Code C Resolutions and Data Conflict Issues

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Objectives

• C-Codes

• Data Conflicts

• Reference Material
C-Codes

• How to recognize C Code or comment code
• Difference between C Code and comment code
• How to resolve a C Code
• Materials available to you
How Is a Comment Code and C-code the same

• Comment Codes are printed on the front of an ISIR/SAR. They are the # and comments which follow

• Some comment codes result in a C-Code due to a failed data match

• Failed matches require resolution by the student and/or school
How to Recognize a C-Code

• “C” to the right of the EFC, top right of the page

2010-2011 Institutional Student Information Record

* IMPORTANT: Read ALL information to find out what to do with this Report. *

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EFC 00000 C

• SAR/ISIR displays the Comment Code and Text

138
The National Student Loan Data System (NSLDS) found your reported Social Security Number (SSN) (Item 8) on their database, but your name (Items 1 and 2) and date of birth (Item 9) did not match. Therefore, this SAR does not contain the financial aid history that is associated with your reported SSN.
ISIR/SAR Data Matches cont.

- Social Security Administration Citizenship Status
- Social Security Number
- Parent’s Social Security Number
- Veterans Affairs Veteran Status
ISIR/SAR Data Matches

• Selective Service

• Department of Homeland Security (DHS)
  -Primary and Secondary Verification
ISIR/SAR Data Matches cont.

- National Student Loan Data System (NSLDS)
- Drug Abuse Hold
- Drug Conviction Question #23

PDF List of Comment Codes that Generate the C-Flag Grouped by Data Match (2010-11 ISIR Guide Appendix B, Pg B-67)
Selective Service

• Registration required for male U.S. citizens and noncitizens

• Must be registered if born since 1960

• Can only register between ages of 18 – 25

• If not registered by 26th birthday documentation is required
Selective Service
Collect:

- Print-out of successful registration status from www.SSS.gov website

- Document the student was exempt from Selective Service registration

*Or, if unable to document exemption or successful registration, then*

- Have student request a Status Information Letter from Selective Service and keep on file if applicable or other supporting documentation

  - PDF “Who Must Register Chart”

  - PDF “Need a Status Information Letter or NOT?”

  - Adobe Acrobat Document

- Collect Statement from student explaining they did not willingly or knowingly fail to register

  - PDF Form to Request Status Information Letter
United States Citizenship and Immigration Services (USCIS)

• Student indicates eligible non-citizen
  - Status is confirmed with the USCIS, a division of Department of Homeland Security (DHS)

• Collect and keep on file:
  - Copy of Permanent Resident Card (Form I-551 or Form I-151)
  - Copy of I-94 form stamped by DHS with the endorsement:
    “Processed for I-551. Temporary Evidence of Lawful Admission for Permanent Residence. Valid until _______. Employment Authorized.”
  - Copy of Foreign Passport stamped by U.S. Department of State with a machine readable immigrant visa (MRIV)
    “UPON ENDORESEMENT SERVES AS TEMPORARY I-551 EVIDENCING PERMANENT RESIDENCE FOR 1 YEAR”
  - Copy of U.S. Travel Document annotated by USCIS
    “Permit to Reenter Form I-327”
  - Completed & returned copy of G-845S form from USCIS & accompanying documentation
United States Citizenship and Immigration Services (USCIS)

- Blank G-845S in PDF
- Where to Mail G-845S Form
- Interpreting the USCIS response
Social Security Administration
Citizenship Status

- Student indicates on application, U.S. Citizen.
- U.S. citizenship confirmed through the Social Security Administration
- *Not* sufficient to document U.S. Citizenship
  - Social Security card
  - Drivers License
Social Security Administration
Citizenship Status

• Acceptable forms of documentation
  - Birth Certificate
  - U.S. Passport (current or expired)
    Including wallet-size passport card
  - Certificate of Citizenship
  - Certificate of Naturalization
  - State Department Document:
    - FS-240 Consulate Report of Birth Abroad
    - FS-545 Certificate of birth issued by a foreign service post
    - DS-1350 Certification of Report of Birth
Social Security Administration

