
Financial Aid 201

Updates, Changes, and Difficult Situations

ASPIRE

2016 Fall Conference

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Oregon Association of Student Financial Aid Administrators

Agenda

- FAFSA Updates, Changes, and Challenges
- October 1st and Prior Prior Year (PPY)
- Determining Dependency Status
- Definition of a Parent for the FAFSA
- Verification Requirements
- Counseling Undocumented and DACA Students
- Changes in Federal and State Financial Aid



FAFSA Updates, Changes, and Challenges



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2017-18 FAFSA Changes

- FAFSA filing date begins October 1st, 2016
- FAFSA will use prior-prior year (PPY)

FAFSA Year	File FAFSA on or After	Tax Year Reported on FAFSA
2015-2016	January 1, 2015	2014
2016-2017	January 1, 2016	2015
2017-2018	October 1, 2016	2015
2018-2019	October 1, 2017	2016

Timeline Changes and Challenges for Schools

- U.S. Department of Education has requested schools do not change (move up) 'on-time' application deadlines for 2017-18
 - Without 'first come, first served' policies, how will schools manage their resources?
- Availability of Pell Grant Charts and campus-based allocations
- Availability of Oregon Opportunity Grant information
- Availability of finalized tuition and fee amounts for the 2017-18 academic year
- Scholarship donors may not change their notification schedules



PPY Changes & Challenges

Pros

- Taxes already filed; no need to estimate or update FAFSA
- Finalized award offers may be available earlier
- Fewer applicants selected for verification
- More time for students to consider financial aid offers and make college decisions

Cons

- Two-year-old data may no longer reflect family's current financial situation
- More special circumstances submitted to schools
- Potential confusion
 - Past: Use of 2015 income
 - Present: assets and marital status are as of the day the FAFSA is filed
 - Future: family size and number in college is between 7/1/17-6/30/18



The FAFSA asks for marital status as of the day you fill it out, but it asks for income and tax return information from 2015. Therefore, your marital status may be different than it was when you filed your tax return.

What if my current spouse is different from the spouse listed on my 2015 tax return?

- ❖ **If you filed a joint tax return for 2015 but you are no longer married when you fill out the FAFSA**, you will need to subtract your former spouse's tax return information to correctly answer the FAFSA questions only about yourself.
- ❖ **If you did not file a joint tax return for 2015 but you are married when you fill out the FAFSA**, you will need to add your current spouse's 2015 tax return information to correctly answer the FAFSA questions about yourself and your current spouse.

What if my marital status as of today is different than the marital status reported on my 2015 tax return?

If you filed a joint tax return for 2015 but you are married to a different person when you fill out the FAFSA, you will need to subtract your former spouse's tax return information, and then add your current spouse's 2015 tax return information to correctly answer the FAFSA questions about yourself and your current spouse.

What if I am recently widowed?

If you recently became widowed, you'll need to subtract the tax return information for your spouse to correctly answer the FAFSA questions only about yourself.

Determining Dependency Status



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What Makes a Student Independent?

- Born before January 1, 1994 (age 24)
- Married
- Graduate or professional student
- On active service in the US Armed Forces or a veteran of the US Armed Forces
- Provide more than one half of the support for applicant's children or other dependents



What Makes a Student Independent?

- Orphans
- Wards of the court or in foster care (after age 13)
- Emancipated minors (requires a court order)
- In a legal guardianship (requires a court order)
- Homeless or self supporting and **at** risk of being homeless
 - As determined by agency specified in FAFSA instructions
 - Decision determined by Financial Aid Administrator



Do I need to provide my parents' information on my FAFSA?

