

How To Tackle Verification In The FAFSA Process Webinar

Speaker 1: Thank you for joining today's how to tackle verification in the FAFSA process. At this time, I'll turn it over to Maisha Challenger. Myesha, please go ahead.

Maisha Challeng...: Thank you so much. Hello, everyone. We would like to welcome you to our FSA webinar series. My name is Myesha Challenger and I'm an awareness and outreach specialist here at [inaudible]. Our webinar topics for the month of March is entitled: How to Tackle Verifications in the FAFSA Process. We are extremely excited to have as our presenter today, Kerri Moseley-Hobbs, policy specialist, policy implementation and oversight director [inaudible] here at FSA. A few housekeeping notes.

All questions during the presentation should be sent to the following email address: fsaoutreachwebinars@ed.gov. We'll have a slide later on that will provide the email, but for now the email for submitting your questions is: fsaoutreachwebinars@ed.gov. At the conclusion of the webinar, we'll share some of the questions and answer and give our presenter an opportunity to provide additional information. It is important to note that for those who are unable to join this webinar in real time today, it will be recorded and available on our digital platform, financial aid toolkit website, in one to two weeks.

We will also provide you all with a PDF version of the slides, along with a brief survey at the duration of the webinar. Now, it's important to understand that verification is always an interesting topic, and individuals don't ever, sometimes have question on how to navigate it. We know this is an amazing topic and that's why we wanted to provide you with a webinar today, but let's get started. Next slide.

Today again, Kerri will talk about some hot topics related to verification, verification history, 2020/2021 verification, and then the current cycle, our 2021/2022 verifications, and then verification rates. We've got a lot of great information she's going to share. Next slide.

For those that ... I know earlier I was mentioning the email address, but here it is on the slide. Submit your question at fsaoutreachwebinars@ed.gov. We have some amazing colleagues standing by, answering questions that come in, and we will provide some of those questions to our speaker, again at the duration of the webinar. Next slide. Kerri, I'm going to turn it over to you.

Kerri Moseley-H...: Thank you, Maisha. Welcome, everyone. As we move forward, I'm actually going to try to get through this subject in about 30 minutes so that I can give you an opportunity to ask questions. That being said, if you have questions while I feel like I'm sitting here talking to myself because I can't hear you guys, you can do one of two things. You can send my positive vibes through the universe and I can work on developing my superpower that my six-year-old self wanted me to develop, so I can start my small business while providing hero opportunities for people out there in the world, or

you can go ahead and email Maisha your questions to the email that she provided, and we will have 30 minutes or so to get through them.

I'm also going to ensure that when I go through each of the subjects, I'm really going to focus on the most common questions and comments that we get at a policy level, to make sure that we really address the real questions that most of you are going to have, and then we'll see what's leftover at the end of the presentation. We're going to start off with hot topics. Next slide.

This section is not going to cover any adjustments, waivers, or allowances that we provided because of the Covid-19 national emergency. We have an entire team devoted to the Covid-19 epidemic, and all of the waivers, adjustments, and allowances that we provided, that team actually puts all of that guidance and all of that information into one place, on studentaid.gov. If you want additional information about how things have changed because of Covid-19, please go to studentaid.gov to get that information. I might touch on some small things, adjustments, as we go throughout. Next slide.

One of the biggest things that everyone talks about is recent legislation that's going to change not only the FAFSA, but potentially the verification process. The first thing that passed on December 19th, 2019, was the fostering undergraduate talent by unlocking resources for education, also known as the Future Act. [inaudible] the biggest takeaway from the Future Act, is it allows federal student aid, or FSA to have a direct data sharing between us and the IRS, or the Internal Revenue Service. That is going to allow that your tax information is going to be put directly into the FAFSA application.

That way, you don't have to worry about whether or not you're using the right documentation. If you're using your federal tax return or tax transcript that you obtain from the IRS [inaudible] line items and put into the FAFSA, it really takes away the burden for you having to figure that out. Right now, what's available in the FAFSA is a tool called the IRS Data Retrieval Tool, or the IRS DRT, and that requires you to take active steps in order to go over to the IRS database, identify yourself, and get your tax information, and then get permission to bring that tax information over to the FAFSA application. When the Future Act is fully implemented, we're just going to connect directly to the IRS and you won't have to take an action.

That's also going to reduce the possibility of you being selected for verification by federal student aid, because you may have an error in your income or tax information that you reported on the FAFSA. If we know we're going to get the information straight from the IRS, we're going to assume that it's going to be accurate, so the verification selection rate's going to go down slightly. Next slide.

I'm going to give you a little bit of history about verification. I'm going to give you as much history as I can, because if you noticed, I'm not necessarily somebody edging up on retirement. I do have a well-rounded, long history with financial aid. Before I came to the department of education office of federal student aid, I did work in a financial aid office for almost 15 years. I'm bringing with that, and then all of the wonderful people that I was able to work underneath here at federal student aid, some of which was around when verification started at the school level. Next slide.

