

Q & A from NASFAA's Webinar

Prior-Prior Year: Understanding the Treatment of Conflicting Information

August 31, 2016



Question	Answer
ED/CPS Processing/Operational concerns	
1. What is the threshold amount that will trigger a 399 comment code?	Although ED will not be releasing the exact thresholds that will generate comment 399, they have shared that ISIRs will be flagged with comment 399 any time resolution of discrepant income and tax information would result in a significant change to a Pell grant-eligible student's EFC. ED will not reveal what it considers a significant enough change in EFC to warrant the flag.
2. Has the Department of Education provided any estimates of how many 399 C codes will be generated in 2017-2018?	Since this is the first (and only) year that same-year tax returns will be used for different AY FAFSA [®] s, there is no way to predict the number of instances of conflicting data that will result in comment 399. Encouraging applicants to use IRS-DRT for both years will greatly reduce the number of cross-year conflicts.
3. When will the 399 code start appearing on the 2016-17 ISIR?	*Comment 399 will not appear on 2016-17 ISIRs. NASFAA's understanding is that the 399 comment code will appear on 2017-18 ISIRs as soon as they begin processing 2017-18 FAFSAs on October 1, 2016.
4. Will comment 399 appear on the 2016-17 ISIR as well as the 2017-18 ISIR?	No. Only the 2017-18 ISIR will be flagged with comment code 399.
5. Once the conflict is resolved does a subsequent ISIR get generated with no comment 399?	*NASFAA has confirmed with ED that if corrections are made to the 2017-18 ISIR to resolve the cross-year conflict, a new 2017-18 ISIR will be generated with both the C flag and comment 399 removed. If corrections are made only to the 2016-17 ISIR to resolve the conflict, however, a new 2017-18 ISIR will not be generated.
6. Has NASFAA heard whether or not CPS will adjust their systems to not re-select for 2017-18 students already selected for verification on their 2016-17 FAFSA?	Students may be selected for verification in both 2016-17 and 2017-18 despite the use of 2015 income and tax data for both award years due to the fact that there are other, non-income, data elements—such as family size and number in college—involved in verification which may change between award years.
7. Theoretically, this process (comment codes 395-399) should only be needed for this year since we are using the same tax year. Is there potential for any of this process to be applied to future years?	Since this issue of cross-year conflicting data arises from the one-year transition to PPY which involves the same year's (2015) income and tax information reported on two year's FAFSAs, this process will not continue beyond the 2017-18 award year.

Question	Answer
8. Will the 2016-17 ISIR come to the school as a pushed ISIR if they updated it to use the IRS-DRT for 2016-17 to correct estimated income?	Applicant changes to the 2016-17 FAFSA, including updates to using the IRS-DRT, should generate a subsequent ISIR transaction.
Which ISIRs be flagged with comment 399?	
1. Do all ISIRs with conflicts get the 399 code or just those who are Pell-eligible? And does Pell eligibility apply to both award years?	Per <u>GEN 16-14</u> , ED will not flag ISIRs with comment 399 if the student is not expected to be Pell-eligible based on the 2017-18 ISIR only. Pell eligibility for 2016-17 is not considered when generating comment 399.
2. Does marital status change affect whose income must be reported?	*Yes, a change to marital status would likely cause a change to whose income is reported on the FAFSA. ED considers a change to marital status a reasonable explanation for why conflicting data between award years 2016-17 and 2017-18 would exist and, as a result, ISIR records with changes to either student or parent marital status would not generate comment code 399.
3. Will changes in household size or number in college from 2016-17 to 2017-18 be considered conflicting information?	No. It is expected that family size and number in college may change from year to year. Only conflicts that arise from differences in reported 2015 income and tax data are flagged with comment 399.
4. Is the 399 code only for income information?	*Comment 399 identifies conflicts with income and tax information so it may include conflicts other than income, such as tax return type filed, income tax paid, or number of tax exemptions claimed. See <u>Early FAFSA Electronic Announcement #4</u> for the full list of prior-prior year income-related FAFSA Questions.
5. When referring to “income data” does that also include untaxed income such as child support and those items that do not appear on the tax return and are not retrieved via IRS-DRT?	Yes, the 2017-18 FAFSA asks students and parents to report their untaxed income for 2015 so the expectation is that untaxed income data on the 2016-17 and 2017-18 FAFSAs will match. If they do not match and if they meet ED's other criteria for comment 399 they will be flagged for institutional resolution.
6. Would comment code 399 be generated due to a change in assets?	No. The FAFSA asks applicants to report the value of assets as of the date they complete the FAFSA and it is expected that assets may change from year to year. Only conflicts that arise from differences in reported 2015 income and tax data are flagged with comment 399.
7. If a family moves since 2015 - when using the IRS-DRT, they'll need to put their 2015 address/info into the IRS authenticity page to link- however this will conflict with the current FAFSA address info - will this cause a verification issue?	No, a change to address is not considered conflicting data. Only conflicts that arise from differences in reported 2015 income and tax data are flagged with comment 399.

