Act 2: Verification
Verification Areas of Focus

- Verification Overview
- Verification Tracking Groups
- Required Documentation
- Discretionary Verification
- Corrections / Updates / Adjustments
- Database Matches
- Things to Know
- Resources
Understanding Verification

- The process used by the institution to check the accuracy of the information an applicant has provided on the FAFSA
- Reduces errors in applicant reported data
- Assures applicant receives aid for which they are eligible
- If selected for Verification, it must be completed for the applicant to received subsidized student aid
When the data on the FAFSA conflicts with the documentation, the institution must correct all verifiable data and determine whether corrections must be submitted to the FAFSA Partner Portal (FPP).

FAFSA data corrections that must be reported to FPP for reprocessing:

- Changes in a single dollar item of $25 or more
- Change in any nondollar item that is required to be verified
- Signature requirements on supporting documentation
Required and should be written

Policy should include:
Schools must provide the following to students selected for verification in a timely manner:

- A clear explanation of their role in the process
- A list of documents they need to submit, and
- Deadlines they must meet and the consequences of failing to meet them.

24-25 Application and Verification Guide
When is Verification Required?

- When applicants are selected by the Secretary
- When applicants are selected by the institution
- Applicants for whom the institution has conflicting information
Who is Exempt from Verification?

- Applicant who is only eligible for unsubsidized aid.
Verification Tracking Groups

V1
Standard Verification Tracking Group

V4
Custom Verification Tracking Group

V5
Aggregate Verification Tracking Group
## V1 — Standard Verification Data Points

<table>
<thead>
<tr>
<th>Tax Filing Status</th>
<th>Required Items to be Verified</th>
</tr>
</thead>
</table>
| **Tax Filer**              | ➢ Adjust Gross Income (AGI)  
➢ *Income Earned from Work  
➢ U.S. Income Tax Paid  
➢ Untaxed Portions of IRA Distributions and Pensions  
➢ IRA Deductions and Payments  
➢ Tax Exempt Interest Income  
➢ Education Credits  
➢ *Foreign Income Exempt from Federal Taxation |
| **Non-Tax Filer**          | ➢ Income Earned from Work                                                                 |
| **Tax Filer/Non-Tax Filer**| ➢ Family size                                                                                    |
Tax Filer Documentation

- FUTURE Act Direct Data Exchange (FA-DDX)
  - Code 200 – Usable FTI Data Retrieved Successfully
  - Code 214 – No Return on file

OR

- IRS Tax Return Transcript*

OR

- Signed IRS 1040 with Schedules 1, 2, and/or 3 if filed
Family Size

List of household members including names, ages, and relationship to student

- Dependent
V4 – Custom Verification Group

- Identity

- Statement of Educational purpose (SEP)
Identity
- Copy of valid, unexpired government issued photo ID
- Copy must be annotated with date and reviewer's name
- Student IDs and Military IDs are not acceptable

Statement of Educational Purpose (SEP)
- Sign the SEP in the presence of an authorized staff member OR
- Sign the SEP in the presence of a Notary
  - Copy of Photo ID must be attached
  - Submit original which includes "wet signature"
- Wording on SEP must be exact
2024-2025 DEPENDENT VERIFICATION WORKSHEET

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V1 + V4 = V5
V5 Aggregate Data Elements

- All items and documentation required in the V1 Verification Group
- All items and documentation required in the V4 Verification Group
Confined or Incarcerated Students

- V1 Standard Verification Group
  - Not required

- V4 or V5
  - V1 items not required
  - Identity
  - Statement of Educational Purpose (SEP)
Verification of Dependency Status

- Dependency Status Questions
Provisional Independent Student

Provisional SAI Provided to the Student

ISIR record is rejected

The Financial Aid Administrator must review the student’s situation and determine if the student:

▪ Is unaccompanied and homeless;
▪ Merits a dependency override;
▪ Must instead provide parental data; or
▪ Should be permitted to borrow only unsubsidized loans because they can document that their parents have refused to support them or to provide parental information on the student’s FAFSA
Corrections/Updates/Adjustments

- Corrections – information was reported incorrectly at the time of application
- Updates – information was correct at the time the FAFSA was completed, but has changed since the time of application
Database Matches

- Social Security Administration – SSA
- Department of Homeland Security – DHS
- National Student Loan Database System – NSLDS
- Veteran Affairs

Unsuccessful matches will cause ISIR comment codes (C-Codes) that require action from either the institution or the student which can be associated with the process of verification.
# Customary Support Documentation

<table>
<thead>
<tr>
<th>Database Match C-Code</th>
<th>Customary Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Citizenship Status</strong></td>
<td>Birth Certificate <em>(must be born in U.S.)</em></td>
</tr>
<tr>
<td></td>
<td>U.S. Passport</td>
</tr>
<tr>
<td></td>
<td>Certificate of Naturalization</td>
</tr>
<tr>
<td></td>
<td>Certificate of Citizenship</td>
</tr>
<tr>
<td><strong>Eligible Non-Citizenship Status (may require secondary and/or third step verification)</strong></td>
<td>Permanent Resident Card</td>
</tr>
<tr>
<td></td>
<td>Form I-94/I-94A or Arrival/Departure Record</td>
</tr>
<tr>
<td><strong>Social Security Number/Name</strong></td>
<td>Social Security Card</td>
</tr>
</tbody>
</table>

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Things to Know

- Alternative supporting documentation
- Knowledge of basic tax filing issues
Resources

- Institutional Policies & Procedures
- FSA Handbook
- NASFAA – Today’s News, AskRegs, Webinars, Self-Study Guides
- TASFAA & SWASFAA Training Opportunities
- Colleagues
Resources

- FAFSA Verification IRS Tax Return Transcript Matrix
- NASFAA Student Aid Reference Desk
- Dear Colleague Letters
- Electronic Announcements
- Federal Student Aid Knowledge Center
- September 19, 2023, Federal Register
- 2024-25 FAFSA Specifications Guide (April 2024 Update)
Texas Association of Student Financial Aid Administrators

Thank You for Completing our Survey

Verification