Verification was pretty much expanded with the program [inaudible] regulations that started in 2012, 2013. What we did then is we added verification tracking groups. Before then, an application was selected for verification and we just had a list of all the items that you had to verify on a student's FAFSA application, or if you're a student it would be your student aid report, which is the SAR, or if you're the

school it would be the institutional student aid record, which is the ISAR. Before, we just had a list and every FAFSA application selected for verification had to verify the same items.

Beginning in 2012/2013, we broke those up into verification tracking groups, so that we can really target what about that application [inaudible] questioning. On verification groups V1, we were looking at income and tax information. On V4, we were looking at high school identity educational intent, and then four plus one is five, so on V5 we were looking at both of them. We will continue to use tracking groups for the foreseeable future. We will adjust the tracking groups as needed, so if you remember V2 used to be SNAP. We stopped verifying SNAP, and so V2 is not being used. It's just a placeholder. If we created another verification group, we would not use previous verification groups. We would just create another one. The next in line would be V7.

[inaudible] verification tracking groups are added and deleted over the last six years. There is no anticipation to add any verification tracking groups in the next year or two, but we change verifications slightly with the upcoming FAFSA simplification act that passed December of 2020. Next slide.

2020/2021 verification. This is going to last from July 01, 2020 through June 30, 2021. This award year we're about to review is actually coming to an end. Most of you are not dealing with verification for 2020/2021 anymore. We're still going to cover it in case you are still dealing with it, in the event that you're thinking about summer classes. If you're thinking about summer classes, you may still be dealing with the 2020/2021 FAFSA year. Generally, the 2021/2022 FAFSA year, there's not many changes between the year we're about to talk about and the upcoming school year that's going to start July 01, 2021. We can just use it as a baseline. Next slide.

An institution may request that applicants submit a text transcript as documentation for income and tax information, or a signed copy of the income tax return [inaudible] applicable schedules is also acceptable. We made that change because in the basis of verification we ask that the student or the parent get a copy of their tax transcript from the IRS. That is the way to ensure the most accurate information. However, we understand and we hear that those documentation requests from the IRS are not always processed in a timely manner that meets a school's verification deadline. In the event that you're asking for documentation last minute, or especially if you were asking for documentation during the Covid-19 event.

Not only do we know that the mail was slowed down, but we also know that the IRS had interruptions just like every other federal organization, and [inaudible] organizations during the Covid period. We allowed some adjustments where you can use a copy of the income tax return. In case you don't know the difference between a transcript and an income tax return, with a transcript you're going to have to get directly from the IRS. The income tax return, when we say that, it's the record that you have as an applicant or a parent, from when you filed your tax return.

For example, if you used Turbo Tax and you log into Turbo Tax and you look to get or print a copy of your tax returns, that's what that is talking about. You can print that out and that's called a copy of your income tax return. It's not coming directly from the IRS, but it is your record. If you use a tax [inaudible] and they pretty much just gave you a copy of your 1040 or your different schedules that you may have also filed with your taxes, that is also considered a copy of your income tax return. You'd be able to use that also. In order to submit a copy of your tax return, please wait for your school to ask you to submit a copy of your tax return.

Most schools do ask for a tax transcript upfront or that you at least attempt to get one before they allow you to use the income tax return. They actually do have the authority to do that. Just double check with them, to make sure that you're at a point where they would accept the income tax return. The institution may not require a tax return in lieu of a signed copy of the transcript, unless the institution has concerns about the validity of the tax returns. That means the school can't tell you, if you try to get the transcript and you say, "Okay, I want to submit the income tax return," the school cannot say to you, "We won't accept the income tax return." They must accept the income tax return if you weren't able to get the transcript.

In circumstances where the schools question the validity of the tax return, the institution may require a text transcript or other documentation that we specify in the federal register notice, that FSA, department of education publishes every year, to outline what documentation is required for verification, and what data elements are subject to verification. If the institution refuses your copy of your tax return because they question the validity of it, they have to document why they questioned it, in order to demand that you submit a text transcript. Next slide.

Here are some additional verification resources. The federal register notice that I just mentioned for the 2021 award year, is available at that link that is there. We also have a dear colleague letter that attaches to that federal register notice that lets you know of any changes for that applicable tax year, and gives any additional information that might be useful for verification for 20/2021. We also have the FAFSA verification suggested text. What that is, is that there are certain things that schools have to verify outside of income and tax information. That for example, is household size. It might be high school completion. We have suggested language that a school may want to use on a school letterhead or documentation, to request that information from you.

The reason why it's called suggestive text is because they're not required to use that information. There's only one documentation where they're required to use our language, and that is for the statement of identity and educational intent, because it has to be notarized. We also have information about IRS tax return transcript matrix, that really helps the schools use the text transcript that you submit, in order to align it with the ISAR, which is their copy of the FAFSA application, to complete verification. We try to line it up for you, because it might be hard to figure out what line is what, when looking at the tax transcript, because the tax transcript is not numbered. It's just listed data elements.

