2017 paper FAFSA was still in the final clearance process. As a result, additional changes to the form may be implemented that are not identified or described in this guide.

This year we adjusted the placement of the instructional data in the application. We moved notes from page 2 to the end of the application, prior to the other application notes. As a result, Page 2 became page 9, page 9 became page 10, and page 10 became page 2. After relocating the instructional information, we updated all references to notes pages elsewhere in the form to indicate the new location on page 9 or 10.

We also implemented the following changes to the paper FAFSA:

- **Colors** – The 2016-2017 FAFSA colors are orange for student information and purple for parent information.

   The student color of the FAFSA continues with the four-year color rotation of yellow → orange → green → blue. Purple continues to be the color for parent information.

Page 1

- **Filling out the FAFSA** – We added the text "or other unusual circumstances (such as high unreimbursed medical or dental expenses)" after "(such as loss of employment)."

- **Mailing Addresses** – Beginning with the 2016-2017 processing cycle, the English *and* Spanish versions of the paper *and* PDF versions of the FAFSA will be sent to the same mailing address.

- **Deadlines** – We made the following updates:

   – We reformatted the deadlines into a table with shading in alternate rows to make the deadlines easier to read.
   – We updated the dates for the deadlines based on communication from the State Grant agencies. We also added a new symbol, "$," to the key to make more room in the table. The text that corresponds to the "$" is "Awards made until funds are depleted."

Page 2

- **Where can I receive more information on student aid?** – We updated the last paragraph of the section to replace "religious organizations" with "faith-based organizations."

- **Where can I receive more information on student aid?** – We updated the question to read, "Where can I receive more information on student financial aid?"

- **When will I receive the aid?** – We updated the question to read, "When will I receive the student financial aid?"

- **How much aid will I receive?** – We updated the question to read, "How much student financial aid will I receive?"

- **How can I have more colleges receive my FAFSA information?** – We updated the last sentence to read, "If there are ten school codes on your record, each new code will need to replace one of the school codes listed."

- **How can I have more colleges receive my FAFSA information?** – We updated the numbered list to a bulleted list.

- **How much aid will I receive?** – We replaced the text, "Financial need is the difference between your EFC and your college's cost of attendance (which can include living expenses), as determined by the college," with "Financial need is the difference between the cost of attendance (which can include living expenses) as determined by your college, and your EFC."

- **"Information on the Privacy Act and use of your Social Security Number" Text** – We updated the Paperwork Reduction Act text and the public reporting burden estimate.

Page 3

- The masthead of this page was reversed; we moved the date to the right side of the page to help the FAFSA processor more easily determine which cycle year the form is for. This change was particularly helpful for FAFSA PDFs that are printed in black and white.

- **Revised Question 23** – We replaced the text to read, "(such as grants, loans, or work-study)" with "(such as grants, work-study, or loans)."

- **Revised Question 26, GED Option** – We added "or state certificate" to the end of the GED option so that it reads, "General Educational Development (GED) certificate or state certificate."

Page 4

- **Revised Question 28** – We updated the question text to read, "Will you have your first bachelor's degree before you begin the 2016-2017 school year?"

- **Revised Question 29** – We updated the question text to read, "What will your grade level be when you begin the 2016-2017 school year?"

- **Revised Question 30** – We updated the question text to read, "What degree or certificate will you be working on when you begin the 2016-2017 school year?"

- **Revised Question 37** – We updated the question to read, "Enter your (and spouse's) income tax for 2015. Income tax amount is on IRS Form 1040—line 56 minus line 46; 1040A—line 28 minus line 36; or 1040EZ—line 10."

- **Revised the Introductory Text for Questions 39 and 40** – We revised the tax information text to read, "Answer the questions whether or not a tax return was filed. This information may be on the W-2 forms or on the tax return selected in question 33: IRS Form 1040—lines 7 + 12 + 18 + Box 14 (Code A) of IRS Schedule K-1 (Form 1065); 1040A—line 7; or 1040EZ—line 1."

- **Revised Question 42** – We updated the question text to delete "Net worth means current value minus debt."

Page 5

- **Revised Question 44d** – We updated the question text to replace "Taxable student grants and scholarships" with "Taxable college grants and scholarships."

- **Revised Question 45i** – We made the following updates:

  – We inserted "benefits" after "disability" so the text reads, "…compensation, disability benefits, etc.…"

  – We replaced the "Workforce Investment Act" with "Workforce Innovation and Opportunity Act."

- **Revised Question 45j** – We updated the question text to insert "or other person" after "parent" so the question reads, "This includes money that you received from a parent or other person whose financial information…"

- **Revised Question 55** – We updated the question text to read, "Does someone other than your parent or stepparent have legal guardianship of you, as determined by a court in your state of legal residence?"

Page 6

- **Notes Before Step Five** – We updated the text to indicate that health professions students and law school students may be required by their colleges to fill out Step Four.

- **Revised Introductory Text for Step Four** – We made the following updates:

  – We added siblings to the list of people not considered parents on the FAFSA unless that person legally adopted the applicant.

  – We added the following Web site, StudentAid.gov/fafsa-parent, as another place for the applicant to obtain information on who is a parent for the FAFSA.

- Question 73, third bullet, updated to add "(even if they do not live with your parents)" after "other children."

Page 7

- **Revised Question 86** – We updated the question to read, "Enter your parents' income tax for 2015. Income tax amount is on IRS Form 1040—line 56 minus line 46; 1040A—line 28 minus line 36; or 1040EZ—line 10."

