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Summary of Changes

# Application Processing System

2004-2005

U.S. Department of Education



F E D E R A L  
S T U D E N T A I D

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# Summary of Changes to the 2004-2005 FAFSA and Renewal FAFSA

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## Overview

This section provides information about the paper 2004-2005 Free Application for Federal Student Aid (FAFSA), including how to order quantities of the form from our Bulk Publication Ordering System. The following topics are covered in this section:

- Information about 2004-2005 FAFSA ordering and distribution,
- Description of changes to the 2004-2005 FAFSA,
- Description of changes to the 2004-2005 Renewal FAFSA, and
- FAFSA instructions for Pacific Islanders.

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# 2004-2005 FAFSA Ordering and Distribution

## When Can You Order FAFSAs?

You can order English and Spanish versions of the paper 2004-2005 FAFSA by going to our online Bulk Publication Ordering System (BPOS). You can access the system from our Schools Portal Web site at [fsa4schools.ed.gov](http://fsa4schools.ed.gov) and then select “Publications and How to Order” from the list of links on the left-hand side of the main page. Please note that you will need to provide your 8-digit OPEID number when placing your order.

Due to the dramatic increase in the number of students applying electronically for financial aid, we are again printing smaller quantities of paper FAFSAs for the upcoming year. Therefore, we ask you to voluntarily continue to reduce the number of 2004-2005 FAFSAs you order.

## FAFSA on the Web Pre-Application Worksheet

As we did last year, FSA has developed a *FAFSA on the Web Pre-Application Worksheet* for students who plan to use the Web to apply for financial aid. Some students like to complete a paper FAFSA to prepare for filling out the online FAFSA. However, because FAFSA on the Web allows some students who qualify for an automatic zero Expected Family Contribution (EFC) or the Simplified Needs Test (SNT) the option of skipping certain questions, the order of questions on the online FAFSA is different than the paper FAFSA. Therefore, it is very important to tell Web filers to complete the Pre-Application Worksheet instead of a paper FAFSA.

In response to our request for comments on the 2003-2004 worksheet, the financial aid community provided many helpful suggestions for improving this year’s worksheet. We were able to incorporate all of these suggestions, and the result is a much-improved worksheet for use by students and parents. In addition, FSA has developed a Spanish language version of the worksheet in 2004-2005.

FSA has posted printable versions of both the English and Spanish Pre-Application Worksheets on the Information for Financial Aid Professionals (IFAP) Web site at [ifap.ed.gov](http://ifap.ed.gov), on Student Aid on the Web at [studentaid.ed.gov](http://studentaid.ed.gov), and in this announcement as Enclosure E. We encourage you to print copies of the Worksheet from the IFAP Web site and distribute them to your students, or direct your students to Student Aid on the Web at [studentaid.ed.gov](http://studentaid.ed.gov), where they can print a copy. Beginning on January 1, 2004, when the 2004-2005 version of FAFSA on the Web becomes available, students will be able to print the Pre-Application Worksheet from Section 1 of the FAFSA on the Web home page at [fafsa.ed.gov](http://fafsa.ed.gov).

Please refer to the *2004-2005 Process Guide for Student Web Application Products*, posted on IFAP and in this announcement as Enclosure F, which describes in more detail the changes we are making to the 2004-2005 online FAFSA.

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## **2004-2005 Free Application for Federal Student Aid**

The 2004-2005 Free Application for Federal Student Aid (FAFSA) retains the core design of the 2003-2004 FAFSA. To further increase the clarity and simplicity of the form, we have reworded and reordered some questions and instructions, and have added a few new questions.

The FAFSA will once again include the one-page insert and return receipt postcard. The one-page insert has been revised this year to make the application process clearer to students and parents. In addition, to further promote program integrity and to ensure that accurate information is collected, wording has been added that instructs applicants to correct estimated income information on the FAFSA, once tax returns have been completed.

The chart that follows explains all of the items that have been changed or added to the paper 2004-2005 FAFSA.

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# Changes to the Paper 2004-2005 FAFSA

## Page 1

- **Colors** – The 2004-2005 FAFSA colors are pink for student information, and purple for parent information. The pink will be PANTONE 196 CVU and the purple will be PANTONE 263 CVU.

Pink is the next color in our four-year color rotation of green → blue → yellow → pink. Purple has been our stable color for parent information since the 1999-2000 FAFSA redesign.

- **Redesign** – The layout of the information has been redesigned. During our annual form usability testing, we found that students did not find the numbers in the left-hand margin to be very helpful in identifying various steps. Each section of important information is now highlighted with a heading, rather than a number, to make the form easier to use.
- **Deadlines** – This information has been moved to the top of the page under “Applying by the Deadline” and has been expanded to include more explicit information about federal and state deadlines. The last day for us to receive applications for 2004-2005 is June 30, 2005.
- **Estimated Tax Return Data** – We added wording that instructs students to correct estimated tax return data once tax returns are completed and/or filed.
- **State Deadlines** – All state deadlines have been updated for 2004-2005.