We also have the EDE technical reference, which is just for your IT department, so that when they're building within your software to accept [inaudible] helps you complete verification. They know what kind of algorithm, line data elements, and things like that, that they have to include. Of course, we have the ISAR that is available to schools. If you need help interpreting what you are seeing on the ISAR, which is the school's copy of the applicant's FAFSA. Next slide.

21/2022 verification. Now remember, this is the same as 2021, but now we're going to get into the specific verification data items and the requirements. Next slide. We have the same data elements between 2021/2022, which is like I was saying, is income and tax information. It's going to be high school completion status; it's going to be statement of educational intent; it's going to be household size; it's going to be income earned from work if they're a non-tax filer, and it's going to be non-tax filing status also. There are not changes to the verification tracking groups, as I stated before. That's going to stay the same. We're dealing with V1, V4, V5. Acceptable documentation to the federal register was

posted on September 03, 2020, if you want to go back and look at it. The suggested text for verification was posted on September 25, 2020, if you want to go back and look at it. Next slide.

What are you required to verify, what data elements? 2019 income information for tax filers, remember we're referring to the prior, prior year. For 21/22, we're looking at the 2019 income tax year. For 2020/2021, we were looking at the 2018 income tax year. I'm going to pause for a second so you can write that down. Prior, prior year. I know that a lot of people struggled with that, because people figured, "My situation could change dramatically within two years." If you have a situation change, even if you're completing verification, your school has to complete verification for the data items as is, so the tax information that you filed two years ago, as is. However, a school may have a policy where they do a professional judgment. In a professional judgment, they can take into a special circumstance, that your income, tax information, your whole financial situation has changed, and make those adjustments after they complete the verification process of your information, as was true at the time in 2019.

Now, we did release a statement to schools. I think it was the end of the summer, but we reminded schools that they do have the authority to make a professional judgment and make adjustments to income and tax information based on extenuating special circumstances, especially during Covid-19. Now keep in mind, it being Covid-19 is not a reason for a professional judgment. You need an extenuating circumstance in order to show that you need an adjustment. Job loss could be one of those. It really depends on the circumstances that you're looking at. For example, if you are a single parent and you had a job loss and you've been unemployed for six months, nine months, that's an extenuating circumstance, but if you were in a two income household where probably you had a part-time job and maybe your income really was less than 10 or 15% of the total household income. It's not really cause for a professional judgment, because even though you have a reduction of income, it's not a really hard hit [inaudible] financial situations in a way that we would want to use the term, "extenuating circumstances."

That said, we'll get back to the slide now. For the income and tax information that you must verify, we have to verify adjusted gross income, or AGI, US income taxes paid, IRA deductions and payments, taxes and interest income, education credit, and income earned from work. You only have to verify adjusted gross income, US taxes paid, IRA deductions and payments, taxes and interest income, and education credit, if you are a tax filer. You only have to verify IRA deductions and payments, taxes and interest income, and education credit, if you had it. Next slide.

The other things that you were maybe asked to verify, and if you see in parenthetical next to each bullet point, you have the verifications V1 and V5, or V4. That just lets you know what you'll have to verify based on what verification group that you are assigned to. If you look on the ISAR, the verification group is there and the data elements. It's probably around page three in the long detail.

I know we're really used to, if you're talking about an ISAR, just looking at the front page that just gives the basic information, the student identifiers, the answer to the basic FAFSA, and the answer to the income questions, but if you look at the other data elements on page two or three of the ISAR, you really get in more detail about any of the processing data elements related to that student's FAFSA. You can get the [inaudible] codes, you get the lifetime eligibility years for Pell usage codes there, you get aggregate loan information there, you get the comment codes there, and you also can see what verification group someone was assigned in there. That information is also available on the student aid report.

The other data elements that you will want to verify, that you may need to verify, sorry, is number of household members, number in college, high school completion status, and identity statement of educational purpose. The reason why you may have to verify household members and number in college is because it has a huge effect on the needs analysis, and that's the [inaudible] that we use to determine your estimated family contribution or your EFC. Your EFC is the number that schools use to offer you financial aid, at least for federal student aid, but many schools also use it for institutional aid. Next slide.

You've [inaudible] an extension beyond the automatic six months. When we went to prior, prior year, having an automatic extension of six months didn't really come into play, because the automatic extension generally takes you under normal circumstances, not under Covid, to October the 15th. The FAFSA opens on October 1st, so there's literally only a 14 day period where you can have an extension of the automatic six months that still comes into play. We don't really verify that anymore. What we're verifying now is extensions beyond the automatic six months, in which you have to apply to the IRS and they actually have to approve this one. For the automatic six months extension, you just have to tell the IRS you're taking the extension.