- **Revised the Introductory Text for Questions 88 and 89** – We made the following updates:

  – We revised the tax information text to read, "Answer the questions whether or not a tax return was filed. This information may be on the W-2 forms or on the tax return selected in question 33: IRS Form 1040—lines 7 + 12 + 18 + Box 14 (Code A) of IRS Schedule K-1 (Form 1065); 1040A—line 7; or 1040EZ—line 1."

  – We added the following sentence, "Report the information for the parent listed in questions 61-64 in question 88 and the information for the parent listed in questions 65-68 in question 89."

- **Revised Question 90** – We updated the question text to read, "As of today, what is your parents' total current balance of cash, savings, and checking accounts? **Don't include** student financial aid."

- **Revised Question 91** – We updated the question to delete the text, "Net worth means current value minus debt."

- **Revised Question 93d** – We updated the question text to replace "Taxable student grants and scholarships" with "Taxable college grants and scholarships."

- **Revised Question 94i** – We made the following updates:

  - We inserted "benefits" after "disability" so the text reads, "…compensation, disability benefits, etc.…"
  - We replaced the "Workforce Investment Act" with "Workforce Innovation and Opportunity Act."

Page 8

- **Revised Question 95** – We updated the second bullet to add "even if they do not live with you."

- **Revised Question 96** – We added the following sentence, "Do not include family members who are in U.S. military service academies."

- **Updated Step 6 Instructions** – We updated the question to address the order that schools are listed on the application and who receives the list of schools. The revised text reads, "Enter the six-digit federal school code and your housing plans for each college or school you wish to receive your FAFSA information. You can find the school codes at **www.fafsa.gov** or by calling 1-800-433-3243. If you cannot obtain a code, write in the complete name, address, city and state of the college. All of the information you included on your FAFSA, *with the exception of the list of colleges*, will be sent to each of the colleges you listed. In addition, all of your FAFSA information, including the list of colleges, will be sent to your state student grant agency. For federal student aid purposes, it does not matter in what order you list your selected schools. However, the order in which you list schools may affect your eligibility for state aid. Check with your state grant agency for more information. To find out how to have more colleges receive your FAFSA information, read *What is the FAFSA?* on page 2."

Page 9

- **Notes for questions 33 (page 4) and 81 (page 6)** – We updated the last two sentences to read, "If you filed a foreign return, convert all monetary units to U.S. dollars, using the published exchange rate in effect for the date nearest to today's date. To view the daily exchange rates, go to www.federalreserve.gov/releases/h10/current."

- **Notes for questions 38 (page 4) and 87 (page 7)** – We updated the exemption amount to $4,000.

- **Updated Notes for questions 42 and 43 (page 4), 45j (page 5), and 91 and 92 (page 7)** – We replaced the first paragraph that read, "Net worth means current value minus debt. If net worth is negative, enter 0" with the paragraph "Net worth means the current value, as of today, of investments, businesses, and/or investment farms, minus debts related to those same investments, businesses, and/or investment farms. When calculating net worth, use 0 for investments or properties with a negative value."

Page 10

- **Updated Notes for questions 54 and 55 (page 5)** – We updated the text to read, "Answer 'No' if you are still a minor and the court decision is no longer in effect or the court decision was not in effect at the time you became an adult. Also answer 'No' and contact your school if custody was awarded by the courts and the court papers say 'custody' (not 'guardianship')."

- **Updated Notes for questions 56-58 (page 5)** – We updated the text in the second to last paragraph.

- **Updated Notes for Step Four, questions 59-94 (pages 6 and 7)** – We updated the third bullet to remove the DOMA references.

- **Notes for questions 84 (page 6) and 102 (page 8)** – We updated the text in the fifth bullet to read, "is the spouse of an active duty member of the Armed Forces and is unemployed or underemployed, and is experiencing difficulty in obtaining or upgrading employment; or…"

2016-2017 FAFSA on the Web Changes and Enhancements

In this section, we describe the 2016-2017 changes to FAFSA on the Web. These topics include:

- Improve the Accuracy of IRA and Pension Data

- Edit to Prevent Same Identifiers for Parent 1 and Parent 2

- Require Entry of Marital Status Date When Marital Status Changes

- Include Instructions for Reporting Net Worth

- Clarified FAFSA Questions and Instructions

Improve the Accuracy of IRA and Pension Data

In the "Major Changes" section of this document, we discuss the changes made to improve the accuracy of the financial data used to calculate EFCs by modifying the 2016-2017 FAFSA on the Web Finances pages for applicants and parents who report untaxed portions of IRA distributions or untaxed portions of pensions in amounts greater than zero. For those applicants and parents, FAFSA on the Web now displays a message to inform the users that they must subtract rollover amounts from the value they report.

In Student Application Entry (Initial and Renewal) and Student Correction Entry, the message is displayed when:

- An applicant reports an amount greater than zero for untaxed portions of IRA distributions or untaxed portions of pensions on the Student Finances 3 page (Application Entry) and on the Student Finances – Corrections page (Corrections Entry)

- A parent reports an amount greater than zero for untaxed portions of IRA distributions or untaxed portions of pensions on the Parent Finances 3 page (Application Entry) and on the Parent Finances – Corrections page (Corrections Entry)

In both entry processes, the message is displayed when:

- An applicant or parent enters an amount greater than zero

- An amount greater than zero is transferred using the IRS DRT

If an applicant or parent changes the amount of untaxed portions of IRA distributions or pensions transferred from the IRS by deducting rollover amounts, the "Transferred from the IRS" notation is removed.