• Confirmation of
  - Name
  - Social Security Number
  - Date of Birth

• Name reported on FAFSA must match name as it appears on Social Security card
Veteran’s Affairs

- Veteran as defined by ED
  - Served in military active service with a character of discharge as anything other than dishonorable
  - Currently active duty, but who will be released before end of the award year
  - Member of National Guard or Reserve who was called up to active duty for purposes other than training
  - Student who attended a Military Academy

- Veteran’s status defined differently by ED and Department of Veterans Affairs
Veteran’s Affairs

• If Veteran Administration does not confirm status

  \[ \text{and} \]

  Considered independent only because of response to Veteran status

  \[ \text{then} \]

  ISIR will c-code and resolution will be required

  \[ \text{therefore} \]

Collect either of the following:

- Certificate of Release of Discharge from Active Duty (Form DD214)
- If still Active duty, then have student correct answer to question 54, “Are you currently serving as active duty in the U.S. Armed Forces for purposes other than training?”
Veteran’s Affairs

• If Veteran status is confirmed through Data Match, no resolution is required.

• If Veteran status is NOT confirmed through the data match, however student is independent for another reason, then no resolution is required.
Question 23 Drug Convictions

• Student self-certifies their eligibility of Title IV funds by answering question 23.

• If student answers “yes” or leaves question “blank”, student will receive a Drug Worksheet.
  - Applies via Web
  - FAA Submits
  - Paper

• Copy of Drug Worksheet must be signed and on file to document corrections made by FAA to the ISIR.

• If a data entry error occurred on behalf of school when entering FAFSA data, signed FAFSA showing answer as “No” is sufficient to document correction.
National Student Loan Data System - NSLDS

- Name, Date of Birth and Social Security Number matched with NSLDS data.
  - No Match found → No data indicated on ISIR
  - Match found → Results indicated on ISIR.

- Negative history results in C-code
  - Default
  - Overpayment
  - Exceeded Aggregate Loan Limits
  - Active Bankruptcy
  - NSLDS data mis-match
  - NSLDS post-screening

- Loan Status Codes -
Default

• Student loans in a current default status.

• Not eligible for ANY Title IV.

• Documentation needed to regain eligibility:
  - Default clearance letter from the lender showing repayment in full, or repayment through consolidation.
  or
  - Repayment arrangements made with lender. Student regains eligibility after a minimum of 6 (six) satisfactory payments have been made.
Overpayment

• Student owes an Overpayment

• Not eligible for ANY Title IV.

• Documentation needed to regain eligibility:
  - Clearance letter from school which reported the overpayment.
  Or
  - Clearance letter from ED
Aggregate Loan Limits

• Maximum outstanding Stafford loan debt:
  - $31,000* Dependent Undergraduate student.
  - $57,500* Independent Undergraduate student.
  - $57,500* Dependent Undergraduate student--parents do not qualify for PLUS.
  - $138,500 Graduate/Professional students.

  *No more than $23,000 of undergraduate aggregate can be in the form of Subsidized. ($65,500 graduate/professional)

• Use NSLDS and/or loan consolidation detail to determine Outstanding Aggregate loans borrowed.
Active Bankruptcy

• Title IV aid can not be denied to a student based solely on filing for bankruptcy.

• NSLDS Status Code DO
  - Not eligible, unless documentation is provided showing the loan to be dischargeable.

• NSLDS Status Code BK
  - Eligible, if non-defaulted loan listed.
NSLDS Data Mismatch

- Comment Code 138 (generates C-Code)
- Name or date of birth do not match NSDLS

Resolution:
- Verify NSLDS data belongs to student before awarding federal aid
- Obtain copy of social security card to confirm name and social security number
- Obtain proof of date of birth
  - Drivers License
  - Birth Certificate
- Contact NSLDS Customer Service Center
  - 1-800-999-8219 (option # 3)
NSLDS Post Screening

- Comment Code 004

- If C-code, make no further disbursements until resolved.