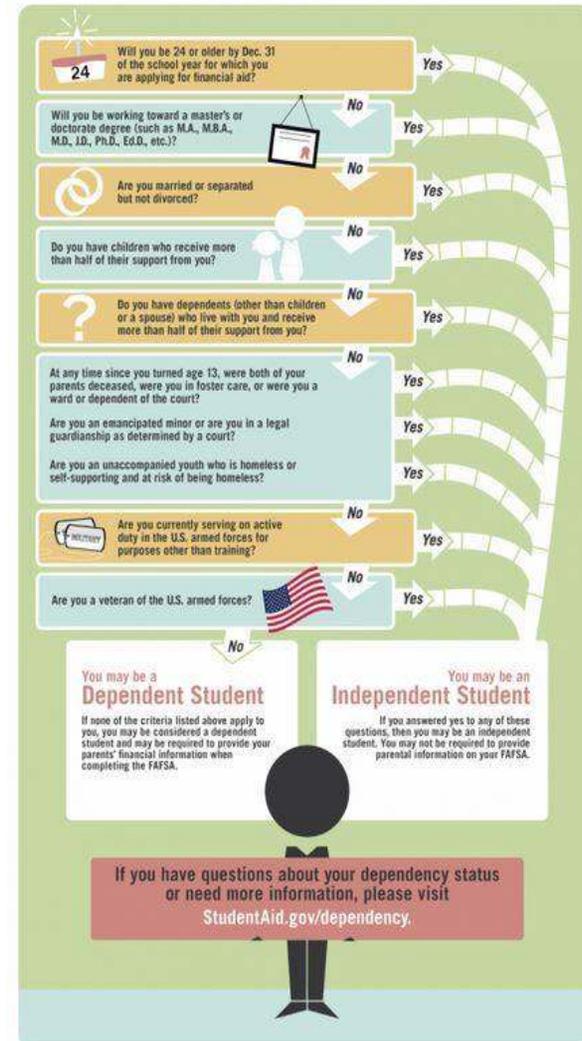
DEPENDENT - *yes*

- or -

INDEPENDENT - *no*

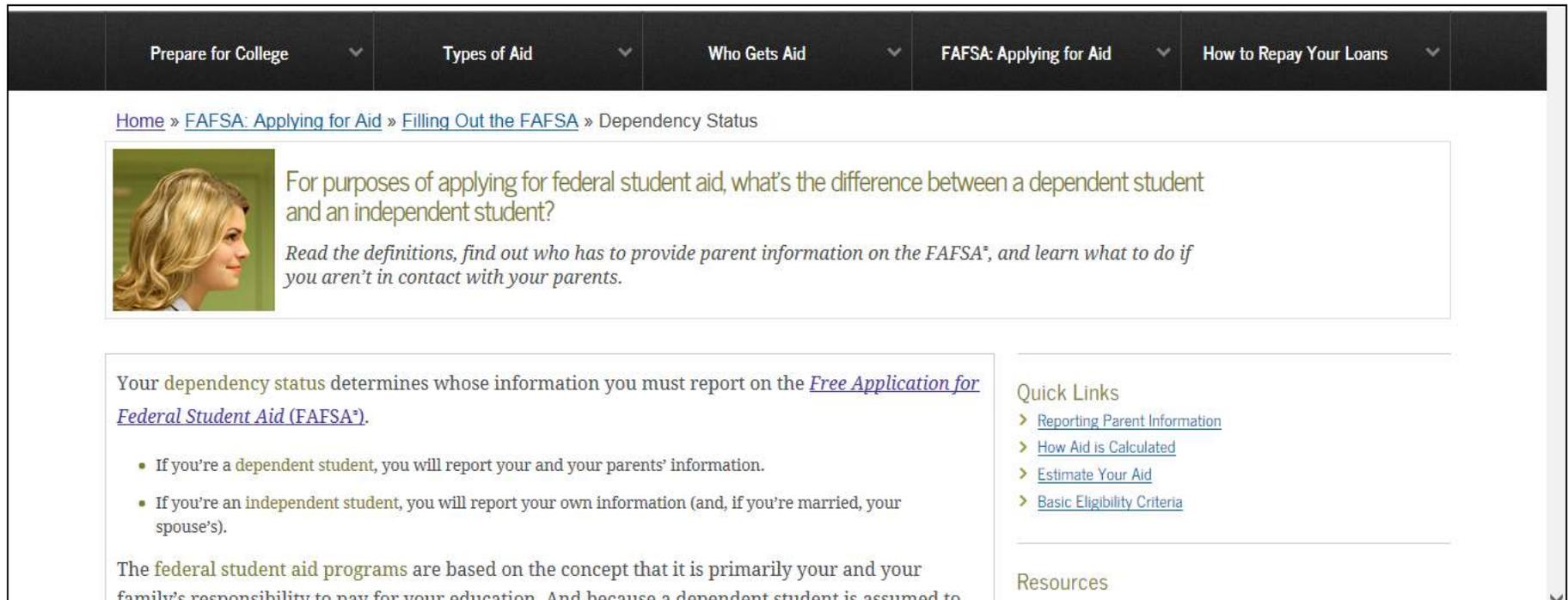
Do I Have to Provide My Parents' Information on the Free Application for Federal Student Aid (FAFSA)?

All applicants for federal student aid are considered either "independent" or "dependent." Dependent students are required to include information about their parents on the FAFSA. By answering a few questions, you can get a good idea of which category you fit into.