Edit to Prevent Same Identifiers for Parent 1 and Parent 2

To improve the accuracy of the financial data used to calculate EFCs, we added an edit to prevent applicants and parents from providing the same identifiers for Parent 1 and Parent 2. When the same identifiers are provided for Parent 1 and Parent 2, it is likely the financial information provided is also inaccurate.

When the conditions of the edit—Parent 1 SSN and Parent 2 SSN fields have the same value, excluding SSNs that are all zeros—are met, FAFSA on the Web displays a corresponding message on the Parent Demographics, Parent Demographics – Corrections, and List of Changes pages. The edit informs the applicant or parent that he or she must enter different identifiers for Parent 1 and Parent 2.

If a non-Web FAFSA is submitted with the same value in the Parent 1 SSN and Parent 2 SSN fields, a new comment code, **394**, is added to the applicant's SAR or eSAR (PDF and HTML). The new comment informs the applicant that he or she must enter different identifiers for Parent 1 and Parent 2.

Require Entry of Marital Status Date When Marital Status Changes

Our analysis shows that when applicants change a previously reported response for the Marital Status question in Student Renewal Entry or Student Correction Entry, they do not always update the previously reported response for the Marital Status Date question.

Beginning in 2016-2017, online applicants and parents are required to re-enter or change the marital status date if the response to the Marital Status question is changed and Marital Status Date is a required field.

The following FAFSA on the Web pages now require re-entry or modification to the marital status date when the response to the Marital Status question is changed and Marital Status Date is a required field:

- Student Demographics
- Student Demographics – Corrections
- Parents Demographics
- Parents Demographics – Corrections

Include Instructions for Reporting Net Worth

We made important updates to the FAFSA on the Web help topics to provide applicants and parents with examples of how to calculate the net worth of investments, businesses, and investment farms with a negative value. For an investment or property with a negative value, the examples use "0" in the net worth calculation.

Clarified FAFSA Questions and Instructions

We made the following updates to FAFSA on the Web questions and instructions that you reported to be problematic or a source of inaccurately reported FAFSA information:

- We reworded the following questions in Student Application Entry (Basic Eligibility), Student Correction Entry (Student Demographics), and the List of Changes:
    - What will your high school completion status be when you begin college in the 2016-2017 school year?

- What will your grade level be when you begin the 2016-2017 school year?
- What degree or certificate will you be working on when you begin the 2016-2017 school year?
- Will you have your first bachelor's degree before you begin the 2016-2017 school year?

- We rearranged "grants, loans, and/or work-study" as "grants, work-study, and/or loans" on the Basic Eligibility and Student Demographics – Corrections pages to reflect the preferred order in a financial aid package.

- We added information about states' preferences for listing schools for awarding state aid to the School Selection Summary page.

- We reworded the legal guardianship dependency status question as "Does someone other than your parent or stepparent have legal guardianship of you, as determined by a court in your state of legal residence."

- We added "law school or" to the statement "However, you may want to answer questions about your parents if you are a law school or health profession student (such as a medical or nursing student), or your school requires parental information from all students." We display this statement on the Dependency and Dependency – Correction pages to students whose dependency status is determined to be independent.

- We modified the instructions before the IRS Data Retrieval Tool (DRT) filtering questions and now explain that the questions determine if the tool can be used to transfer tax return information from the IRS into the FAFSA.

- We added "College" to the "College grant and scholarship aid reported" question in Student Application Entry (Parent Finances 3 and Student Finances 3), Student Correction Entry (Parent Finances – Correction and Student Finances – Correction), the Student Summary Report, the List of Changes, and the SAR (PDF and HTML).

- We added "or other person" after "parent" in the statement "This includes money that you received from a parent or other person whose financial information is not reported on this form and that is not part of a legal child support agreement." This statement follows the "Money received, or paid on your behalf (e.g., bills), not reported elsewhere on this form" question on the Student Finances 3, Student Finances – Corrections, and List of Changes pages.

- We added the word "benefits" to the "Other untaxed income not reported such as worker's compensation, disability benefits, etc." question in Student Application Entry (Parent Finances 3 and Student Finances 3), Student Correction Entry (Parent Finances – Correction and Student Finances – Correction), and the List of Changes.

- We modified the Household Size Worksheets by adding "(even if they do not live with your parents)" after "Your parents' children" on the parents' worksheet and by adding "(even if they do not live with you)" after "Your children" on the student's worksheet.

- We changed "religious groups" to "faith-based organizations" in the Scholarships help topic.

- We updated help topics related to dislocated workers to define "the spouse of an active duty member of the Armed Forces, unemployed or underemployed, and experiencing difficulty in obtaining or upgrading employment" as a dislocated worker.

- We changed "Workforce Investment Act" to "Workforce Innovation and Opportunity Act" in the Student's and Parents' Other Untaxed Income or Benefits help topics.

- The help topic about legal guardianship now instructs students to select **No** and contact the school if custody was awarded by the courts and the court papers say custody (not legal guardianship).

- We modified help topics to clarify terms related to parents' marital status.

We Value Your Comments and Suggestions!