## Page 2

- **Notes for Questions 14-15** – The notes for responses to question 14 were reworded to clarify that the I-94 should confirm the applicant is paroled for a minimum of one year and the parole status has not expired.
- **Notes for Questions 29-30** – A note has been added to clarify that some states and colleges offer aid based on the level of schooling a parent completed.
- **Notes for Questions 33 and 71** – A Web site reference has been added to assist applicants with the conversion of foreign currency to U.S. dollars. This is useful for applicants who file foreign and Puerto Rican tax returns and must use exchange rates when converting financial information for reporting on the FAFSA.



- **Notes for Questions 43-45 and 81-83** – The notes have been further clarified to state that investments do not include cash, savings, or checking accounts that have already been reported in Questions 43 and 81.

## Page 3

- **Question 13** – The student’s e-mail address has been moved from Step Six to Step One, and the field has been increased from 35 characters to 40 (applicants may write up to 50 characters if necessary, and the address will still be processed). The pre-printed “@” symbol has been moved from the 17<sup>th</sup> to the 19<sup>th</sup> position, and any blank spaces before or after the “@” symbol are ignored by the processor. A new explanation of how the address will be used has been added, and applicants are advised that they will receive Student Aid Report (SAR) information through a secure Internet link if they provide their e-mail address in this question. If no e-mail address is provided, the student will receive a paper SAR.
- **Questions 29-30** – The questions about the highest school the applicant’s father and mother completed have been moved to just before the drug conviction question.
- **Question 31** – The drug conviction question is now Question 31.

## Page 4

- **Step Two** – All IRS line item references in Step Two have been updated to correspond with 2003 tax returns.
- **Questions 43-45** – The student’s asset net worth questions have been reordered to first ask about cash, savings, and checking accounts, before investments.
- **Question 49** – The wording for the graduate dependency question has been revised for clarity. The question now asks “At the beginning of the 2004-2005 school year, will you be working on a master’s or doctorate program...” rather than asking “During the school year...”
- **Question 53** – To clarify what it means to be an orphan, this question has been reworded and now asks “Are both of your parents deceased, or are you or were you (until age 18) a ward/dependent of the court?”

## Page 5

- **Questions 59 and 63, 60 and 64** – In anticipation of a possible 2004-2005 implementation of an Internal Revenue Service (IRS) income verification match, we have added several new questions in Step Four. Questions 59 and 63 ask for the parents’ first name initial, and

Questions 60 and 64 ask for the parents' date of birth. With the addition of the date of birth questions, we no longer need to ask a separate question about the age of the older parent.

## **Changes to the 2004-2005 FAFSA**

- **Questions 81-83** – The parents' asset net worth questions have been reordered to first ask about cash, savings, and checking accounts, before investments.

### **Page 6**

- **Independent Student Household Size and Number in College** – Questions 84-85 have been graphically redesigned, to make them more noticeable and less-easily skipped.
- **Housing Plans** – A graphic element highlighting the questions about housing plans has been added to draw attention to them.
- **Enrollment Question** – We reduced the five questions about enrollment plans to one (Question 98), and moved it from Step One to Step Six. It now asks for one enrollment status for all terms, and there is a separate response for “Not sure.”
- **Step 7, Certification** – The certification now includes a statement that the student cannot receive a Federal Pell Grant from more than one school for the same period of time.
- **Data Entry Use Box** – The title of this box was changed from MDE Use Only to Data Entry Use Only.

### **Page 8**

- **All Worksheets** – The statement “Report Annual Amounts” has been added to all worksheet headers.

### **Worksheet A**

- **Social Security Benefits** – We clarified that Social Security benefits for all household members should be reported.

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## 2004-2005 Renewal FAFSA

The format of the 2004-2005 paper Renewal FAFSA remains largely unchanged. As always, the form will be pre-populated with all of the data from the applicant's previous year's FAFSA, except income information and the cash, checking, and savings account responses. We have added and reworded questions to correspond with changes made to the paper 2004-05 FAFSA. A copy of the Renewal FAFSA and instructions are included with this letter as Enclosure B.

Like last year, the Renewal FAFSA instructions tell students that they can use their PIN to access and file their 2004-2005 Renewal FAFSA on the Web. As explained in the Renewal Application Data (RAD) Process Guide posted to IFAP (see the August 20, 2003 Electronic Announcement), a student that meets one or more of the following criteria will receive a Renewal Reminder instead of a paper Renewal FAFSA:

- The student is a fifth-year undergraduate or graduate/professional student,
- The student used the Web to file an application or to make a correction in 2003-2004,
- The student's school requested that the student receive a Renewal Reminder instead of a paper Renewal FAFSA, or
- New for 2004-2005, the student listed a valid e-mail address on his or her 2003-2004 FAFSA (either paper or electronic).

Students who provided an e-mail address on their 2003-2004 FAFSA will receive an e-mail reminding them to use their PIN to access their 2004-2005 Renewal FAFSA on the Web. For Renewal FAFSA purposes, this e-mail reminder will no longer include a URL for students to access their PIN on the Internet. However, the e-mail will include information about obtaining a duplicate from FSA if the student has lost or forgotten his or her PIN.

Students who did not provide an e-mail address on their 2003-2004 FAFSA will receive a paper PIN Mailer instead of an e-mail reminder. In 2004-2005, the paper PIN Mailer will include a tear-out wallet card containing the student's PIN.