Question	Answer
8. For families that cannot use IRS-DRT, will the FAFSA still carry the 399 code if the information conflicts?	Yes, comment code 399 may be generated regardless of whether a family used the IRS-DRT. However, an institution may consider IRS-DRT information that has not been subsequently changed to be correct for updating the other year's ISIR in the event of conflicting data between award years 2016-17 and 2017-18. For families with conflicting data flagged with comment code 399 who cannot use the IRS-DRT, institutions will need to collect other documentation from the family to resolve the conflicting data.
9. If the EFC remains the same from 2016-17 and 2017-18 but tax information is fairly different would the ISIR be flagged with comment 399? A zero EFC can result from a very large income range.	Comment 399 is generated only when the conflicting information identified by ED would produce a significant change to the EFC. In the instance where income varied significantly between the two years but both incomes resulted in a zero EFC the ISIR would not be flagged with comment 399.
10. Will 399 require conflict resolution if for both 2016-17 and 2017-18 the student only qualified for Unsubsidized Stafford (did not demonstrate need)?	No. Only students expected to be Pell-eligible for 2017-18 will receive ISIRs with comment 399 requiring institutional resolution.
11. Based on slide #14, are we understanding that, "comment code #399 will not show on 2017-18 FAFSA's if PJ was used in 2016-17?"	Correct, comment code 399 will not appear on ISIRs if PJ was used in either year AND the CPS "Professional Judgment Flag" has been set to '1'
12. If we do a PJ in 2016-17 then we will get comment 399 on the 2017-18 ISIR at that point can we use the same information and reprocess?	If an institution used PJ in either year and the CPS "Professional Judgment Flag" has been set to '1' the ISIR will not be flagged with comment 399. Institutions are still required to comply with all existing PJ guidance from the <u>2016-17 FSA Handbook, Application and Verification Guide, Chapter 5</u> , and must determine, on a case-by-case basis, whether a student qualifies for a PJ decision from one year to the next. Also, per ED's <u>Early FAFSA FAQ</u> , conflicting data must be resolved and ISIR corrections submitted to the CPS before institutions may make PJ decisions.
13. It's my understanding that if the student completes a 2017-18 FAFSA prior to completing a 2016-17 FAFSA that the 2017-18 FAFSA will never have (no pushed ISIR) a 399 code. What is our responsibility for conflicting income elements?	NASFAA has confirmed with ED that this is correct. No 2017-18 ISIR will be pushed if a student files a 2016-17 ISIR after filing a 2017-18 FAFSA; comparison of data occurs only at the point a 2017-18 application is filed or corrected. Since the 2017-18 ISIR will not be flagged with comment 399, no resolution is required. However, if a school does receive a subsequent 2017-18 ISIR with comment 399 as a result of other activity, it must resolve cross-year conflicting data at that point. Also, all other normal conflicting data rules still apply.