Federal Student Aid continually seeks new and innovative ways to make applying for financial aid easier and more convenient for applicants and their parents. Some of the changes we made to the 2016-2017 paper FAFSA and Web applications were the result of feedback and comments we received from you. As always, we appreciate your contributions to improving our systems and processes and encourage you to continue to share your suggestions with us. We are particularly interested in ways to continue simplifying the paper and online FAFSA by eliminating unnecessary data collection.

We encourage you to watch the IFAP Web site in 2016, when we will post a Federal Register Notice requesting public comments on the 2017-2018 FAFSA.

Summary of Changes to FAA Access to CPS Online

Enrollment Requirements

FAA Access to CPS Online

To ensure your school can take full advantage of 2016-2017 enhancements at the beginning of the processing cycle, the Primary Destination Point Administrator (DPA) of the TG Number used to send and receive FAFSA and ISIR correction data should verify your FAA Access enrollment status.

If your school enrolled for 2015-2016, your enrollment carries over to 2016-2017.

Annually, your school's Primary DPA is required to actively confirm the FAA Access to CPS Online services and users associated with your school's TG Number. If you do not perform this confirmation when requested by Federal Student Aid, your staff's rights for FAA Access could be revoked, resulting in a "Primary DPA Validation Needed" error message when staff members attempt to access the site. We encourage you to monitor the IFAP Web site regularly for electronic announcements regarding active confirmation requirements.

If your school is not enrolled for CPS Online services, your school's Primary DPA can complete the enrollment for FAA Access to CPS Online services for your school, including access to Return to Title IV (R2T4) on the Web through the Student Aid Internet Gateway (SAIG) Enrollment Web site, located at fsawebenroll.ed.gov.

The Primary DPA must print a Federal Student Aid User of Electronic Services Statement to be signed by new users of FAA Access or R2T4 on the Web. While you are not required to mail Federal Student Aid User of Electronic Services Statements to FSA's Participation Management system, you must retain signed copies at your school in accordance with Title IV retention requirements.

To access FAA Access (faaaccess.ed.gov), you must use an FSA User ID and password. Any FAA Access user at your school who does not have an FSA User ID can acquire one by completing the following steps:

Step 1: Go to the [SAIG Enrollment site](#) and click the "FSA User ID Registration" link on the left side of the home page.

Step 2: Enter the identifying information requested and click "Submit."

Step 3: Follow the remaining steps, which include establishing a password and setting up challenge questions.

During the FSA User ID registration process, the user must verify the e-mail address on the SAIG Enrollment Web site. We will use this e-mail address to send the FSA User ID.

Note: As first explained in a [January 13, 2012 Electronic Announcement](#) on the IFAP Web site, we implemented a technology security initiative in 2012 called Two-Factor Authentication (TFA). Through TFA, when logging in to certain Federal Student Aid systems, including the FAA Access to CPS Online Web site, an authorized user is required to use a traditional user ID and password, as well as provide a one-time password (OTP). A registered token device in the physical possession of the user generates the OTP. We have completed our phased distribution of tokens and token registration/usage information to schools and most school users have successfully begun using TFA tokens to access FAA Access to CPS Online. If you have questions about TFA, send an e-mail to [TFA_Communications@ed.gov](#).

R2T4 on the Web

R2T4 on the Web is a non-year-specific application developed to calculate the earned and unearned portion of Title IV program assistance in accordance with section 484B of the Higher Education Act. At this time, we anticipate no changes to R2T4 on the Web for 2016-2017.

R2T4 on the Web is accessible through the FAA Main Menu of FAA Access and from the View menu in EDExpress.

Your staff members must enroll for FAA Access and Return of Title IV Funds to access R2T4 on the Web. The Primary or Secondary DPA of the TG Number currently used by your school to send and receive FAFSAs and ISIR corrections automatically has access to FAA Access and can add or modify rights. The Primary or Secondary DPA needs to enroll financial aid staff members for access to FAA Access and R2T4 on the Web.

Note: R2T4 on the Web cannot be used for a student who has received an Iraq and Afghanistan Service Grant. For these students, we provide a paper Return of Title IV Aid Worksheet that is available from the IFAP Web site ([ifap.ed.gov/ifap/titleiv.jsp](#)).

ISIR Analysis Tool

The 2015-2016 ISIR Analysis Tool and ISIR Analysis Tool Demo will no longer be available after March 2016. There will not be a 2016-2017 release.

EDExpress 2016-2017 FAA Access Interface

To access FAA Access (including R2T4 on the Web) through the EDExpress 2016-2017 interface, you must follow the same enrollment procedures and use the same FSA User ID and password login credentials as you would to access the sites using your Web browser outside of EDExpress 2016-2017.

You can save your TG Number, school code, and Application Save/Restore Password (used for initial applications only) in EDExpress FAA Access setup (**Tools**, **Setup**, **Global**, **FAA Access**) or enter them each time you connect to FAA Access through the FAFSA and Student Inquiry tabs in EDExpress. When you select these tabs, you are prompted for your FSA User ID and password, which are not stored in the EDExpress database and must be entered separately from your TG Number and school code.

FAA Access Application Processing Changes

In this section, we describe 2016-2017 changes in FAA Access. These topics include:

- Federal School Codes Displayed in FAA Access

- Edit to Prevent Same Identifiers for Parent 1 and Parent 2

- Identity Verification Results

- Clarified FAFSA Questions and Instructions

Federal School Codes Displayed in FAA Access

In the "Major Changes" section of this document, we discuss changes to how we provide Federal School Code information to schools and servicers on ISIRs. In addition, we are changing how we provide Federal School Code information to schools in FAA Access.