Students who do not meet any of the above criteria will receive a paper 2004-2005 Renewal FAFSA instead of a Renewal reminder e-mail or paper PIN Mailer.

Please refer to the RAD Process Guide for complete details about the 2004-2005 Renewal application process (located on IFAP at [ifap.ed.gov/fafsa/0405RADProcessGuide.html](http://ifap.ed.gov/fafsa/0405RADProcessGuide.html)).

## Changes to the 2004-2005 Renewal FAFSA

Changes and enhancements to the paper Renewal FAFSA are summarized below:

- **Current Social Security Number (SSN) in Barcode Area** – We will print the student’s current SSN in the barcode area and the student’s last name on the second page in the Step Two heading.
- **Federal School Codes Listed in Step Six** – Rather than printing only the schools that made payments to the student as reported on the National Student Loan Data System (NSLDS) as we did last year, we will carry forward all school codes listed on the student’s 2003-2004 transaction used to create the Renewal application record.
- **Student’s Housing Plans** – Responding to requests from the community, we will roll forward housing plans for each school code listed, rather than leaving the response blank.
- **Convert Enrollment Status** – Because there is a single enrollment status question on the 2004-2005 FAFSA, the student’s five separate enrollment status responses from 2003-2004 have been converted to one. If students answered any 2003-2004 enrollment question as “full time,” “full time” is the pre-printed value. If they did not answer “full time” to any 2003-2004 enrollment question, we have left the field blank and students must answer it.
- **Parent’s Marital Status Date** – This is the second year this date has been collected on the FAFSA, so we have rolled forward the applicant’s response from 2003-2004.
- **Parent’s Social Security Number and Last Name** – To ensure that we have the correct identifiers for parents, we will not roll forward the parent’s SSN or last name from the 2003-2004 application. This information must be re-entered on the 2004-2005 Renewal Application. In the future, when a successful match is established with the Social Security Administration (SSA), we will carry the parent’s identifiers forward on the Renewal FAFSA.
- **Students Who Qualify for an Automatic Zero EFC** – We will no longer pre-print values for tax return fields, income fields, and the cash, checking, and savings account fields for applicants who qualified for an Automatic Zero Expected Family Contribution (EFC).

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## **FAFSA Instructions for Pacific Islanders**

As we did last year, we will not use a separate P.O. Box and zip code for applicants from the Pacific Islands who do not have Social Security Numbers. Pacific Islanders without SSNs must send their FAFSAs to the address printed on the paper FAFSA, which is:

Federal Student Aid Programs  
P.O. Box 4691  
Mt. Vernon, IL 62864-0059

The CPS will assign an identification number for students who indicate on their 2004-2005 FAFSA that their State of Legal Residence is one of the Pacific Islands, but do not provide a Social Security Number. As in previous years, these types of applicants are exempt from the Social Security Number match with the Social Security Administration.

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## **We Value Your Comments and Suggestions!**

Many of the changes we made to the 2004-2005 FAFSA and Renewal FAFSA were the result of feedback and comments we received from you. As always, we appreciate your contributions to improving the FAFSA and encourage you to continue to share your suggestions with us. We are particularly interested in ways to simplify the form by eliminating unnecessary data collection.

Please direct your comments and suggestions to:

U.S. Department of Education  
FAFSA Coordinator  
Application Processing, Students Channel  
Union Center Plaza  
830 First Street, NE  
Room 31C2  
Washington, DC 20202

Or send a fax to: 1-202-275-0492.

We also encourage you to watch IFAP this winter when we will post *Federal Register Notices* requesting public comments on the 2005-2006 FAFSA.

# 2004-2005 Application Processing System Schedule

## Schedule for the 2004-2005 Application Processing System

Date	Event
July 2003	Draft 2004-2005 ISIR record layout posted on IFAP and FSAdownload.
August 2003	Electronic announcement posted on IFAP describing changes to the 2004-2005 Renewal Application Process (RAPP); Renewal Application Data Process Guide posted on FSAdownload.
August 2003	In preparation for the Renewal Application Process, FSA sent a network message to schools asking them to remind students to update their mailing and e-mail addresses in the CPS.
September 2003	Updated Draft 2004-2005 EDE Technical Reference (including the ISIR Record Layout, and ISIR Cross Reference) posted on IFAP and FSAdownload.
October 2003	Schools can begin ordering 2004-2005 FAFSAs from FSA's online Bulk Publications Ordering System at <a href="http://edpubs.org/bpos">edpubs.org/bpos</a> .