Anything beyond automatic six months, you actually have to request it from the IRS, and they will give you documentation of approval of that extension. If your actual verification, you have to provide a copy of the IRS's approval of that extension beyond the automatic six months. You'll have to provide verification [inaudible] from the IRS that is dated on or after October 1, 2020. The point of that is to ensure that you actually did that file and actually did request the extension beyond the automatic six months. You'll also need to provide a copy of the IRS form, W2, for each source of 2019 employment income received, or an equivalent document. If you're self-employed you need a signed statement certifying the amount of AGI and US income taxes paid for the year 2019, or what you intend to pay for 2019.

Any institution may require that active income tax return is filed, so that's after you submit all this documentation, that you requested an extension beyond automatic six months. A school can require you to submit a copy of the taxes that you filed after the automatic six months, as part of their verification process. Next slide.

Verification in non-filing. If you state on the FAFSA that you did not file and you will not file a tax return, you may be selected for verification and you may have to submit a verification in non-filing. If you're selected for verification and you're on verification V1 or V5, where you have to verify income taxes and taxes paid and you did not file, then you need to submit a verification non-filing. A verification non-filing actually comes from the IRS. There's an option on IRS web portal to get a verification in non-filing.

Again, during Covid, we recognize that system and that process slowed down immensely. If an individual's unable to obtain verification non-filing and the institution has no reason to question that the student or family [inaudible] effort to obtain that required documentation, the institution may accept from the applicant and the parent, a signed statement certifying that the individual attempted to obtain the verification in non-filing from the IRS, or the other relevant taxing authority if it's outside the US and the internal revenue service, and was unable to obtain that required documentation. For extension files [inaudible] a signed statement must also indicate that they would not file [inaudible] income tax return, and must list the source of the 2019 income, and the amount of the income from that tax year. Next slide.

To individuals without a social security number and a TIN or EIN, unable to obtain a verification non-filing from the IRS, these individuals whose income is below the IRS filing threshold, must submit to the institution a signed and dated statement that provides that they do not have an [FSN], a TIN, or EIN, and list the source of income and earnings for the 2019 tax year. Now, how do you know what the IRS filing thresholds are? That is available in IRS publication 17. It's literally called publication 17, like the number after 16 and before 18. That funky number when your teenage kids be feeling himself, but he need to calm down a little bit because he's not grown yet, but he's not really a kid yet. I'm venting, because that's what I'm going through right now. Publication 17 is what you're going to look at. You can actually go to irs.gov and what tax forms and publications, you can click that link. It's right on the home screen, and then you can type in the search: publication 17, and it'll come up for you.

Within the first 10 pages, where it lists the income threshold for each year, I can't remember what it is this year. It's probably somewhere around 11 or 12 thousand dollars. The last time I was in a financial aid office, it was \$9,000, so it's been a minute since I've had to really worry about the income threshold. Next slide.

Individuals with an automatic zero EFC. If you have an automatic zero EFC and you're selected for verification, for dependent students you only have to verify AGI, if the parents were tax filers. If the parents were non tax filers, just the income earned from work, which is the income that ... It might be W2s, it might be 1099s, it might be just admitting that you were earning funds because you were a barber at a barber shop and they were paying you cash. You also may have to verify the student high school completion status. I want to bring to your attention that for dependent students, who have an auto zero EFC, you're only verifying the parent's income information, not the student's income information. Next slide.

For independent students, you are going to verify, and remember this is for auto zero EFC, you're going to verify the student and spouse's AGIs if they are tax filers, the student's and spouse's income [inaudible] if they were non tax filers, and the student's high school completion status and identity statement for educational purposes, if they're placed in tracking groups V4 and V5. V4 is just high school completion and educational intent. V5, remember is one plus four, and one is income and tax information. Four is identity statement for educational purpose. One plus four, V5 is you'll have to do both.

You may also have to verify the number of household members to determine the dependents in the household for the independent status. Now, on this slide it mentions students themselves. In the previous slide, it only mentions parents. With that being said, parents is mom and dad, or parent one and parent two. If the parent is married, you're going to include both of those individuals. Next slide.

Rollovers. If you're verifying taxes filed, rollovers do not appear on the tax transcript. If the IRS [inaudible] transfer a [inaudible] amount to the untaxed pension or IRA distribution field, the applicant will be provided an opportunity within the FAFSA to report the amount of rollover, and the central processing system or CPS, that processes FAFSA her at FSA, will subtract the rollover from the amount that is within that field of untaxed pensions. The reason why you have to do that manually in the FAFSA, is because when you file taxes and you report a rollover, if you've ever done that, you actually just write it into the margin of the tax form. There is not field for it on the tax return.

Since there's no field for it on the tax return, we can't pull it using the IRS CRT. We won't be able to pull it under the Future Act either, so you still would need to manually input this information in. The IRS data field plan would be two, which means the field changed by user prior to submission of application, because you entered into the FAFSA that you needed to include a rollover field for untaxed pensions or IRA distributions. To complete verification for this item, schools will ask you to collect a signed statement certifying that the untaxed pension or IRA distributions contain the rollover that needed to be subtracted from the actual number reported from the IRS CRT. Next slide.