Question	Answer
14. Will the 399 code only look at tax filers or will it also look at non-tax filers?	Both tax filers and non-tax filers may receive ISIRs with comment 399.
<p>15. For graduate students eligible for unsubsidized Stafford loans only, who have a C code and comment 399, and thus no change in need analysis, is it considered conflicting information that must be resolved?</p> <p>16. Based on slide #14, is it safe to expect that Graduate students and Undergraduate students who have a prior bachelor's degree will not receive comment 399?</p> <p>17. If we had a student who is a graduate student in 2017-18 and an undergraduate in 2016-17, would we get a 399 code?</p>	<p>*If the student correctly identifies him/herself on the FAFSA as a graduate student or undergraduate with a prior bachelor's degree on the 2017-18 ISIR they will not receive an ISIR with comment 399 since ISIRs are only flagged with comment 399 if the student is expected to be Pell-eligible for 2017-18, and graduate students cannot receive Pell grants.</p>
18. Remember that students in eligible teacher certification programs can receive Pell at some institutions, so it would seem that they can be coded with the 399.	Yes, if a student correctly identifies as an undergraduate with a prior bachelor's degree who is enrolled in a teaching credential program, they could be flagged with comment 399 since they may be Pell-eligible.
Foreign schools	
1. Does the 399 code need to be resolved for students attending foreign schools?	*Yes, foreign institutions are required to resolve cross-year conflicting data for ISIRs flagged with comment 399.
Cases that do not require institutional resolution	
<p>1. If student attended a different college in 2016-17 but we received their 2016-17 ISIR because they were not sure at the time if they were attending our school, do we have to resolve the 2016-17 conflicting info even if the student did not attend our school in 2016-17?</p> <p>2. With Example 1, would you need to send a correction to 2016-17, even if they never attended or received aid? Or would you just resolve any conflicts for 2017-18?</p> <p>3. If you fix a 2016-17 ISIR when the student isn't attending your school for that year, would you not be messing something up for a school where the student was attending in 2016-17?</p> <p>4. How do we handle an ISIR for 2017-18 with comment 399, but student attended a different school during 2016-17? What if, after we fix the 2017-18 ISIR, the other school awarded the student incorrectly?</p>	<p>*If your institution never received a 2016-17 ISIR, there is no conflicting information to resolve.</p> <p>If the institution will disburse Title IV aid for 2017-18, it must resolve conflicting data even if the student did not attend that institution in 2016-17 because the conflict between the two years could result in a change to 2017-18 eligibility.</p> <p>NASFAA has confirmed with ED that if your institution determines that the incorrect data is on the 2016-17 FAFSA and the student did not attend your school in 2016-17 then your institution does not need to correct the 2016-17 ISIR. <i>(Updated 9/28/2016)</i></p> 

Question	Answer
5. Does the student have to be admitted for us to need to review the 2016-17 unlinked ISIR? Or must we review every applicant who has a 2016-17 unlinked ISIR?	ED's definition of 'receipt' of an ISIR is 'provided by CPS to the institution's SAIG mailbox'. So, even if the student was not admitted in 2016-17, if the institution received the 2016-17 ISIR and will disburse Title IV aid for 2017-18 it must resolve the conflicting data because it could result in a change to 2017-18 eligibility.
6. Does the 2016-17 ISIR need to be processed and/or signed in order for the pop-up warnings for conflicting information to appear in the 2017-18?	NASFAA is awaiting further guidance from ED on this topic and will update the Q&A when we have the information.
7. What if a 2016-17 ISIR is received and is rejected and no subsequent good ISIR is received? If a 2017-18 is coded 399 do we have to fix or resolve the 2016-17?	NASFAA is awaiting further guidance from ED on this topic and will update the Q&A when we have the information.
8. If we did not receive a 2016-17 FAFSA, but the 2017-18 FAFSA has code 399, no resolution is needed. How do we clear the C-Code on the 2017-18 FAFSA?	The C code will remain on the 2017-18 FAFSA in this instance. The institution should document in the student's file the reason the C code was not resolved but may award and disburse 2017-18 Title IV aid.
9. With Example 1, would it not be considered under the exemption where we did not or will not disburse Title IV funds? Why are we required to review if the 2016-17 ISIR was never uploaded?	ED considers an institution to be in receipt of an ISIR if it has been provided by CPS to the institution's SAIG mailbox, not whether the institution uploaded or processed that ISIR. Per GEN-16-14 , if an institution received a 2016-17 ISIR it must resolve conflicting information before it disburses any Title IV aid for <i>either</i> year. In Example 1 the institution plans to disburse 2017-18 aid and, as a result, must resolve the conflict.
10. Suppose a student attended our school in 2016-17 and graduated after the year was over but left our code on their 2017-18 FAFSA. What happens if we receive a 2017-18 ISIR with a Code 399 but the student is no longer at our school? Are we required to research conflicting information and possibly update their 2016-17 ISIR? 11. In Example 4, what if you paid the student for Fall but it is now Spring and the student is no longer in attendance?	*If the student is no longer enrolled and is not expected to re-enroll for 2016-17 or enroll for 2017-18 the institution is not required to resolve the possible conflicting information. ED addressed this as a follow-up to GEN 16-14 in its Early FAFSA FAQ on September 6, 2016.