## Schedule for the 2004-2005 Application Processing System (Continued)

Date	Event
October 6 – 31, 2003	Time period during which schools use FAA Access to CPS Online to request PINs, rather than paper Renewal FAFSAs, for those students eligible to participate in the Renewal Application Process (see 8/20/03 Renewal Application Process Electronic Announcement on IPAP for more details).
November 7 – December 19, 2003	The CPS sent Renewal Reminders directly to students via e-mail or paper PIN Mailers.
November 14 – December 31, 2003	CPS mailed paper Renewal FAFSAs to all other students eligible to participate in the 2004-2005 Renewal Application Process who did not receive Renewal reminders as noted above.
November 2003	The new <i>School Electronic Process Guide</i> posted on IFAP, describing changes to FAA Access to CPS Online, the 2004-2005 EDEExpress software, other EDESuite software changes, and Return of Title IV Funds on the Web. The new ISIR Datamart is also discussed.
November 2003	Electronic announcement posted on IFAP describing 2004-2005 changes to Student Web Application Products, including FAFSA on the Web and the PIN Web site.
November 2003	Final <i>2004-2005 EDE Technical Reference</i> posted to IFAP and FSAdownload.
November 2003	Federal School Code List mailed.
November 2003	<i>Guide to 2004-2005 ISIRs</i> posted to IFAP.
December 7, 2003	2004-2005 FAFSA on the Web and FAA Access to CPS Online Demonstration sites available at <a href="http://fafsademo.test.ed.gov">fafsademo.test.ed.gov</a> .  User Name is <b>eddemo</b> and password is <b>fafsatest</b> .
January 1, 2004	2004-2005 FAFSA on the Web, Renewal FAFSA on the Web, and Corrections on the Web available to students.

## Schedule for the 2004-2005 Application Processing System (Continued)

Date	Event
January 1, 2004	2004-2005 FAA Access to the CPS Online available to financial aid administrators.
January 2, 2004	2004-2005 Central Processing System (CPS) starts up.
January 2004	2004-2005 EDEExpress for Windows software, Release 1.0, with Global, Application Processing, and Packaging modules, available on FSAdownload Web site.
March 2004	2004-2005 EDEExpress for Windows software, Release 2.0, with the Direct Loan and Pell modules, available on FSAdownload Web site.
March 2004	Return of Title IV Funds (R2T4) on the Web available.
June 2004 (Phase 1) October 2004 (Phase 2)	ISIR Analysis (IA) Tool available.
July 2004	Direct Loan Tools software, Release 1.0 available on FSAdownload Web site.
July 2004	SSCR software available on FSAdownload Web site.



# Summary of Changes to the 2004-2005 Central Processing System

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## Database Matches Changes

### INS Match Renamed

The Immigration and Naturalization Service (INS) has been moved to the new Department of Homeland Security (DHS), so our INS match has been renamed the Department of Homeland Security match.

### Social Security Administration Match

In anticipation of a possible income verification match with the Internal Revenue Service (IRS), we have expanded the social security number (SSN) and date of death matches we do with the Social Security Administration (SSA). We now include parents of dependent applicants in the SSA match. This will help us ensure that the identifiers we send to the IRS for both students and parents are correct, should legislation be passed in time to implement an IRS income verification match during the 2004-2005 award year.

We will use the same match flag values for parents that we currently use for students. The match will work essentially the same, with the following three exceptions.

First, the parent's social security number will not be sent to SSA for matching if it is the same SSN as reported for the applicant. If this is the case, the parent's SSN will be set to "blank."

Second, if the SSA reports a date of death for the parent (match flag = 5), we will not reject the application. The student will receive a comment with instructions to correct the information if necessary.

Third, parents will be allowed to change their social security number if they need to, even if SSA returns a clean match flag of “4” (SSN, DOB, and name matched). This allows for errors the student may have made while completing the application.

A successful match for at least one parent must be received in order for student’s application not to be rejected and for an EFC to be calculated.

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## Changes to CPS Edits

We have added and modified several edits in the 2004-2005 Central Processing System (CPS). The changes we are making are as follows:

### Warning Edits

- **Student’s Parent Is Not Married; Two Parent Social Security Numbers (SSN) Reported.** We have added a warning edit when the parents’ marital status is not married, but two parent SSNs are provided on the paper FAFSA. Students who hit this edit will receive a comment on their SAR asking them to delete the identifiers for the parent who is not providing income and asset information on the FAFSA.
- **Rejects D and E Changed To Warning Edits.** Verifiable rejects D and E (dependent student and father’s/stepfather’s or mother’s/stepmother’s SSN is not in a valid range) have been changed to warning edits.
- **Parents’ SSN and DOB Match; Last Name Does Not Match.** If the father’s/stepfather’s or mother’s/stepmother’s SSN and DOB match with SSA, but the last name does not, the student will receive a comment to correct the parent’s last name, but the record will not be rejected.

### Rejects

- **Missing/Discrepant Parent Identifiers.** We have added several new rejects to address issues the new SSA parent database match will identify:
  - Reject 6 and 7—These are non-verifiable rejects that occur when an SSN reported for a parent is not found on the SSA database, and there is no successful SSA match for the other parent. A non-verifiable reject means the value must be corrected to a different value before an EFC can be calculated.
  - Reject 6 occurs when the SSN reported for the father or stepfather is not found in the SSA database and there is no successful SSA/SSN match for the mother or stepmother.

- **Reject 7** is the reverse condition of **Reject 6**: the SSN reported for the mother or stepmother is not found at SSA and there is no successful match for the father or stepfather.

In the case of a non-verifiable reject, a correction must be submitted and we will re-send the parent identifiers to SSA. If the new value matches SSA's records, an EFC will be calculated.