Amended returns. For individuals who file an amended income tax return with the IRS, for verification you're going to collect a signed copy of the IRS form 1040x. 1040x is what you're going to file with the IRS, if you have to amend your tax return. Or you submit documentation from the IRS that includes the change made by the tax filer's 2019 information. IRS CRT information on the ISAR record with all tax information, only comes from the original tax form. It does not come from the 1040x. Under the Future Act, it may also include the 1040x. We're still figuring that out. Right now, we're only including information from the original tax form.

A transcript obtained from the IRS that lists a 2019 tax account information, may also include everything. It is the record of accounts, I believe, that has everything. It has everything, so you can either do the tax return transcript that has the original tax return, then request a 1040x, or you do the full record of account from the IRS. The issue with the full record account from the IRS is, the tax return matrix that I mentioned before, where we help align the transcript lines to the ISAR lines to the FAFSA lines, so you can easily complete verifications. We did not use that with the tax account transcript, because the tax account transcript sounds like exactly what it is. It's a transcript of the filer's entire IRS account. Everything that ever happened is going to be there. That can be overwhelming to try to interpret for the purposes of verification, which is why we try to make it easy and just say with the original, you get the 1040x. Next slide.

The application and verification guide and the FSA handbook, chapter four, expands on other verification concepts, for example, verifying victims of identity theft. We break down the difference between identity theft in general, and IRS identity theft. They have a very different process for identity theft. For the IRS, if you believe you are subject to identity theft, as a filer you can actually contact the IRS and ask them to put a flag on your account, that you may be a victim of identity theft. It's not necessarily something that is proactive [inaudible] IRS. It could be implied by the tax filers themselves.

We also get into when an applicant should update their information. There's a difference between some FAFSA elements that are correctable and updatable. There are some things that are frozen in time from the day that the applicant completes the FAFSA. That is: marital status, and that is checking and savings account, are the two that comes to mind. Those are not updatable. They can be corrected, but they should not be updated. The difference between the two, is if I am married today and I do a FAFSA today, and I say on the FAFSA that I am married, and then he get on my nerves, and then by June I'm not married no more, I don't got to the FAFSA and change my marital status, because at the time that I got married, I was married. You see I tried to correct my accent, you guys, because I'm from Baltimore and I was about to say [murred]. We're going to fix that.

However, I can correct it. If I did my FAFSA today, and I'm married today, and I make a mistake on my FAFSA and I say that I'm a widow, but he's still here alive and well and wonderful, then I can go to my school and say, "Oops, I said I was a widow because I did the pull-down too fast, and that's a mistake; I'm actually married," the school can make that correction because at the time of the FAFSA I was married.

We also get on the concept of verification deadlines, interim disbursement. Schools have authority to make an interim disbursement. What that is, is they have the authority to make a choice, to process and disburse your federal [inaudible] aid, while you're in the midst of completing verification. That is very risky for schools because if you do not complete verification, or if you complete verification and they disburse aid that you were not eligible for, then they have to make that adjustment and they have to return that aid back to FSA. Of course, we already got a little bit into professional judgment and verification. Excuse me. The FSA handbook gets into that some more, and much more. That's going to include homeless [inaudible] determinations are in there also for possible verification items. Next slide.

Some additional resources you might want to look at is the federal register, of course, for 21/22 award year. We published that on September 3, 2020. Then the 21/22 FAFSA verification suggestion, suggested tax. Again, just [inaudible] for schools for certain verifiable items that you might want to create and document to collect. You can use the suggested text for everything but identity. Identity has to use the exact language that is there. When you go and you look at the verification suggested text, you'll see there that we already state that you're required to use the information for statement of educational purposes. Next slide. I'm going to hand to over to Maisha, who's going to give you a little bit more information and some additional resources, in terms of federal student aid tools and resources. Maisha?

Maisha Challeng...: Thank you. That was a lot of great information and I appreciate you going through it. We've been getting quite a few questions, so I will make sure we go through the resources so that we can share some of the questions folks have. A lot of it is surrounding the Future Act, as I'm sure you can imagine. We'll get to those questions at the end of the presentation. I wanted to share with you all, some high level tools and resources that we always think is important to share during our webinars, to find additional information. Next slide.

We do have quite a few social media resources that we provide individuals through FSA. We have a Facebook page, a Twitter page. We tweet. We do have an Instagram account now, which is fairly new. Then we have YouTube videos that most of you are aware about. Kerri earlier mentioned, whenever we're speaking about Coronavirus or Covid-19 information, we do have a link on our studentaid.gov page to find additional information. We absolutely encourage you all to go there. Then we have a 1-800 number. A lot of times people have questions about verification and some of the information the school will be able to provide.