In FAA Access, you now see only the school information (Federal School Code, Name, and Housing Plans) associated with your school in FAA Correction Entry, Student Inquiry, and ISIR Compare and on the eSAR (PDF and HTML). The Electronic Federal School Code Indicator and FAA Federal School Code fields are *always* blank and the Electronic Transaction Indicator (ETI) Flag is set to the ETI Flag of the school receiving the ISIR.

If the student has not already included your school on a transaction, you can access the transaction in FAA Correction Entry by entering the student's Data Release Number (DRN), add your Federal School Code, and select a corresponding housing plan.

However, if the student has already submitted ten schools on that transaction, FAA Access displays a message to alert you that you cannot add another school. If the student wants to add your school, he or she can replace one of the ten schools with your Federal School Code by submitting a FAFSA Correction.

We encourage you to watch IFAP for further communications from Federal Student Aid discussing these changes.

Edit to Prevent Same Identifiers for Parent 1 and Parent 2

To improve the accuracy of the financial data used to calculate EFCs, we have added an edit to prevent FAAs from entering the same identifiers for Parent 1 and Parent 2 in FAA FAFSA/Renewal Entry or FAA Correction Entry. When an applicant provides the same identifiers for Parent 1 and Parent 2, likely the financial information provided is also inaccurate.

When the conditions of the edit—Parent 1 SSN and Parent 2 SSN fields have the same value, excluding SSNs that are all zeros—are met, FAA Access now displays a corresponding message to inform you that you must enter different identifiers for Parent 1 and Parent 2.

For non-Web FAFSAs that are submitted with the same SSN for both parents, a new SAR comment code, **394**, is added to the record and displayed on the eSAR (PDF and HTML), on the FAA Information page, and on the ISIR Compare page in FAA Access.

Identity Verification Results

The Identify Verification Results feature in FAA Access is the tool used to submit the required verification results for students flagged for possible identity fraud (Verification Tracking Groups **V4** and **V5**).

For the 2015-2016 processing cycle, we added the 2015-2016 school year to the FAA Access Identity Verification Results tool and redesigned the tool to default to the most current school year.

To help you remember to change the selection to the correct school year when reporting results for a prior year, we have revised FAA Access for 2016-2017 to require you to select the school year before entering identity verification results.

To do this, we will display the word "Select" instead of a default school year, requiring you to think about and select the school year for which you are submitting verification results.

Clarified FAFSA Questions and Instructions

We made the following updates to FAA Access questions and instructions that you reported to be problematic or a source of inaccurately reported FAFSA information:

- We reworded the "First Bachelor's Degree before 2016-2017 School Year?" question by replacing the July 1, 2016 date with 2016-2017.

- We added "College" to the "College grant and scholarship aid reported" question, which appears throughout FAA Access.

- We updated the Household Size Worksheets by adding "(even if they do not live with the parents)" after "The student's parents' other children" on the parents' worksheet and by adding "(even if they do not live with the student)" after "The student's children" on the student's worksheet.

- We added information about daily currency exchange rates to the Foreign Tax Return help topic.

- We changed "Workforce Investment Act" to "Workforce Innovation and Opportunity Act" in the Student's and Parents' Other Untaxed Income or Benefits help topics.

- We updated help topics related to dislocated workers to define "the spouse of an active duty member of the Armed Forces, unemployed or underemployed, and experiencing difficulty in obtaining or upgrading employment" as a dislocated worker.

Summary of Changes to the 2016-2017 CPS

Overview

This section describes changes to the following components of the CPS:

- Database Matches
- CPS Edits
- Verification Enhancements
- Need Analysis
- Application Output Sent to Students
- SAR Comments
- Mailing Addresses

Information about changes to the ISIR Record Layout is found in the *2016-2017 Electronic Data Exchange (EDE) Technical Reference*, which is available on the IFAP and FSAdownload Web sites.

Database Matches

Identity Matches

In 2016, we will begin to recheck processed records periodically when we determine there are new records or patterns added to our Suspect Identity File. Previously processed records will be checked against the Suspect Identity File to find any matching records that do not have a Suspect Identity Match Flag set. If a match is found, and the Suspect Identity Match has not been set, the CPS will create and send a system-generated ISIR transaction with a data source/type code of **5Y** (Identity Verification).

CPS Edits

We incremented the year references in data element field titles and year parameters in our edits by one year and revised edits for requirement changes. We adjusted new field values and also added and modified several CPS edits for 2016-2017.

- **Marital Status Edits** – We added an edit that will ensure the same PII (SSN, last name, first initial, and date of birth) cannot be entered for both Parent 1 and Parent 2. A new SAR comment, **394**, is now assigned to the ISIR when Parent 1 SSN and Parent 2 SSN fields have the same value, excluding SSNs that are all zeros.

- **School Code Edits** – We revised the school code and housing code correction edits for correction transactions submitted through electronic data exchange. When any of the following conditions are met on a correction transaction, the transaction is rejected, and no ISIR is generated:

  - A school can add only its own federal school code; it cannot add other schools or branches.

  - A school cannot delete another federal school code from a student's transaction.

  - A school cannot add its federal school code to a student's transaction that already includes ten federal school codes.

  - A school can change the housing status for its own federal school code; it cannot change the housing status for another school code.