- **Rejects S and T**—These are similar to **Rejects 6 and 7**, except they relate to the parent's date of birth and are verifiable rejects. A verifiable reject means the information must either be corrected, or the same value must be re-entered, before an EFC can be calculated.
  - **Reject S** occurs when the father's/stepfather's reported date of birth differs from the date of birth associated with his SSN on file with SSA, and there is no successful match for the mother/stepmother.
  - **Reject T** is the same situation as **Reject S**, except it applies to the mother/stepmother. The mother's/stepmother's reported date of birth differs from the date of birth associated with her SSN on file with SSA, and there is no successful match for the father/stepfather.

In the case of a verifiable reject, if the reported value is incorrect, a correction must be submitted and we will re-send the parent identifiers to SSA. If the new value matches SSA's records, an EFC will be calculated.

If the reported value was correct, and the DOB on record at SSA is incorrect, the student or school must re-enter the parent's DOB and submit a correction. Although the DOB may still not match SSA's information, we will suppress the reject (on the current and all future transactions) and calculate an EFC. In order to avoid problems in subsequent years, or for other dependent children, the parent should take steps to correct the information with SSA.

- **Reject 9**—This reject has been modified to require not just an SSN from at least one parent, but also the parent's last name and date of birth. If the parents are married, both should provide all identifiers, but the record will only be rejected if one complete set is not provided.
- **Reject 12 Expanded for Dependent Students.** Currently, **Reject 12** applies to independent applicants and to the parents of dependent applicants, and is received when the reported amount of taxes paid is greater than or equal to the AGI. Dependent students who meet this criterion currently receive a warning edit. Beginning in 2004-2005, this reject will be applied to dependent students as well. As a non-verifiable reject, a change to AGI or taxes paid must be made before the reject can be cleared and an EFC calculated.

- **New Reject G for Dependent Students.** Another new reject for dependent students is Reject G, which is based on an edit we already perform for independent students and the parents of dependent students. For 2004-2005, if a dependent student reports a taxes paid amount that is less than AGI, but greater than 40% of the AGI, the student will receive verifiable Reject G.

In 2003-2004, dependent students receive a warning edit if these criteria are met, while independent students and parents receive Reject C. In 2004-2005, Reject C will continue to apply to independent students and parents of dependent students, and the new Reject G will apply to dependent students.

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## Other Notable Changes to the CPS

- **Duplicate Applications.** In 2004-2005, we will no longer accept duplicate paper applications. Currently, we do not accept duplicate FAFSA on the Web applications or duplicate applications transmitted through EDE. In 2004-2005, duplicate paper FAFSAs will also not be accepted. Instead, we will send a letter to applicants telling them that we already have an application on file and instructing them how to make corrections to their application information, if necessary.
- **Multi-Year Applicant Database.** FSA continues to develop procedures to ensure accurate data is reported on the FAFSA. In order to detect possible inconsistencies across application years, the CPS has been re-engineered to perform cross-year edit checks. Certain data from an applicant's 2003-2004 record will be compared to data from the 2004-2005 application, and a warning comment will be returned if an edit is hit. Possible reporting errors will be identified with this process, and applicants will be asked to review the data and make any necessary corrections.

A warning edit and comment may result if there is a significant change in the parents' number of family members or number in college, an independent student's number of family members or number in college, the parents' total income, or the parents' taxes paid. This will alert applicants on their SAR, and schools on the ISIR, to possible errors in the data, and further promote program integrity by ensuring accurate information. While we encourage schools to work with their students to resolve any possible errors, the comments are intended as warnings only, and do not require resolution on behalf of the institution.

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## Need Analysis Changes

The need analysis offsets and Income Protection Allowances (IPA) have been updated for 2004-2005. See the Federal Register Notice on IFAP, dated May 30, 2003, for details about changes to the 2004-2005 need analysis tables.

### Maximum Income for Automatic Zero EFC

In 2004-2005, the maximum adjusted gross income, or income earned from work, to qualify for the Automatic Zero EFC will once again be \$15,000. \$15,000 is the maximum amount of income that may be earned in 2003 to claim the Internal Revenue Service's "maximum federal earned income credit."

### Income Protection Allowances

#### *Student Income Protection Allowance*

In 2004-2005, the student Income Protection Allowances (IPA) are as follows:

**Student Income Protection Allowance (IPA)**

Type of Student	Income Protection Allowance
Dependent students	\$2,420
Single independent students without dependents other than a spouse	\$5,490
Married independent students without dependents other than a spouse, and spouse is enrolled in postsecondary school at least half time	\$5,490
Married independent students without dependents other than a spouse, and spouse is not enrolled in postsecondary school at least half time	\$8,780

### Student Income Protection Allowance (IPA)

Type of Student	Income Protection Allowance
Independent students with dependents other than a spouse	Use the Income Protection Allowances in the 2004-2005 EFC Formula Worksheets and Tables to determine the student's IPA (the IPA for independent students with dependents other than a spouse is based on household size and the number of college students in the household).

### ***Parent Income Protection Allowance***

To determine the Income Protection Allowance for parents, use the Income Protection Allowances in the 2004-2005 EFC Formula Worksheets and Tables, which are based on household size and the number of college students in the parents' household.

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## **Improvements to 2004-2005 Application Output Sent to Students**

As in 2003-2004, students will have the option in 2004-2005 of providing their e-mail address on both the paper and the online versions of the FAFSA. Students who provide a valid and legible e-mail address, and who provide all appropriate signatures on their FAFSA, will be sent separate e-mails that include personal and secure URLs linking them to their PIN or their SAR information on the Web.