We also say that FAFSA's the front end, but if you have any questions where you're not sure if it's FAFSA related or it's something that you need to talk to the school, we do have a 1-800 number, 1-800-433-3243. If there's something related to what you need to put on the form, when the school asks you for supporting documentation, those are questions that absolutely need to go to the school. On the front end if there's information you'd like to know regarding information on the form itself, or just in general about federal financial aid, you can use our 1-800 number. Next slide.

Before we get to questions, we wanted to share with this group that we have an exciting webinar series for the month of April. We are providing six webinars as part of our financial aid bootcamp for the month of April. We have quite a bit of wonderful topics, a variety of topics. We're going to talk about the college scorecard. We're going to talk about schools for student financial empowerment, a step-by-step guide through your federal financial aid process, what's next after you receive your financial aid award letter, and then again a step-by-step guide. We have some repeat sessions for this bootcamp. It's April 20 through 21st. There is a link to register.

We will absolutely make sure that for all the individuals that have attended and registered for this webinar, that you receive the link. The audience is going to be college students, parents, students, college [inaudible] professionals, career coaches, financial aid administrators. We are really excited to be providing you all a back-to-back two day session of really wonderful information at various times. We will send you the PDF PowerPoint slides, so you can see some of the times for some of these events. They will be during the day, and we also have some evening webinars as well. Next slide. Then at the duration of all of our webinars, we absolutely would love your feedback. We will send you all the survey link. We really would appreciate if you could fill it out for us. Next slide.

Let's get to some questions. I know a lot of you have provided some really insightful questions and are curious about some instances as it relates to verification. Kerri, thank you. It's an intricate process for those that don't know. Then for those that are in the process working through it, there are always tons of questions about what to do. Let me share a couple of questions with you. One question ... There's quite a few questions, so I will start here. Here is one question: If a student is selected for verification, however a parent is [inaudible] or linked taxes from the IRS. Do we request a 2019 federal tax return if the 1040 schedule one data was not transferred? Does that question make sense to you?

Kerri Moseley-H...: I think so. If the information is not transferred and they're selected for verification, [crosstalk] complete verification. Think of the IRS CRT this way. The reason why someone is still selected for verification even if they use the IRS CRT, because the IRS CRT is serving as the most extreme version of income and tax documentation. If the IRS CRT information transfer cannot provide the documentation and the information you're required to verify, then you still have to request documentation in another way, because the IRS CRT was not able to provide you that documentation.

Maisha Challeng...: Great answer. Thank you for that. This is a series of questions. Maybe I'll start with the first two. My question is regarding the electronic signature override. How long is the override going to be accepted for V1 and V5 flagged files?

Kerri Moseley-H...: This is the override that's connected to Covid-19? If this is the override connected to Covid-19, it's lasting until the end of the award year in which the pandemic was announced as over. For more information on how that's going to work, you should go to studentaid.gov to the Covid resources. We state specifically about that timeline, and if we make adjustments to that timeline it will also be announced there.

Maisha Challeng...: Great. Thank you for that. Here's another twofold question. What needs to be included in the school file to confirm the e-signature is valid? The follow up response is: I've had a few parents complaining that they're students are e-signing their signatures without their knowledge. The question is: what needs to be included in the school file to confirm that the e-signature is valid?

Kerri Moseley-H...: We would actually refer you to your IT department or to your legal counsel. In terms of federal student aid and verification, I would say that you have complicit information, because you have information that someone is providing a signature and is not themselves, and that person is also not authorized or power of attorney to provide that signature. That becomes not only conflicted information, but it looks like in terms of your institutional policy and procedures for cyber security, and the security or protection of signatures in your system, you probably need to develop another layer of security to ensure that the person using the e-sign is the actual person.

Maisha Challeng...: Great. Thank you for that. Do we have an estimate ... Here's another question. Do we have an estimated date for when the Future Act automatic IRS import will be up and running?

Kerri Moseley-H...: We [inaudible], because when the Future Act was first passed in 2019, the goal was to try to have it up as soon as possible. We actually were thinking about rolling it out, so Future Act was going to affect TPD, temporary permanent disability, for student loans, IDR, which is ... I can't remember the acronym because I'm not the subject matter expert, but the student loan program. IDR is what, Maisha? I'm drawing a blank.

Maisha Challeng...: Income driven-

Kerri Moseley-H...: [crosstalk] Income driven [crosstalk]. Income driven repayment forms, right. For IDR, we was actually ... That takes the least amount of effort. The initial intent was to roll Future Act out slowly and start with TPD, IDR, and then move onto FAFSA. With the legal change to majority of programs that happened December 2020 under the FAFSA Simplification Act, it makes more sense to roll it all up into one and implement it all at the same time. As you know, with the FAFSA Simplification Act, it's stated within the law that we need to have that up by July 01, 2023. We are working very hard to do that. In fact, at three o'clock when this is over, I go straight back to the work groups working on that for you guys. [crosstalk]

Maisha Challeng...: Thank you. I'm sure people will love to hear that it is in process and we are working on it internally. That's why these webinars are great. You get to hear a lot of great information, but also hear the intricate details of what is in process, understanding that policy is always happening. Thank you for that. Here are a couple of additional questions. Here's an interesting question: ... Well, this is a piggy back, but we're on it. Again, I mentioned there's a couple of questions regarding the Future Act. When will the Future Act be fully enacted? Will students no longer need to use an FSA ID or special login to retrieve IRS information to add to the FAFSA. You mentioned just now [crosstalk] Please.