Question	Answer
<p>12. If a student received a disbursement in 2016-17, withdraws and an R2T4 is performed, then subsequently we receive a code 399 for 2017-18 which changes the EFC for 2016-17 - we need to correct the R2T4 for 2016-17 correct?</p>	<p>If the student is no longer enrolled and is not expected to re-enroll for 2016-17 or enroll for 2017-18 the institution is not required to resolve the possible conflicting information. ED addressed this as a follow-up to GEN 16-14 in its Early FAFSA FAQ on September 6, 2016. However, if the student re-enrolls for 2016-17 or subsequently enrolls for 2017-18 the institution must resolve the conflicting information and, if 2016-17 Title IV eligibility is impacted, correct the R2T4.</p>
<p>13. What if we are unable to import the 2017-18 ISIR into our system and the school is not aware of the Comment Code 399 being on the 2017-18 ISIR for a student who was awarded in 2016-17?</p>	<p>Assuming the only reason a school would be unable to import a 2017-18 ISIR and would not attempt to try to resolve that situation is because the student is no longer in attendance, per ED's Early FAFSA FAQ update issued on September 6, 2016 no resolution of conflicting cross-year data is required. If student was in attendance in 2017-18, though, the institution would be considered in receipt of ISIR and, regardless of whether awarding 2017-18 aid would have to resolve the conflict in the event that it affects 2016-17 aid.</p>
<p>Use of IRS-DRT</p>	
<p>1. If the IRS-DRT is used for completing the 2017-18 FAFSA, will it "correct" the data on 2016-17 if the tool wasn't used in 2016-17?</p>	<p>*No, the 2016-17 data will not be automatically corrected by the CPS when IRS-DRT is used for the 2017-18 FAFSA. However, an institution may consider IRS-DRT information that has not been subsequently changed to be correct for updating the other year's ISIR in the event of conflicting data between award years 2016-17 and 2017-18.</p>
<p>2. For slide 18, if the student used IRS-DRT in 2016-17 but not 2017-18, are we allowed to just update the 2017-18 data to match the IRS-DRT information from 2016-17 or does the student have to do a correction?</p>	<p>If IRS-DRT was used for 2016-17 and not for 2017-18 and comment 399 is generated for conflicting data an institution may consider the 2016-17 IRS-DRT information, if it has not been subsequently changed, to be correct for updating the 2017-18 ISIR.</p>
<p>3. A student completes the 2017-18 FAFSA using the IRS-DRT and is flagged with comment 399. If they subsequently make a correction to the 2016-17 FAFSA using IRS-DRT, will the 2017-18 ISIR still have a flag since the 2016-17 correction was done after the 2017-18 FAFSA was filed?</p>	<p>Corrections to the 2016-17 ISIR will not cause a new 2017-18 ISIR to be generated with the comment 399 removed. However, despite the fact that comment 399 still appears, the fact that IRS-DRT was used on both FAFSAs eliminates the conflict and schools must only document this fact to resolve comment 399.</p>

Question	Answer
What is considered acceptable documentation for resolving conflicting data?	
1. In Example 1, could we just require the student to select IRS-DRT, submit verification worksheet, etc. that would satisfy resolving any potential conflicts instead of accessing the 2016-17 ISIR in the holding/staging table?	*Schools cannot require students to use IRS-DRT but they can request that students do so and, if they comply, schools can use the IRS-DRT data to resolve the conflict. A verification worksheet alone would not provide sufficient data to resolve all conflicts identified by comment 399. The school will probably need to retrieve the 2016-17 ISIR to resolve comment code 399, but NASFAA is awaiting additional clarification from ED on this issue.
2. Can a school require a FAFSA filer to complete IRS-DRT?	*No, a school may not require a student to use IRS-DRT, but they may (and should) encourage all FAFSA filers to do so. NASFAA has a template for institutions to use to encourage use of DRT here: https://www.nasfaa.org/news-item/8603/Avoid_Conflicting_Informa
3. Would acknowledging that PJ was done in 2016-17 be enough to resolve the conflict?	Institutions should document Professional Judgment determinations by setting the CPS “Professional Judgment Flag” to '1'. This will prevent comment 399 from being generated.
4. If the conflicting information is only one item (let's say AGI) do we only have to resolve the AGI or do we need to collect the full tax transcript and verify all data?	Since an institution would need to collect tax documents to determine the correct AGI, it would have all other tax-related information available. In accordance with regular conflicting data rules an institution cannot ignore information in its possession so if other data elements conflict they must also be resolved.
5. Can we use copies of tax returns to resolve 399 codes?	Yes, NASFAA has confirmed with ED that paper tax returns may be used for resolving cross-year conflicting data. Remember, though, that paper tax returns are not acceptable documentation for Verification. <i>(Updated 9/28/2016)</i>