Students who do not provide an e-mail address will continue to receive paper communications from us.

### **PIN E-mails**

Students who provide an e-mail address on their application will be sent an e-mail message containing an encrypted link to the PIN Web site. By clicking on the encrypted URL imbedded in the e-mail, and then providing their Social Security Number, date of birth, and first two letters of their last name (and pass-phrase, if they applied for a PIN from [pin.ed.gov](http://pin.ed.gov)), students will be able to view their PIN on the Web. For security reasons, students can access their PIN on the Web one time only.

E-mails with links to PINs will be sent only to those students who have not received a PIN from us already, either in response to a previous year's application or because they applied for a PIN from our PIN Web site. Students who have received a PIN from us previously, but have forgotten what it is, can request that we resend them their PIN by going to our PIN Web site at [pin.ed.gov](http://pin.ed.gov).

### **SAR E-mails**

Applicants who provide their e-mail address on their FAFSA will also be sent e-mails that contain a secure link to their SAR information on the Web. By clicking on the URL imbedded in the message, and providing their Social Security Number, date of birth, and first two letters of their last name, students can see all of their application processing results, including their EFC, income and asset information, NSLDS History Information, database match results, and all SAR comments associated with the transaction. Students can access their SAR information on the Web an unlimited number of times.

New for 2004-2005, in order to further promote a fully electronic application process, applicants who provide their e-mail address on their application (either paper or electronic), but do not

provide all required signatures, will receive an e-mail with a link to their SAR information on the Web, rather than a full paper SAR. The e-mail will tell students that they need to provide missing signatures before an EFC can be calculated and it will instruct them how they can sign electronically or print, sign, and mail in a paper signature page.

Note that one significant change for 2004-2005 is that if a student uses Corrections on the Web and is eligible for real-time corrections, a secure link to their reprocessed results will appear immediately on a confirmation page along with their official EFC. Students can click on the link to view and print their SAR information on the Web for the correction they just submitted. Because students can access their correction results immediately, we no longer need to send them a separate SAR or an e-mail with a link to their SAR Information on the Web.

## **Improvements to the Paper Student Aid Report**

A copy of the 2004-2005 Student Aid Report (SAR) is included with this action letter as Enclosure D. The SAR will follow the order of the questions as they are presented on the paper FAFSA. In addition, to match the color scheme of the paper FAFSA, the 2004-2005 SAR will be printed on pink paper.

Improvements to the 2004-2005 SAR are as follows:

- **Customized Text Blocks.** We have expanded the customized text blocks on Page 1 to further assist students with issues affecting their eligibility. We could not fit customized instructions to resolve student-specific data match issues on Page 1, so we created a message for these students that refers them to more specific comments on Page 3.
- **Parent's E-mail Address.** On the last page of the SAR we will print the parent's e-mail address. This is a new field on FAFSA on the Web, Renewal FAFSA on the Web, and Corrections on the Web. Students can correct their parent's e-mail address using Corrections on the Web or by calling the Federal Student Aid Information Center (FSAIC) at 1-800-4-FED-Aid. The field cannot be corrected on the paper SAR.
- **Duplicate Copy of SAR.** Instructions on the last page of the SAR have been added to tell applicants they can call the FSAIC to request a duplicate copy of their SAR. This duplicate SAR will be an actual reprint of the SAR data, including the NSLDS data, as it appeared at the time the transaction was created in the CPS.



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# Improvements to the 2004-2005 Institutional Student Information Record

The Institutional Student Information Record (ISIR) contains all information reported on the FAFSA as well as key processing results and NSLDS Financial Aid History information. As it has for the past few years, the ISIR record layout will follow the order of the paper FAFSA questions.

As noted earlier in this letter, we posted a draft 2004-2005 ISIR record layout on IFAP and on the FSAdownload Web site in July 2003. In addition, the ISIR record layout is included in the 2004-2005 Electronic Data Exchange (EDE) Technical Reference.

To get to the ISIR record layout, go to [ifap.ed.gov](http://ifap.ed.gov), On-Line References, Application Processing Materials, 2004-2005 Award Year. Or, go to FSAdownload at: [fsadownload.ed.gov](http://fsadownload.ed.gov) and select 2004-2005 Electronic Data Exchange Technical Reference.

## Changes to the ISIR

Changes have been made to the 2004-2005 ISIR based on data element changes on the FAFSA, in NSLDS, and at the CPS. These changes are summarized below:

### ***NSLDS Data Element Changes***

- **Subsidized Loan Limit and Consolidated Loan Limit Flags** – Two new flags have been added to set warning edits, based on information sent from NSLDS on aggregate loan limits. Each flag will contain one of three values:
  - E = Exceeded loan limit
  - C = Close to loan limit
  - N = No problem

Separate warning edits will be triggered for exceeding the loan limit and for being close to the loan limit.

- **Removed Value of “U” For MPNs** – The value of “U” or “Unavailable” has been removed for the MPN and PLUS MPN flags.
- **Unallocated Consolidation Loan** – The label for the Consolidated Loan fields has been changed to Unallocated Consolidation Loan.