Kerri Moseley-H...: No, no, no. There's an additional layer to that question.

Maisha Challeng...: Yes there is.

Kerri Moseley-H...: You will not need an additional. When Future Act is implemented, you will not need an additional step to get your tax information, but the FSA ID is not going to go away. Because we're linking directly with the IRS, you're going to ... That signature, the FSA ID is going to become more important, because you're going to have to make some agreement to allow us to get the information from the IRS on your behalf. The FSA ID is not going away. I'm not going to say I'm sorry, because the FSA ID is a FSA [inaudible], but get your email straight now and make sure you have your FSA ID, and write it down and keep it safe because it is your electronic signature. Put it behind your bank debit card

in your wallet, so that you keep it for the duration of your post-secondary enrollment. That's what I did, anyway. Go ahead.

Maisha Challeng...: No. I appreciate that. It's access, right? It's not just for the FAFSA. It's logging into your personal dashboard, getting access to so many other resources and websites that we have. I was going to say, maybe it's wishful thinking, but no it's not going away. It is definitely still going to be a part of the process. Thank you so much for that answer. Here's another interesting question. One of my colleagues, and I want to thank my colleagues for providing us with the questions that are coming in. What should parents and schools do if the IRS has received the tax documents but has not processed the information? There's a delay. It sounds like what's happening is they need to receive the documents, but they still haven't received ... They still haven't gotten back from the IRS. What, if they do have it processed by the deadline for current students? Let me back up. The question is: what happens if they don't have the tax document, they're not receiving it from the IRS?

Kerri Moseley-H...: The IRS has a processing timeline from when they receive your tax return and when they're going to process it. Our guidance to schools about if you can't provide the tax transcript that you requested, is first they have to ... If you filed your tax return late, we do have a reference from the IRS about how long it takes to process stuff, whether it be electronically or by mail, and we ask schools to give the information time to be processed. Schools do have to have verification deadlines, because they actually have deadlines within FSA. We have deadlines for our systems, in terms of how long we can take corrections and how long schools have to make disbursements. They're trying to balance that out.

If your tax return information is filed and you're not able to get that information, our guidance to schools is that they can take, they should take a tax return, a copy of your income tax return, we went over before, that's pretty much your own record of your tax return. If after a reasonable amount of time you don't get the transcript ... We do not dictate reasonable amount of time. You do not want federal government to dictate reasonable amount of time. I would refer you back to your school to figure out what they consider reasonable amount of time between the [inaudible] where you requested a tax transcript, and it didn't come, and they accept the copy of the tax return that you have in your own records.

Maisha Challeng...: Got it. Thank you. I think that question is attesting to ... There may be a deadline, a June 30th deadline, but you're still waiting for your tax transcript. How do the schools maneuver and operate? Thank you for that guidance. That's very, very helpful. Here's another Future Act. Actually, here's another question one of our colleagues answered. If you have an extenuating circumstance, let's say such as if you have a two person income in the 2019 year and now have no income coming in, can you request to use your current year's income information for the 21/22 FAFSA and verification process? Who would you request that through, the FAFSA website or the school? Here's the response that was given. Please Kerri, elaborate if you will. The student should contact the financial aid office to determine the necessary documents to validate the circumstances as presented. Documentation will depend on the type of employment that the person has, as that college and university may ask for items such as signed statements, account termination letters, et cetera. Is that correct?

Kerri Moseley-H...: Correct. What you're talking about is professional judgment, one. It's very important to understand that schools are not required to have a policy where they will do a professional judgment. They can choose to have a policy that says, "We don't make professional judgements." Right now, they have the authority to do that. What they don't have the authority to do is to say, "No. They don't make a homeless youth determination." A lot of times people roll anything that's an adjustment to a FAFSA application under the professional judgment umbrella, but we separate out dependency overrides. Dependency overrides are usually used to make a dependent student an independent student. We also separate out homeless youth determinations. That also makes the student independent by the sake of being unaccompanied and homeless, or unaccompanied and [inaudible] homeless, and unaccompanied is without the parents. Then you have the overall professional judgment, which is what you're talking about, that question about adjusting income information, because there's a drastic difference between 2019.

Now, if the school has a policy where they make a professional judgment, and we're just going to talk about income information right now, they can make the professional judgment out of any 12 month calendar period. We do not dictate what that calendar period is. It could be January 01 to December 30th. It could be July 01 and June 30th. It could be whatever they decide to do. What you want to do is contact your school and ask for them if they have a policy where they would consider professional judgment and ask them what their process is to request a professional judgment, and see what 12 month calendar period they want to look at.