- CPS automatically generates new ISIR due to change in NSLDS history.

- Examples of Post Screening Changes:
  - Defaulted Loan or Default Resolved
  - Owes Overpayment or Overpayment Repaid/Cleared
  - Exceeded Aggregate Limits
  - Close to Exceeding Aggregate Limits
  - Active Bankruptcy
C-Code Reference Material

- Database Matches and Match Flags
  - (Appendix B from 2010-11 ISIR Guide)

- Loan Status Codes and Eligibility Charts
  - (Appendix C from 2010-11 ISIR Guide)

- FSA Handbook
  Volume 1 – Student Eligibility
    Chapter 2 – Citizenship
  Chapter 3 – NSLDS Financial Aid History
  Chapter 4 – Social Security Administration
  Chapter 5 – Selective Service

Proprietary and Confidential
Data Conflict Objectives

• Understand data conflicts
• Identify sources of data conflicts
• Review examples of data conflicts
• Materials available to you
Data Conflicts - Questions

• What is conflicting information?

- Information obtained which is different from information previously available to the institution which impacts a student’s eligibility for aid.

• Why is it important that we resolve data conflicts?

- Because it ensures that the right students (eligible students) receive the right (correct) amount of aid.

Questions and Answers taken from the 2003 EAC Conference Presentation, Resolving Conflicting Information When Determining a Student’s Eligibility presentation.

Proprietary and Confidential
Examples of What *is* Conflicting Information?

- Citizenship Status
- Accuracy of SSN
- Default or Overpayment Status
- Changes in Academic Progress (includes Grade Level Progression)
- Credentials Earned (High School Diploma, Bachelors Degree or Higher, etc.)

From 2009-10* FSA Handbook, Volume 2, Chapter 10, Page 2-123

*2010-11, Vol. 2, not yet available on IFAP.ed.gov
Examples of What *is* Conflicting Information?

- Cost of Attendance (COA) Elements
- Other Student Financial Aid Assistance or Resources
- Inconsistent Information used in Calculating the Student’s EFC
- Discrepant Tax Data

From 2009-10 FSA Handbook, Volume 2, Chapter 10, Page 2-123
*2010-11, Vol. 2, not yet available on IFAP.ed.gov*
Examples of What is *not* conflicting information?

- Household size different from number of exemptions
- Dependency Status Under IRS rules vs. Dependency Status Under ED Rules
- Assumptions Made by the CPS
- A FAFSA Filed Using Estimated Income.

From 2009-10 FSA Handbook, Volume 2, Chapter 10, Page 2-123
*2010-11, Vol. 2, not yet available on IFAP.ed.gov*
Examples of Sources of Conflicting Information

• Unsolicited Tax Returns, Tax Schedules, or W-2s

• Information Provided by the Student to the Financial Aid Office

• Supplemental Financial Aid Applications

• Other Offices within the School (Admissions, Academics, Registrar, etc.)
Examples of Sources of Conflicting Information

- SARs or ISIRs
- Verification
- C Flags
- Reject Codes
- Comment Codes
Discrepant Tax Data

- Although the ED does not expect FAA administrators to be tax experts, there are some basic tax rules that FAA administrators must know.

  - Whether or not a person whose information is reported on the FAFSA is:
    - Required to File a Federal Tax Return,
    - Filed the Correct Tax Form,
    - Filed Multiple Claims of Exemptions,
    - Filed Using the Correct Filing Status
Discrepant Tax Data

• Resources Available:
    (PDF includes pages from Pub 17 referenced by the FSA Handbook)
    

  - Filing Requirements for Most Taxpayers Table - 2009
What Constitutes Resolution of Conflicting Data?