Dependency Information Resource

<https://studentaid.ed.gov/sa/fafsa/filling-out/dependency>



The screenshot shows a navigation bar with five dropdown menus: 'Prepare for College', 'Types of Aid', 'Who Gets Aid', 'FAFSA: Applying for Aid', and 'How to Reply Your Loans'. Below the navigation bar is a breadcrumb trail: 'Home » FAFSA: Applying for Aid » Filling Out the FAFSA » Dependency Status'. The main content area features a large heading: 'For purposes of applying for federal student aid, what's the difference between a dependent student and an independent student?' followed by a sub-heading: 'Read the definitions, find out who has to provide parent information on the FAFSA*, and learn what to do if you aren't in contact with your parents.' To the left of this text is a small image of a young woman with blonde hair. Below the main text is a section titled 'Your dependency status determines whose information you must report on the [Free Application for Federal Student Aid \(FAFSA\)*](#).' This section contains two bullet points: 'If you're a dependent student, you will report your and your parents' information.' and 'If you're an independent student, you will report your own information (and, if you're married, your spouse's).' To the right of this section is a 'Quick Links' section with four links: 'Reporting Parent Information', 'How Aid is Calculated', 'Estimate Your Aid', and 'Basic Eligibility Criteria'. Below the 'Quick Links' section is a 'Resources' section. At the bottom of the page, there is a logo for OASFAA (Oregon Association of Student Financial Aid Administrators) featuring a stylized tree and the acronym 'OASFAA'.



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Dependency Overrides

- Financial aid administrators have the authority to change a student's filing status from dependent to independent
- Student must present documentation of the situation
- Special circumstances:
 - Abuse at home
 - Abandonment by parents



Dependency Overrides

- NOT considered special circumstances:
 - Parents don't claim student on taxes
 - Student does not live with parents and supports self
 - Parents don't want to help pay for college
 - Parents refuse to provide information for FAFSA



Dependency Overrides

Documentation from a third party:

- Teacher
- Social worker
- Member of clergy
- Court system
- Law enforcement



No Access to Parental Information

- FAFSA asks whether student will provide parental data
- If no, student indicates he or she meets special circumstances criteria
- Student can submit FAFSA without parent information
- FAFSA will have reject code
 - Student needs to work with the school to complete application



Parents Refuse to Provide Information

- Student indicates situation on FAFSA, choosing option that he or she is applying only for an unsubsidized loan
- Student submits FAFSA without parental information
- EFC not calculated
- Student must contact the school regarding documentation and a decision



Who Is A Parent?



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Who Is A Parent?

- Biological parents
- Adoptive parents
- Stepparents, if they are married to the student's biological or adoptive parent



Who Is Not A Parent?

- Foster parents
- Legal guardians who have not adopted the student
- Any relatives (including grandparents) who have not adopted the student
- Stepparents who have not adopted the student and who would be the only person providing parental information



Unmarried and Married: Who are The Parents?

- Never married, living separately: Include the legal custodial parent only
- Never married, living together: Include both *legal* parents (note: do not include domestic partners who are not the student's parent)
- Married: Include both parents or legal parent and stepparent



Separated, Divorced, Remarried: Who is The Parent?

1. Who did the student live with more during the past 12 months? NONE/EQUAL, then
2. Who provided the most support in the past 12 months? NONE/EQUAL, then
3. Who provided the most support during the most recent year that student actually received support?

Remember, include information for stepparent if currently married to The Parent.



Verification Requirements



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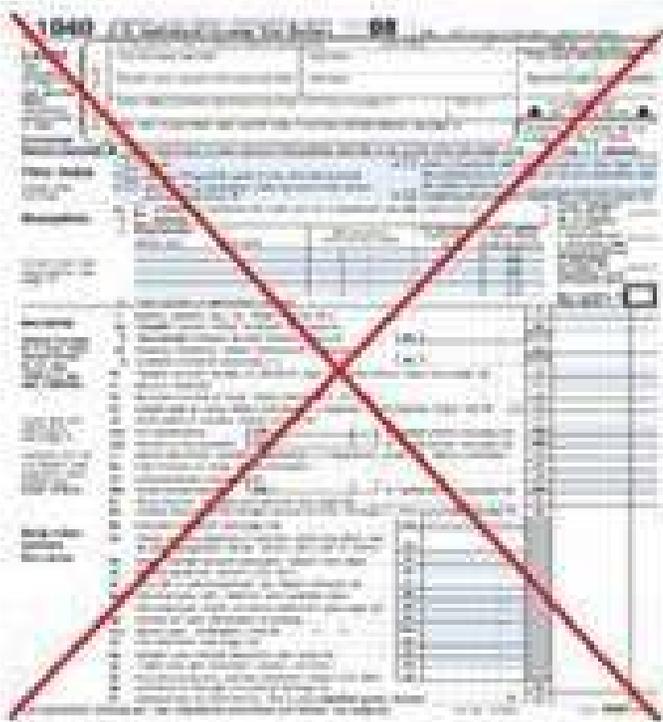
Verification Requirements