Question	Answer
Resolving conflicts	
1. With the 399 code will we know what data items are in conflict? Or could it be anything/everything?	*ISIR comment codes 035 and 036 have been <u>revised for 2017-18</u> to indicate that parental income or income tax paid conflict with the 2016-17 FAFSA, and ISIR comments 395-398 have been added to indicate that student income or income tax paid conflict with the 2016-17 FAFSA. <u>Early FAFSA Electronic Announcement #4</u> lists the FAFSA questions that must be completed using 2015 tax data and, consequently, are the data items that could potentially conflict across years. To determine exactly which data item(s) conflict, though, institutions would need to compare the 2016-17 and 2017-18 ISIRs.
2. So if the 399 code is not on the ISIR, we are not required to resolve conflicting information in regard to the reported tax information, even if it does differ between the two award years?	*Correct. Institutions must only resolve cross-year income and tax data conflicts for students whose ISIRs are flagged with comment 399. All other conflicting data regulations must be followed as detailed in the <u>2016-17 FSA Handbook, Application and Verification Guide, Chapter 5</u> .
3. What about students and/ or parents who completed the FAFSA using estimated data?	*Encourage students to update estimated data on their 2016-17 FAFSA, or, better yet, to <u>use the IRS-DRT</u> . A best practice may be for schools to query all 2016-17 ISIRs completed with estimated data and to reach out to those students now to submit a correction or use the IRS-DRT. If a conflict with estimated data generates comment 399 you must resolve conflicting data by collecting documentation and updating estimated data.
4. What about situations where divorced parents claim the dependent student in alternate years and provide their income?	Keeping in mind that the criteria for determining who is the parent on the FAFSA is different from the criteria for claiming an individual as a dependent on the tax return, if an applicant switched custodial parents from 2016-17 to 2017-18 and the 2017-18 ISIR was flagged with comment 399 the institution would resolve the conflict by documenting this custodial parent change as the cause of the conflict.
5. How do you know what tax year you should be choosing to update the ISIR? Are schools required to go with the higher income?	2015 tax information is to be used in completing both the 2016-17 and 2017-18 FAFSA as well as for institutions resolving conflicting data for either award year for ISIRs flagged with comment 399.
6. If we receive a 2017-18 FAFSA with the 399 code are we only required to resolve conflicting info or do we have to select them for verification? Example, just checking tax info or do we need to look at household size... etc.?	Institutions need only resolve cross-year conflicting data for students with ISIRs flagged with comment 399. You are not required to select students for verification solely based on comment 399 on the ISIR.

Question	Answer
7. Is this resolution only needed for the respective verification groups or will non-selected student be coded as well?	Resolution is required for any ISIR with comment 399, regardless of verification selection status. However, if the institution has performed verification for either award year they may consider that verified data to be correct and use that verified data to correct the other year's data to resolve the conflict.
<p>8. Example: 2016-2017 academic year at our school ends 8/15/17 (end of summer session). If 2017-2018 ISIR is received after student is no longer enrolled for 2016-2017 (i.e. after 8/15/17) but is enrolled for 2017-2018 does the institution have to resolve the conflict for 2016-2017 even though the enrollment period has ended?</p> <p>9. On slide 27, Example 3, if all 2016-17 was disbursed before the 2017-18 conflict arose, and we are not past the 2016-17 correction deadline, would we still be required to correct the 2016-17 ISIR if 2017-18 resolution finds the 2016-17 data to be incorrect?</p> <p>10. If you do not have a comment 399 on the 2017-18 FAFSA, but it is selected for verification and after verification you receive a new FAFSA with the 399 code and you find information on 2016-17 FAFSA to be incorrect - what needs to be done with the 2016-17 award if you discover the award was wrong?</p>	<p>*Yes, if it is still before the Sept. 9, 2017 deadline to submit 2016-17 ISIR corrections schools must submit corrections and adjust 2016-17 aid if resolution of conflicting data results in a change to eligibility, even in cases when 2016-17 aid has been fully disbursed, unless the student is no longer enrolled at the institution and is not expected to re-enroll.</p>
11. If we pay fall 2016 aid on 2016-17 ISIR and then receive 2017-18 ISIR in Nov. 2016 and it is flagged with comment 399, will we have to hold spring 2017 aid disbursement until resolved?	Yes.
12. What if we disburse aid for 2016-17 in Sept 2016 and then we receive a 2017-18 ISIR in Feb 2017 with C Code 399? Is this considered an overaward and can we not make future disbursements until resolved?	You cannot make future disbursements until the conflict is resolved but the disbursed fall aid would not be considered an overaward until either the institution corrected the conflicting data which resulted in a higher EFC or the institution had determined that it was unable to resolve the conflicting information, either because the student did not respond to request for information or did not adequately clarify the reasons for the conflicting information.
13. If there is a conflict and we get no response from the student - do we return ALL Title IV funds? Or what we deem as the correct eligibility?	If there is no response to an institutional request for more information to resolve conflicting information to resolve comment 399, the student is considered to be in an overaward status for all need-based Title IV aid (Title IV Grants, Perkins loans, and Direct Subsidized Loans). The institution should follow overaward procedures outlined in the <u>2016-17 FSA Handbook, Volume 4: Chapter 3</u> . FWS funds earned to date cannot be returned but the institution should cease paying the student with FWS funds.