## ***CPS Data Element Changes***

- **Override Code for Reject G** – This new reject for 2004-2005 is for dependent students who report the amount for taxes paid is less than the AGI, but greater than 40% of the AGI. It is a verifiable reject and can be overridden, which is indicated by the Override Code (valid values are 1 (Yes) and Blank).
- **Address Only Change Flag** – This new flag in the FAA Information section indicates whether the transaction is a result of an address or e-mail address change only. This should make it a simple process to quickly identify these types of transactions, and to decide whether contact information at the school should also be updated. Valid values are Blank (No change), 1 (Student’s mailing address corrected), 2 (Student’s e-mail address corrected), 3 (Parent’s e-mail address corrected), and 4 (More than one of the above corrected).
- **Match Flag For Parents’ SSN** – With the new parent SSN match with SSA, two new match flags have been added to the ISIR record to display the results: Father/Stepfather SSN Match Flag and Mother/Stepmother SSN Match Flag. These fields will have the same valid values as the SSN Match Flag for students.
- **Added Fields For Implementation of ISIR Datamart** – Flags have been added to the ISIR to indicate CPS “pushed” transactions. These pushed ISIRs may result from a change to the SAR C Code or to the student’s EFC, or they may be a system-generated transaction. The flags that will be set to assist with identifying these transactions are:
  - SAR C Change Flag (1 = SAR C Flag has changed)
  - CPS Pushed ISIR Flag (Y = Transaction automatically sent to school)
    - In cases of an EFC change, SAR C change, or system-generated ISIR
  - Electronic Transaction Indicator (ETI)
    - Set to indicate if the school receiving the ISIR generated the transaction or was listed on the transaction. Also indicates whether the type of ISIR is a daily, requested, or pushed ISIR.
- **Deleted Fields** – Due to processing changes, the following fields have been removed from the 2004-2005 ISIR:
  - Early Analysis Flag
  - Subsequent Analysis Flag
  - Duplicate Request Indicator
  - Electronic Application Entry Source
  - Input Record Type
  - Serial Number

- **New Data Source/Data Type Codes** – In the Office Information section of the ISIR, changes have been made to the Data Source/Type codes to make them more logical and precise. The fields will remain 2 bytes, but will now be alpha-numeric. The first byte is a number representing the data source, the second byte is a letter representing the data type. For example:

<b>Data Source</b>	<b>Data Type</b>
1 = Electronic	A = Application
2 = Student Web	C = Correction
3 = FAA Access	E = EZ FAFSA
4 = Paper	N = NSLDS Postscreening
5 = CPS	R = Renewal Application
6 = FSAIC	V = Verification Correction

There are 28 valid number/letter combinations, each representing a unique option. For more information, please see the ISIR record layout in the *2004-2005 Electronic Data Exchange (EDE) Technical Reference*, available on FSAdownload.

- **Verification Tracking Flag** – To give more specific information about the priority with which records are selected for verification, the Verification Tracking Flag has been expanded from 2 to 4 digits. Higher numbers continue to have higher priority for selection.
- **Multi School Code Flags** – This field, used by destination points that service more than one school, will continue to identify which school codes will receive the ISIR transaction. In addition, it will also identify which school originated the transaction, and indicate the type of ISIR that each school will receive (e.g. a daily, requested, or pushed ISIR.)

### ***The ISIR Record Format***

As described in Dear Colleague Letter GEN-03-09, posted to IFAP in July 2003, we have been working with our partners for approximately two years on the development and design of the Common Record standard to achieve consensus on an XML higher education standard. This standard will enable all stakeholders to receive maximum benefit from the adoption of XML technology, with better, faster, cheaper information exchange. One of the top priorities is to transition the format of the ISIR from a flat file to XML.

In order to ensure that we are publishing schemas following the same standard, and to minimize the burden of change for our customers, the XML ISIR will not be operational until 2005-2006. For 2004-2005, ISIR files will remain in flat file format. ISIRs will be offered in both the XML and flat file formats in 2005-2006. In 2006-2007, all schools will be required to receive ISIRs in the XML format.

## **ISIR Datamart**

Beginning with the 2004-2005 processing cycle, the ISIR Datamart is the centralized location and storage space for all ISIR data generated by the CPS. Schools, state agencies, and other authorized users receive ISIR distributions from the Datamart via the Student Aid Internet Gateway (SAIG). Schools have the option to receive “daily” ISIRs (referred to as “automatic” ISIRs in 2003-2004 and prior cycles) or to request specific ISIR records or groups of records from the Datamart. For a more detailed description of the ISIR Datamart, please see the 2004-2005 School Electronic Process Guide, available on FSADownload or on IFAP at [ifap.ed.gov/eannouncements/1114ElectronicProcGuide.html](http://ifap.ed.gov/eannouncements/1114ElectronicProcGuide.html).

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## Other Noteworthy News

### Federal School Codes

In November 2003, a 2004-2005 Federal School Code List was distributed to postsecondary institutions, high schools, and libraries. Schools can also search for a specific school's Federal School Code on FAFSA on the Web at [fafsa.ed.gov](http://fafsa.ed.gov) or on IFAP at [ifap.ed.gov](http://ifap.ed.gov).