The record is included in the EDE Record Level Error Report Import Record with a transaction reject error message. You can find the transaction reject error messages and record layout in the 2016-2017 EDE Technical Reference.

Verification Enhancements

We continue to refine our verification process and to conduct statistical analysis to establish the most effective and efficient criteria for selecting applicants with the highest probability of error on their FAFSA submissions for verification. We describe the following changes to the verification process for 2016-2017 below:

- Eliminated Child Support Paid Verification Tracking Group

- New CPS System-Generated Transactions

- Verification Tracking Group Changes

- Verification Tracking Groups

For further information about 2016-2017 verification, including a chart of the FAFSA information you must verify and acceptable documentation for each verification tracking group, see [Dear Colleague Letter GEN-15-11](#) and the [Federal Register Notice](#) published June 26, 2015.

Eliminated Child Support Paid Verification Tracking Group

We published [Dear Colleague Letter GEN-15-11](#) on June 29, 2015, which announced 2016-2017 FAFSA information that may require verification and acceptable documentation for verifying that information for selected students.

As noted in the Dear Colleague Letter, the CPS will no longer assign records to Verification Tracking Group **V3** (Child Support Paid Verification Group). We have determined that verifying only child support paid did not result in any significant changes to applicants' EFCs.

We announced previously that, beginning in 2014-2015, we would no longer assign records to Verification Tracking Group **V2** (SNAP Verification Group). However, applicants must verify child support paid and the receipt of Supplemental Nutrition Assistance Program (SNAP) benefits if indicated on the applicant's ISIR for records placed in Verification Tracking Groups **V1**, **V4**, **V5**, and **V6**.

For 2016-2017 transactions, we updated the description associated with Verification Tracking Flag **V3** to "FSA Use Only" in our guides and in FAA Access to CPS Online.

CPS System-Generated Transactions

Beginning with the 2016-2017 processing cycle, the CPS may generate new transactions for records meeting suspect identity or fraud patterns. A new Transaction Source/Type, **5Y** (Identity Verification), is now assigned to the transaction when the CPS finds a previously processed record subsequently meets the criteria for suspect identity or fraud patterns.

You can find the Transaction Source/Type in Student Inquiry on the Match Found, Transactions, FAA Information, and ISIR Compare pages and on the eSAR (PDF and HTML).

When a new transaction is system-generated, students and parents, if applicable, receive a SAR Processing Notification.

Verification Tracking Group Changes

In prior processing cycles, an applicant selected for verification remained in the original verification tracking group for the entire cycle. Beginning with the 2016-2017 processing cycle, the CPS may move applicants from previously assigned Verification Tracking Groups **V1**, **V4**, and **V6** to Verification Tracking Group **V5** based on corrections made to the applicant's record or other information available to Federal Student Aid. We believe that the number of applicants who may change verification tracking groups will be minimal.

We added a new Verification Selection Change Flag value of **C** (Change in Verification Tracking Group) to notify schools when the verification tracking group changes on a subsequent transaction.

We will continue to use Verification Selection Change Flag **Y** (Transaction is now selected for verification when the transaction being corrected was not selected). We will assign Verification Selection Change Flag **C** only when a prior transaction was selected for verification and the CPS is moving the new transaction to the **V5** Verification Tracking Group.

In FAA Access to CPS Online, you can find the Verification Selection Change Flag in Student Inquiry on the FAA Information and ISIR Compare pages and on the eSAR (PDF and HTML).

In addition, we now print a Verification Select Flag in the FAA Section on the SARs and SAR Acknowledgements mailed to students. The Verification Select Flag has the same valid values of **Y**, **C**, or **blank**.

Verification Tracking Groups

The 2016-2017 verification tracking flags and the verification tracking groups they represent are as follows:

    V1 = Standard Verification Group

    V2 = FSA Use Only

    V3 = FSA Use Only

    V4 = Custom Verification Group

    V5 = Aggregate Verification Group

    V6 = Household Resources Verification Group

Need Analysis

We updated the need analysis offsets and Income Protection Allowances (IPAs) based on legislative changes. The methodology for determining the EFC is found in Part F of Title IV of the Higher Education Act of 1965, as amended.

The income threshold for an automatic zero EFC increased to $25,000 for the 2016-2017 Award Year.

See the May 27, 2015 Federal Register Notice posted on the IFAP Web site for changes to the 2016-2017 need analysis tables and updated in the June 9, 2015 and August 4, 2015 Federal Register Notices. You can also consult the *2016-2017 EFC Formula Guide*, posted to the IFAP Web site on October 6, 2015, for more information.

Application Output Sent to Students

For each transaction processed at the CPS, an output document is sent to the applicant: a paper SAR, SAR Acknowledgement, or an E-mail Notification of SAR Processing with information to access SAR data on the Web.

- **SAR** – This document notifies the student of application and eligibility status and provides a paper-based means for correcting or confirming application data. Applicants can also request a SAR by calling the Federal Student Aid Information Center.

- **SAR Acknowledgement** – This document notifies the student of application and eligibility status; however, if corrections are needed, the applicant uses FAFSA on the Web or contacts the school to submit corrections through FAA Access or a mainframe system.

- **E-mail Notification of SAR Processing** – This e-mail notifies the student of application and eligibility status more quickly than the paper SAR or the SAR Acknowledgement. The applicant can view the SAR online and print the online SAR document as often as needed. The e-mail includes a link to the FAFSA on the Web Login page, where the applicant, after his or her identity is authenticated, can view and print the SAR.