Question	Answer
<p>14. Is there any concern that the requirement to go back and verify the current year to avoid conflicting information will negatively impact currently enrolled students and will create drama in the financial aid office? Will there be any statements added to the ISIR email the student receives?</p>	<p>*There will almost certainly be instances where, depending on when students complete the 2017-18 FAFSA and when they follow up on institutional requests for information to resolve conflicting data, an adjustment to 2016-17 aid would create “drama”. Encouraging students to complete the 2017-18 FAFSA as early as possible and to <u>use the IRS-DRT</u> are steps FAAs can take to reduce the number of cases where comment code 399 is generated, which will greatly reduce burden on schools, likelihood of current year aid adjustments, and drama!</p>
<p>15. What if a student ends up being under-awarded after resolution of a 399 code?</p>	<p>When the correction results in a lower official 2016-17 EFC, the institution must disburse any additional 2016-17 aid that it determines the student is eligible to receive, consistent with the late disbursement rules at 34 CFR 668.164(g) as described in the <u>2016-17 FSA Handbook, Volume 4: Chapter 2.</u></p>
<p>16. For students not selected for verification, does resolution of conflicting information include a requirement to submit a correction to the CPS? Or just documentation of the resolution in our system?</p>	<p>*Most of the students with comment 399 will be Pell-eligible since ED has included in its comment 399 criteria that applicants must be expected to be Pell-eligible. As such, changes to these records would require that an ISIR correction be submitted to the CPS.</p>
<p>17. What if a parent used estimated data for 2016-17, has conflicting information for 2017-18, we now learn the parent did not file taxes for 2015 and is not going to file taxes for 2015. Would the student still be able to get unsub. as the parent refuses to provide tax information? I say no financial aid but need to clarify.</p>	<p>If the family did not file 2015 taxes because they are not required to file, resolution of the conflicting data would involve collecting alternative acceptable documentation of the family's income information. If someone whose data are required on the FAFSA submits a signed statement claiming non-filer status and you have reason to believe that person would have been required to file a U.S. tax return, you must require her to submit a “Verification of Nonfiling Letter” from the IRS (filers of foreign returns would submit a comparable document) that she did not file a 2015 IRS income tax return. In either case if requested documentation is not provided to the FAO within the institutionally-determined timeframe, the institution should treat disbursed Title IV aid as an overpayment, not make any future disbursements, and cease paying the student out of FWS funds. This situation should not be treated as parental refusal to provide information and, as such, institutions may not choose to award an Unsubsidized loan.</p>

Question	Answer
18. If in the process of resolving comment code 399, we discover that a conflict exists for years prior to 2016-2017 is any resolution required for the prior years or not required because the year(s) are closed?	The conflict that generates comment code 399 applies only to conflicts between the 2016-17 and 2017-18 award years, arising solely due to the use of the same base year income (2015) for both years. All other conflicting information must be resolved in accordance with existing guidance in 2016-17 FSA Handbook, Application and Verification Guide, Chapter 5 .
19. We load all ISIRs in our system. Would that change Example 1?	It would not change Example 1; your institution would still be required to resolve the conflicting data. However, you may not need to adopt new procedures to ensure that you don't miss a 2016-17 ISIR if you are already loading every one you receive.
20. Does the test for "could have been disbursed", mean that we received an ISIR or offered an award or something else?	*The phrase "may disburse" should not be interpreted to have the same definition as "could have been disbursed" for purposes of Return to Title IV Funds. In the context of resolving cross-year conflicting data, once a conflict is identified through receipt of a 2017-18 ISIR with comment 399, an institution must resolve conflicts prior to disbursing aid for either (2016-17 or 2017-18) award year.
21. If our institution has a summer header, would we still need to resolve?	An institution's assignment of a term as a header or a trailer does not change the requirements for resolving cross-year conflicting data. The requirement for resolution of cross-year conflicting data is based on Title IV aid disbursed using the 2016-17 or the 2017-18 FAFSA, both of which rely on 2015 income and tax information. If an institution awarded summer aid as a header or a trailer for either of those award years and had comment code 399 on the 2017-18 ISIR the institution would be required to resolve the conflicting data.
Professional Judgment	
1. If a student's 2016 income or taxes is more beneficial than 2015 taxes, can a PJ be performed for 2017-18 ISIR using 2016 taxes?	ED has acknowledged the likelihood of an increase in PJ requests due to the use of prior prior year (PPY) income in GEN-16-03, where they specifically mention the possibility that a FAA may choose to use more recent income that the FAA believes more accurately reflects the family's current financial circumstances. However, the increase is based on more time in which extenuating circumstances can develop. Remember that Professional Judgment decisions must comply with all existing regulations, including that they must be made on a case-by-case basis, must address special circumstances that differentiate the student from other students, and must be adequately documented.