### 2004-2005 CPS Mainframe Test System

Once again, the U.S. Department of Education is providing a CPS Test System for 2004-2005. The test system became available in mid-November 2003 and will be available through the end of August 2004.

The CPS Test System is designed to allow you to test electronic application and correction data transmission from your system with the CPS, outside the normal CPS production environment. The CPS provides test files of application records and matching ISIRs for you to use. As an alternative, you can submit and test application and correction records that you have created. To submit test correction records you have created, you will need to call CPS/WAN Technical Support for record IDs that will process successfully in the CPS Test System.

You may be interested in testing with CPS if you develop your own software or are a software development company supplying schools with software that sends data to, and receives data from, the CPS.

The User Guide, along with CPS-provided input and ISIR data, for the CPS Test System is available at the following URL:

**[fsadownload.ed.gov/CPSTestSys0405.htm](http://fsadownload.ed.gov/CPSTestSys0405.htm)**

For questions regarding the CPS Test System, please contact CPS/WAN Technical Support at 1-(800)-330-5947, or via e-mail at [cpswan@ncs.com](mailto:cpswan@ncs.com)

# Getting Help

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## Customer Service

### CPS/WAN Technical Support

Maintained by ED to address questions about CPS processing, EDEExpress and EDconnect software, SAIG enrollment, and data transmissions.

1-(800)-330-5947; TDD/TTY 1-(800)-511-5806

Representatives are available Monday-Friday, 7 a.m. to 7 p.m. Central Time.

E-mail: [cp Swan@ncs.com](mailto:cp Swan@ncs.com)

### Federal Student Aid Information Center

1-(800)-4-FED-AID (1-(800)-433-3243); TDD/TTY 1-800-730-8913

### FSATECH Listserv

Maintained by ED to address technical questions and issues about ED's Student Financial Aid systems and software.

For more information, see: [www.ed.gov/offices/OSFAP/services/fsatechsubscribe.html](http://www.ed.gov/offices/OSFAP/services/fsatechsubscribe.html)

## **FSAP Customer Service Call Center (CSCC)**

For Title IV program questions, application processing questions, and for assistance contacting other ED staff.

1-(800)-433-7327

Representatives are available Monday through Friday, 9 a.m. to 5 p.m. Eastern Time.

E-mail address: [fsa.customer.support@ed.gov](mailto:fsa.customer.support@ed.gov)

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## **Other Helpful Documents**

We encourage you to review other documents on IFAP for more information about changes to the 2004-2005 application processing system.

- Electronic Announcement, August 2003: Describes changes to the 2004-2005 Renewal Application Process.
- Electronic Announcement, November 2003: Describes changes and enhancements to 2004-2005 FAA Access to CPS Online and the EDEExpress suite of software.
- Electronic Announcement, November 2003: Describes changes and enhancements to student Web application products (the PIN and FAFSA on the Web sites).
- 2004-2005 ISIR Guide, November 2003.
- 2004-2005 EDE Technical Reference, September and November 2003.

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## **FSA Web Sites**

- For information about the Department of Education's 2003 Electronic Access Conferences, [edeworkshop.ncspearson.com](http://edeworkshop.ncspearson.com)
- Information for Financial Aid Professionals (IFAP) Web site, [ifap.ed.gov](http://ifap.ed.gov)
- FSATECH e-mail listserv, [www.ed.gov/offices/OSFAP/services/fsatechsubscribe.html](http://www.ed.gov/offices/OSFAP/services/fsatechsubscribe.html)
- FSAdownload Web site, [FSAdownload.ed.gov](http://FSAdownload.ed.gov)

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## Other Links

### **Enclosure A – 2004-2005 FAFSA and FAFSA Instructions**

[ifap.ed.gov/fafsa/0405FAFSA080803.html](http://ifap.ed.gov/fafsa/0405FAFSA080803.html)

### **Enclosure B – 2004-2005 Renewal FAFSA and Renewal FAFSA Instructions**

[ifap.ed.gov/fafsa/attachments/0405RAPP.pdf](http://ifap.ed.gov/fafsa/attachments/0405RAPP.pdf)

### **Enclosure C – 2004-2005 Question 31 Worksheet (Drug Worksheet)**

[ifap.ed.gov/fafsa/0405DrugWorksheets.html](http://ifap.ed.gov/fafsa/0405DrugWorksheets.html)

### **Enclosure D – Draft 2004-2005 Student Aid Report (SAR), SAR Acknowledgement**

[ifap.ed.gov/sarmaterials/0405DraftSARMockUps.html](http://ifap.ed.gov/sarmaterials/0405DraftSARMockUps.html)

### **Enclosure E – 2004-2005 FAFSA on the Web Pre-Application Worksheet (English and Spanish versions)**

[ifap.ed.gov/eannouncements/1029FOTWebWksheetAppli0405.html](http://ifap.ed.gov/eannouncements/1029FOTWebWksheetAppli0405.html)

### **Enclosure F – 2004-2005 Process Guide for Student Web Application Products**

[ifap.ed.gov/eannouncements/1125ProGuideforStudentWebApp0405.html](http://ifap.ed.gov/eannouncements/1125ProGuideforStudentWebApp0405.html)