For more information on how the CPS determines the type of output document sent to applicants, see Appendix D of the *2016-2017 ISIR Guide*, which can be downloaded from the IFAP and FSAdownload Web sites.

Each year, we make annual rollover changes, such as updating the cycle year references, deadline dates, question/item numbers, question text and answer changes on the FAFSA, tax line changes, and P.O. box numbers.

SAR Changes

- **Verification Select Flag** – We added a new Verification Select Flag to the FAA Section of the SAR. If the CPS selects the transaction for verification, a **Y** (Selected for Verification) or **C** (Change in Verification Tracking Group) prints in this field.

- **New Data Source/Type Field Value, "5Y"** – The new value, **5Y**, identifies a transaction that is CPS-generated for identity verification. The Data Source/Type code prints in the FAA Section of the SAR.

- **FAFSA Page Numbers** – The FAFSA layout has been revised and as a result, the references to the FAFSA page numbers have been updated to reflect these changes.

- **References to "PIN" and "Electronic Credentials" Replaced with "FSA ID"** – We replaced references to the PIN and electronic credentials with references to the FSA ID.

SAR Acknowledgement Changes

- **Verification Selection Flag** – We added a new Verification Select Flag to the FAA Section of the SAR Acknowledgement. If the CPS selects the applicant for verification, a **Y** (Selected for Verification) or **C** (Change in Verification Tracking Group) prints in this field.

Paper SAR and SAR Acknowledgement Changes

- **Color** – Paper 2016-2017 SARs and SAR Acknowledgements are printed on orange paper to match the color scheme of the 2016-2017 paper FAFSA.

SAR Comments

SAR comments appear on SARs that we mail to applicants and on eSARs that applicants view on FAFSA on the Web. The comment codes are printed on the ISIR report from EDExpress.

Each year we make annual rollover changes, such as updating year references, item numbers, and deadline dates. We also revise agency names and update mailing addresses and phone numbers where necessary.

Some of the more significant changes to the comment text are described below.

- **Deleted NSLDS Loan Contacts Information Comments –** We deleted comments 181 to 189; 192 to 194, 197, 199, 200, 204, 207, 208, 212, 219, 221, 225, 230, 233, 234, 236, and 237, which pertained to NSLDS defaulted loan contacts.

- **Added Comment 394 –** We added a new comment that is displayed when an applicant provides the same SSN information for two parents.

For a full listing of the 2016-2017 SAR comment code text and a description of changes to comment text, see the *2016-2017 SAR Comment Codes and Text* guide, located on the IFAP and FSAdownload Web sites.

Mailing Addresses

Beginning with the 2016-2017 processing cycle we are consolidating the mailboxes that are used for sending FAFSAs and SARs to the processor. English *and* Spanish versions of the paper *and* PDF versions of the FAFSA will be sent to the same mailing address. In addition, the English *and* Spanish versions of the SAR will be sent to the same mailing address.

Document	Mailing Address
FAFSA Paper and PDF English and Spanish (including Pacific Islanders)	Federal Student Aid Programs P.O. Box 7650 London, KY 40742-7650
Student Aid Report (SAR) English and Spanish	Federal Student Aid Programs P.O. Box 7651 London, KY 40742-7651
FAFSA on the Web Signature Pages English and Spanish (including corrections)	Federal Student Aid Programs P.O. Box 7652 London, KY 40742-7652

Getting Help

Customer Service

FSATECH Listserv

FSATECH is an e-mail listserv for technical questions about Federal Student Aid systems, software, and mainframe products.

For information on subscribing, go to ed.gov/offices/OSFAP/services/fsatechsubscribe.html.

CPS/SAIG Technical Support

800/330-5947 (TDD/TTY 800/511-5806) or 319/665-4762

Federal Student Aid maintains this call center to address questions about CPS processing, the FAA Access to CPS Online Web site, the CPS Web Applications Demonstration Web site, PC software such as EDExpress and EDconnect, SAIG enrollment and data transmissions, and to collect system enhancement suggestions.

Representatives are available Monday through Friday, 8 A.M. to 8 P.M. Eastern Time (ET).

E-mail: CPSSAIG@ed.gov

Federal Student Aid Information Center (FSAIC)

800/4-FED-AID (800/433-3243); 319/337-5665; or TDD/TTY 800/730-8913

E-mail: FederalStudentAidCustomerService@ed.gov

The Federal Student Aid Information Center (FSAIC) serves the public with information about the federal student aid application process. FSAIC customer service representative support is provided in English and Spanish and includes a toll-free telephone number, Interactive Voice Response Unit (IVRU) self-service, e-mail, or Live Help. Customers include students, parents, and FAAs seeking general information about federal grant and loan programs and assistance with the FAFSA (paper and FAFSA on the Web versions, including FSA ID assistance) and student aid processing timeframes.

Types of FSAIC assistance also include: FAFSA application status checks, completion of FAFSA and FAFSA corrections, requests to change addresses and Federal School Codes on the FAFSA, duplicate SAR requests, identification of student loan holders (including contact information), and Federal Student Aid publication fulfillment.

For specific hours of operation, including weekend and holiday hours, visit the StudentAid.gov Web site at studentaid.ed.gov/contact.