Question	Answer
<p>2. What happens if we complete a Professional Judgment for the 2016-2017 award year adjusting the 2015 income, and when submitting the 2017-2018 they actually are currently working. Would we go back to the initial 2015 income on the 2016-2017 award year prior to the professional judgment?</p>	<p>Families should complete the 2017-18 FAFSA using 2015 income from the 2015 tax return in accordance with the FAFSA instructions. If the school exercised PJ in the 2016-17 award year and set the "Professional Judgment Flag" to '1', the ISIR would not be flagged with comment 399. The institution would not be required to reverse a prior PJ decision to resolve conflicting data, nor should the FAA carry forward a previous year's PJ adjustment without ascertaining that mitigating circumstances applicable to the new year exist.</p>
Verification	
<p>1. Will students with comment 399 be selected for verification? If so, which verified group?</p>	<p>While ED does not make public its criteria for selection for verification, not all ISIRs with comment 399 will necessarily be selected for verification.</p>
<p>2. If in 2016-17 a student used the IRS-DRT and was not selected for verification, and then is selected for verification for the 2017-18 year (w/out 399 code), can we circumvent collecting taxes for 2017-18 year?</p>	<p>Yes, ED addressed this issue in its Early FAFSA FAQ. Institutions may use the documentation collected to verify income and tax information on the 2016-17 ISIR to complete verification of the 2017-18 FAFSA.</p>
<p>3. Scenario: 2016-2017 verification was completed with extension. Then receive a 2017-2018 ISIR with 399 comment code. Will we have to go back to 2016-2017 even though verification was completed with acceptable extension documentation?</p>	<p>If the completed 2015 tax return is available institutions should use that data to resolve cross-year conflicting data.</p>
<p>4. What if an application is verified in 2016-17 but the student then reports untaxed income such as "money received or paid on your behalf" on the 2017-18 FAFSA, creating a conflict that generates comment 399? Technically an institution is allowed to use the 2016-17 verified data to update the 2017-18 ISIR but in this instance it is the 2017-18 data that is correct.</p>	<p>If an institution has information it knows to be correct it should resolve conflicting data using that information instead of using the prior year's verified data if that verified data is incorrect. The school should first ensure that the applicant is not mistakenly listing untaxed income that was received in 2016 but not in 2015, but if they truly made an error documenting their 2015 untaxed income during the verification process and the institution subsequently learns the correct figure it should use the correct information to resolve the conflict.</p>
Deadline for submitting ISIR corrections	
<p>1. Please clarify the deadline for submitting corrections to 2017-18 ISIRs that have conflicting info--slide 28 lists September 9, 2017 as the deadline--is that the deadline to correct 2016-17 ISIR's (or did you really mean 2017-18 ISIRs)?</p>	<p>Slide 28 refers to the deadline for submitting corrections to 2016-17 ISIRs. This example was intended to stress that it is only the 2017-18 ISIR that is flagged with comment 399, so institutions will need to monitor their 2017-18 ISIRs leading up to the September 9, 2017 deadline because a 2017-18 ISIR with comment 399 might require corrections to a 2016-17 ISIR to resolve the conflict.</p>

Question	Answer
2. Does any 2017-18 ISIR received after September 9, 2017 with a 399 code need to be resolved?	If the institution has disbursed or plans to disburse 2017-18 aid they must resolve the conflict in the event that it impacts 2017-18 aid, but the institution is no longer required to submit 2016-17 corrections (or, consequently, adjust 2016-17 Title IV aid) after September 9, 2017 since the deadline to do so will have passed.
3. In Example 3: If, once the resolution is received, it turns out the student wasn't eligible for aid in 2016-17, do we still need to return the aid, even though we can't update the ISIR data?	When institutions request documentation from students to resolve conflicting data they should set a reasonable timeframe for students to comply. This timeframe should take into account the September 9, 2017 deadline for submitting 2016-17 ISIR corrections to allow institutions time to make and submit their corrections prior by the deadline. If the student does not comply within the school's timeframe he or she should be considered to be in overawarded status for 2016-17 and the institution should follow overpayment guidelines detailed in the 2016-17 FSA Handbook, Volume 4: Chapter 3 . For 2017-18 ISIRs received close to September 9, 2017, if the institution determines using good judgment that a student could not reasonably comply with a request for documentation to resolve the conflict before September 9, 2017, they must document why the 2016-17 adjustment was not made.
4. Students will begin applying for 2017-18 in October 2016 not 2017. Did the slide in Example 3 mean 2016?	No. This example was intended to demonstrate the fact that 2016-17 ISIR corrections need no longer be made after September 9, 2017 because this is the last date the CPS will be processing 2016-17 ISIR corrections.