- Process by which the U.S. Department of Education through the financial aid office confirms information provided by students and families on the FAFSA is accurate
- Students can be selected for verification by the Department of Education or the college
- Items to be verified will vary, but typically include:
 - Adjusted gross income
 - US Income Tax Paid
 - Untaxed Portions of IRS Distributions
 - Untaxed Portions of Pensions
 - IRA Deductions and Payments
 - Tax Exempt Interest Income
 - Education Credits
 - Number of Household Members
 - Number in college



Alternative to IRS Data Retrieval Tool

**Tax Return
NOT ACCEPTABLE**



**Tax Return Transcript
ACCEPTABLE**



IRS.gov



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- › 1099-MISC
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Hot Topics

- › Get answers to your tax questions
- › What to do with a notice or letter
- › ITIN renewal
- › Notify us of an address change
- › Affordable Care Act
- › More ...

Tools

- › Apply for an online payment plan
- › **Get a tax transcript**
- › Apply for an employer ID number
- › Change your tax withholding
- › Check status of your amended return
- › More ...

Filing & Payment





- Employees
- Self-Employed
- International Taxpayers
- Military
- Parents
- Seniors & Retirees
- Students

Get Transcript



Get a record of your past tax returns, also referred to as transcripts. IRS transcripts are often used to validate income and tax filing status for mortgage applications, student and small business loan applications, and during tax preparation.

You can download and print your transcript immediately, or request the transcript be mailed to your address on record.

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ONLINE

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MAIL

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- Choose from either a [Tax Return](#) or [Tax Account](#).
- Transcript by Mail is available [en Español](#).

Counseling Undocumented & DACA Students



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What Does It Mean?

- Undocumented: Individual lacks the documents required for immigration or legal residence
- DACA (Deferred Action for Childhood Arrivals): Allows certain undocumented immigrants to the United States who entered the country before their 16th birthday and before June 2007 to receive a renewable two-year work permit and exemption from deportation
- Both statuses (undocumented and DACA) are ineligible for federal financial aid programs



Undocumented Parents

- Eligibility for federal financial aid depends on the student's citizenship status
- Parents' undocumented status usually does not affect student's eligibility to apply for certain types of aid (i.e. FAFSA)
 - May not borrow under the Federal Direct Parent PLUS loan
 - May not obtain an FSA ID; therefore, FAFSA signature page must be signed and mailed to the Federal Student Aid Programs
- Undocumented parents may enter 000-00-0000 for their Social Security Number on their eligible student's FAFSA



18 States Currently Allow In-State Tuition for Undocumented Students

- California
- Colorado
- Connecticut
- Florida
- Illinois
- Kansas
- Maryland
- Minnesota
- Nebraska
- New Jersey
- New Mexico
- New York
- Oklahoma
- Oregon
- Rhode Island
- Texas
- Utah
- Washington



6 States Currently Have Provisions Allowing State Financial Aid for Undocumented Students

- California
- Minnesota
- New Mexico
- Oregon
- Texas
- Washington



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Oregon Student Aid Application (ORSAA)

- Available now at oregonstudentaid.org
 - Undocumented students
 - DACA students
- Determines eligibility for state-administered programs
 - Oregon Opportunity Grant (OOG)
 - Oregon Promise
 - Some OSAC scholarships



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Financial Aid from Colleges and Universities

- Institutional scholarships, grants, or loans
 - May be based on need or merit or both
 - May require an institutional application or International CSS Profile
- On or off campus work may be available for DACA students
- Availability of institutional aid varies widely; student should always check with the school



If you get this question from a DACA student:
“Should I file the FAFSA?”

- You should say:
 - If you plan to go to school in Oregon, you should file the ORSAA
 - Some schools may use the FAFSA to determine eligibility for institutional funds for DACA students; check with the school
 - *Some* schools may use the CSS Profile to determine eligibility for institutional funds for DACA students; check with the school



Changes in Federal & State Aid



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Changes in Federal & State Aid

- Maximum Pell Grant will be \$5,920
- Federal Perkins Loan program due to sunset September 30, 2017
 - New legislation in late 2015 extended program for two years and eliminated all grandfathering provisions
- Oregon Promise
 - Funding for Oregon Promise for the 2017-18 academic year is subject to Oregon Legislative approval; more information will be available in spring, 2017



Questions?



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