- Determining which information is correct.
- Documenting the student’s file with your findings. School must maintain documents used to resolve conflicting data.
- Document why the decision is justified.
Examples of Conflicting Data and Resolution Required

• Both parent and dependent student claimed the student as an exemption on their federal income tax return.
  - Resolution: Student or parent must file an amended tax return.

• Married independent student and spouse both file federal tax returns using Head of Household filing status.
  - Resolution: Student and spouse must amend their filing status to ‘Married Filing Jointly’, or ‘Married Filing Separately’, or provide documentation that support eligible to file using ‘Head of Household’ filing status.
Examples of Conflicting Data and Resolution Required

• A student not selected for verification, the tax return is on file and information conflicts with items on the FAFSA.
  - Resolution: Full verification not required. Resolution of data conflicts required.

• Admissions information received impacts student eligibility (i.e., student accepted into a non degree program, student received scholarship from high school, student claims to earning income from work, household size, etc.)
  - Resolution: Make necessary corrections to estimated FA assistance for the DL and FFEL programs. Ensure no conflict exists among data elements reported on the application.
Other Data Conflict Notes

• **Disbursing Federal Student Aid**
  - NO federal student aid can be disbursed until *after* data conflict is resolved.

• **School Internal Systems**
  - System to identify conflicting information from other sources within the school.

• **Verification Exclusions**
  - Although an application can be exempt from verification if an exclusion is met, a school is not excused from resolving conflicting information for the application.
Other Data Conflict Notes

- **Professional Judgment**
  - FAA must resolve conflicting information *before* making any adjustments.

- **Subsequent ISIRs**
  - FAA required review all subsequent ISIR transactions for the processing year and resolve any conflicts.

- **Interim Disbursements**
  - An interim disbursement cannot be made if you have conflicting data.

- **Federal Work-Study**
  - Student with outstanding data conflict cannot be employed through the Federal Work-Study program.

- **Drug Offenses**
  - Student self-certifies their eligibility for federal student aid by answering the drug offense question on the application. FAAs do not need to confirm student’s answer, nor that student successfully completed a drug rehabilitation program, unless you have a data conflict.
Good Practices for Resolving Data Conflicts

• Do not collect tax information from every student aid applicant. Rather collect only from those selected for verification or those for which you have reason to believe inaccurate information was reported.

• $0 income reported with no explanation as to how the student/parent/family can live on $0 income (Your institution may want to consider developing an expense VS resource form to review $0 to low income reporting for the Calendar Year January–December).*

• If assets reported on the FAFSA are $0 or low but significant interest and dividend income or capital gains are reported on the U.S. Income Tax Return.*

• If the student or parents reported business/farm net worth but didn’t file a schedule C or Form 1120 or just didn’t supply it to the school.*

Timing for Conflicting Data Resolution

• Must resolve a data conflict as soon as you are made aware that a conflict exists, regardless if the processing year has ended.

• You cannot ignore a conflict unless,
  - the student is no longer enrolled
  - and, the student is not expected to re-enroll
  - and, no data conflict at time of disbursement already made on account
  - and, there are no outstanding late or post-withdrawal disbursements to be made on the account.*

*Reminder – Data conflict must be resolved prior to disbursing any federal student aid. This includes late and post-withdrawal disbursements.

• Discrepancy discovered after aid disbursed
  - Must resolve data conflict and require student to repay aid received for which he/she was not eligible.
  - Unless, no longer enrolled and will not re-enroll.
Data Conflict Reference Material

- 2009 IRS Publication 17 (updated annually)
  - download PDF copy at www.IRS.gov
  - order copy from IRS 1(800)829-3676
  - Slide 36 contains web link to IRS Pub 17.

- 2009 Filing Requirements for Most Taxpayers Table
  - Link to Slide 37

- Current Year FSA Handbook
  - www.IFAP.ed.gov

- Code of Federal Regulations
  - 34CFR668.16(b)(3) and (f)

- Online Review of Conflicting Information Policies
Thank You for Your Attention

Questions?

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