Reasonable timeframe for resolving conflicting data

1. Can we advocate to ED to provide a reasonable window of time for resolution? It doesn't seem right to immediately report it on NSLDS as an overpayment and cease paying all FWS funds immediately.	*Institutions may not disburse future Title IV aid, including paying the student out of FWS funds, until conflicts are resolved. However, they are not required to report overpayments immediately upon notification of conflicting data (notification = receipt of 2017-18 ISIR with comment code 399); they must only do so when they are unable to resolve the conflict after they have provided students with a reasonable timeframe in which to provide documentation to resolve it or once they have resolved the conflict and established that an overpayment exists that cannot be addressed by adjusting future disbursements. Institutions should look to verification guidance and institutional verification policies to establish a reasonable timeframe to allow students to submit documentation to resolve conflicting data.
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Question	Answer
Overpayments	
1. If it is determined that the student has an overaward who will be responsible for collecting the overpayment?	Overpayments arising from cross-year conflicting data during this prior prior year transition year should be treated as “Overpayments for which the student is responsible”, as described in <u>Volume 4: Chapter 3 of the 2016-17 FSA Handbook</u> . ED has also released Electronic Announcement, 9/6/2016 reminding institutions how to report Pell Grant overpayments. There has been no change to the existing regulations on overpayments, this issue is merely a new scenario under which overpayments may arise.
2. Do I correctly understand that if we disburse 2016-17 Title IV funds prior to uploading the 2017-18 FAFSA information into our FAMS, we are liable for 2016-17 Title IV aid disbursed if the 2017-18 ISIR is flagged with comment 399 and we are not able to resolve conflicting information?	The institution is not financially liable for any repayment based upon the resolution of conflicting information but it should ensure that any overpayments are treated as “Overpayments for which the student is responsible”, as described in <u>Volume 4: Chapter 3 of the 2016-17 FSA Handbook</u> . ED has also released <u>Electronic Announcement, 9/6/2016</u> reminding institutions how to report Pell Grant overpayments. There has been no change to the existing regulations on overpayments, this issue is merely a new circumstance under which overpayments may arise.
3. If the student ends up in an overpayment situation, can the school return the funds on the student's behalf and hold the student responsible for the resulting balance at the school?	Yes, although the institution is not financially liable for any repayment based upon overpayments from the resolution of conflicting information, a school may choose, in accordance with its own policies, to return overpayments and hold the student liable to the institution for those funds.
4. So student would not be overawarded if EFC will not change as a result of resolving the conflicting information? We just would be unable to disburse until resolved?	There is no overaward or overpayment until the institution has collected the necessary documentation to resolve conflicting cross-year data and has determined that the new EFC is higher than was initially calculated and Title IV aid has been disbursed based on the lower, incorrect EFC OR until the point an institution determines that it is unable to resolve conflicting cross-year data due to the student's failure to respond to the institution's request for information or failure to adequately clarify the reasons for the conflicting information. At that point, there is an overaward that the institution may resolve by reducing future Title IV aid disbursements. If it is not possible to resolve an overaward by reducing future disbursements, the overaward becomes an overpayment, at which point overpayment procedures in <u>Volume 4, Chapter 3 of the 2016-17 FSA Handbook</u> should be followed.

Question	Answer
5. Student attends another college in 2016-17 and 2017-18 and has conflicting info based on comment 399 which, when resolved, results in an overpayment. If she transfers to my institution for 2018-19 can we award her aid?	The student's prior institution will have reported the overpayment to FSA's Debt Resolution Service and to NSLDS so the student will not be eligible for future Title IV aid until she has regained eligibility either by repaying or making satisfactory arrangements to repay the excess funds they received.
6. Slide 33 says that overpayments of Subsidized loans are repaid under terms of the MPN. What about Unsubsidized loans?	Because it is not awarded based on need, a Direct Unsubsidized Loan overpayment would not arise from a change to the EFC resulting from cross-year conflicting data however, generally, Direct Unsubsidized Loan overpayments are also repaid under terms of the MPN.

* Answers marked with asterisk (*) indicate the question was answered during the Webinar.