Reach FSA

855/FSA-4-FSA (855/372-4322)

This phone number provides a simplified way for the financial aid community to access these ten Federal Student Aid (FSA) School Contact Centers:

- Campus-Based Call Center
- COD School Relations Center
- CPS/SAIG Technical Support
- eZ-Audit Help Desk
- Federal Student Aid Research and Customer Care Center (RCCC)
- Foreign Schools Participation Division
- G5 Hotline
- NSLDS Customer Support Center
- Nelnet Total and Permanent Disability Servicer
- School Eligibility Service Group

Note: You can continue to use the specific phone number for each contact center.

CPS Web Applications Demonstration System

Demonstration versions of the FAFSA on the Web and FAA Access to CPS Online Web sites are available through the CPS Web Applications Demonstration System, a training tool for students, parents, and your financial aid staff.

This demonstration system offers most of the features of the production Web sites for FAFSA on the Web and FAA Access (R2T4 on the Web) and is preloaded with test data for your use.

The demonstration system will be available for use at fafsademo.test.ed.gov with 2016-2017 options on December 27, 2015.

Users can access the current and prior cycle's versions of our Web sites in the demonstration system. For the FAFSA on the Web feature, we display a tab for the previous cycle on the "My FAFSA" page. Preloaded demonstration data will be available for both cycles.

You can log in to the demo sites, when available, using the following user name and password:

- User Name: eddemo
- Password: fafsatest

Note: The user name and password fields are case-sensitive.

The FAA Login information is:

- Destination Code: TG99999
- Federal School Code: 001002

Other Helpful Documents

We encourage you to review other documents on the IFAP and FSAdownload Web sites for more information about changes to the 2016-2017 application processing system:

- *2016-2017 Application Processing System Specifications for Software Developers,* September 3, 2015: Provides CPS system edits that can assist you in designing or building your own software to communicate with Federal Student Aid. Available on the IFAP and FSAdownload Web sites. A final version will be posted in January 2016.

- *2016-2017 CPS Test System User Guide,* October 16, 2015: Describes Federal Student Aid's CPS Test System and the testing process and provides testing instructions for the mainframe test environment, as well as instructions for using the CPS Web Applications Demonstration (Web Demo) System. Available on the FSAdownload Web site.

- *2016-2017 FAFSA MyStudentData Download* guide, September 29, 2015: Describes the FAFSA MyStudentData Download file structure, including record layout and valid values.

- *2016-2017 EFC Formula Guide,* October 6, 2015: Provides worksheets and tables that can be used to calculate an estimated EFC for students. Available on the IFAP Web site.

- *2016-2017 Electronic Data Exchange (EDE) Technical Reference,* November 17, 2015: Describes the 2016-2017 EDE process and provides programmer specifications and information that can assist you in designing or building your own software to complement or take the place of the EDExpress software to exchange data electronically with Federal Student Aid. Available on the IFAP and FSAdownload Web sites.

- *2016-2017 SAR Comment Codes and Text,* November 17, 2015: Describes changes to the SAR comment codes and associated text for 2016-2017 and database match information. Available on the IFAP and FSAdownload Web sites.

- *2016-2017 ISIR Guide,* November 24, 2015: Provides in-depth information regarding the 2016-2017 ISIR. Available on the IFAP and FSAdownload Web sites.

- 2016-2017 FAFSA on the Web Preview Presentation, December 2015: Microsoft PowerPoint presentation containing information and screen shots pertaining to the 2016-2017 *FAFSA on the Web* site.

- English and Spanish versions of the FAFSA and FAFSA instructions will be available in December 2015 for download from ifap.ed.gov/ifap/processing/fafsaAndSARMaterialsPR.jsp.

- English and Spanish versions of the draft SAR and SAR Acknowledgement will be available in December 2015 for download from ifap.ed.gov/ifap/processing/fafsaAndSARMaterialsPR.jsp.

- English and Spanish versions of the 2016-2017 Student Aid Eligibility Worksheet, December 2015.

- English and Spanish versions of the FAFSA on the Web Worksheet will be available for download on December 27, 2015, from [FAFSA on the Web](). To access the worksheet, use the Search feature at the top of the FAFSA on the Web pages and search for "FAFSA on the Web Worksheet."

Federal Student Aid Web Sites

- CPS Web Applications Demonstration System: fafsademo.test.ed.gov
  The user name is "eddemo" and the password is "fafsatest."

- FAA Access to CPS Online (including R2T4 on the Web): faaaccess.ed.gov

- FAFSA on the Web: fafsa.gov

- Federal Student Aid Conferences Web site: fsaconferences.ed.gov

- Federal Student Aid Publication Ordering: FSAPubs.gov

- FSAdownload Web site: fsadownload.ed.gov

- FSATECH e-mail listserv subscription information:
  ed.gov/offices/OSFAP/services/fsatechsubscribe.html

- Information for Financial Aid Professionals (IFAP) Web site: ifap.ed.gov

- National Student Loan Data System (NSLDS) Professional Access Web site:
  nsldsfap.ed.gov

- Quality Assurance Web site: ifap.ed.gov/qahome/Default.html

- Student Aid.gov: StudentAid.gov

  - FSA ID: studentaid.ed.gov/fsaid

- Student Aid Internet Gateway (SAIG) Enrollment: fsawebenroll.ed.gov

- Training information and registration Web site for upcoming Fundamentals of Federal
  Student Aid Administration training opportunities and learning resources: fsatraining.info