I will note however, that you do not go back to the FAFSA and change your income information to what you believe is more of an accurate reflection of your income situation at the time, because the FAFSA is taking a snapshot of a moment in time. The snapshot for 21/22 is the 2019 tax year, regardless of your situation now, and the snapshot is your marital status at the time that you're doing the FAFSA. Any adjustments that you want to make [inaudible] you need to go through your school.

Maisha Challeng...: Great answer. Thank you so much for that. There's another question regarding earlier. I think you were talking about the income threshold. Can you repeat the information about what was \$9,000 years ago, and about \$12,000. You were talking about the income threshold; is that right?

Kerri Moseley-H...: I was. The viewer, bless your heart. You got confused about my ranting about my teenage son being somewhere between 16 and 18 and feeling himself. The income tells you who was required to file a tax return. IRS publication 17, which is available on [irs.gov](https://www.irs.gov), publication 17 tells you the income threshold. That tells you when someone was required to file at a minimum. When I said the amount 9,000, the last time I was in a financial aid office, the minimum that you needed to make before you were required to file taxes was somewhere around 9,000. I believe right now for 2020 and 2021, we're almost up to 12. For 2019, it might be something around 10 or 11 thousand dollars, but I would refer to publication 17 on [irs.gov](https://www.irs.gov) to figure out what the income threshold is.

Maisha Challeng...: Thank you, Kerri, so much. We're going to take a couple more questions, because I know we're getting close to our top of the hour. For parents without a social security number, does the certification statement need to be notarized? Can a school officially verify the parent's status? Did you already speak to this or is this a new question?

Kerri Moseley-H...: No. The parent doesn't need to have anything notarized. What's required to be notarized is the statement of educational purpose or the verification of identity, and we're only going to

ask for verification for those two items for the student. It's not going to be for the parents. You don't have to worry about notarization of parents without social security numbers.

Maisha Challeng...: Great. Thank you for that. One more question we have, and I want to make sure I understand. What about parents and students who are married and file head of household? Can they use the Futures Act, or is the Futures Act applicable to them?

Kerri Moseley-H...: The Futures Act is not applicable to anyone yet, but in general can two married people file [inaudible]? Officially, I'm going to refer you to publication 17 on irs.gov, because they have the requirements for filing. However, when you read publication 17, you will find there are circumstances where married people can file head of household. That includes but is not limited to: if they can show they lived in two separate households up through December 31st of that applicable tax year, they can be head of household, if they had dependents in the separate household that they were living. Temporary living away for work is not considered one of those reasons where two married people can be head of household. For more specific detail, I'm going to refer you back to IRS publication 17, because it is a question or a situation specific to tax filing status.

Maisha Challeng...: Thank you for that. Here's one more question about the Future Act. Will the Future Act allow information to be added in the FAFSA application for everyone or only certain individuals? Will this work for individuals for ITIN? When will this come into effect?

Kerri Moseley-H...: When the Future Act comes into effect, when we bring information over from the IRS, you're not actually going to be able to see it, because for cyber security reasons. We're going to have to block it even from the tax filer. You won't have an opportunity to change what comes over from the IRS. You want to make the change to the information that comes over from the IRS, or you want to see the information that came over from the IRS? We're going to refer you back to your post-secondary institution or your school in order to see that information. ITIN is not going to be able to use the Future Act, but we're actually exploring additional opportunities. Right now, we just rolled over the way the IRS CRT was being used, and we were just taking out the steps of you having to physically go over to the IRS to bring the information over to the FAFSA. We are in this process, exploring ways to expand the IRS CRT current foundation and usage, to better improve the experience of filling out the FAFSA under the Future Act and the FAFSA [inaudible].

Maisha Challeng...: Kerri, thank you.

Kerri Moseley-H...: You're welcome.

Maisha Challeng...: I think that will be our last question, because you've given us a lot of great information. Just I want to remind everyone that we are recording this webinar and we will absolutely make sure to provide this on our financial aid toolkit website. It's usually about one to two weeks, so we will let you all know when the recording is available. We know that there's a lot of people that have questions about what's to come. We're in the process of trying to figure that out. We ask everyone to be patient and definitely check back to our websites for updates as it relates to Covid. With the Futures Act, again obviously, stay tune.

Please Kerri, we want to thank you for always being an amazing presenter and providing us with some really important information that everyone wants to know, especially when it comes to verification and policy as it relates to students and individuals that are filing or needing to know what documentation is

required from the school. We ask you all to please stay tuned for our next April webinar, our bootcamp, which we are super excited about. We're going to give six sessions, April 20th through 21st. We will absolutely make sure you all get the link to register for those sessions as well. Some are during the day and some will be during the evenings. Thank you all for joining. We appreciate you all and we look forward to you participating on our next webinar in the month of April. Take care, everyone. Have a good day. Buh bye.

Speaker 1: That concludes our conference. Thank you for using [APNT] event services. You may now disconnect.