

ACCESS, DISCLOSURE, AND USE GUIDANCE OF FAFSA® AND FEDERAL TAX INFORMATION (FTI) DATA

2024 NASFAA National Conference
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U.S. Department of Education

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

1

AGENDA

- Changes to FAFSA® Data Use
- FTI and FAFSA® Data Use Guidance
- Recent FTI and FAFSA® Data Use Questions and Answers
- Resources and Questions
- Open-Forum



2

CHANGES TO FAFSA[®] DATA USE

3

3

SECTION 483(a)(3)(E) DATA USE RESTRICTION



Section 483(a)(3)(E) – Privacy:

Data collected by such electronic version of the forms shall be used only for the application, award, and administration of aid awarded under this title, State aid, or aid awarded by eligible institutions or such entities as the Secretary may designate.

4

4

FEDERAL LAWS

2024-25 & Succeeding FAFSA Cycles

Higher Education Act (HEA) of 1965, as amended

- 483
- 485B
- 494

Privacy Act of 1974, as amended

Family Educational Rights and Privacy Act (FERPA) of 1974, as amended

Internal Revenue Code (IRC) of 1986, as amended

- 6103(l)(13)

5

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- 6103(l)(13)

FUTURE Act / FAFSA Simplification Act Amendments Summary

483:

- Authorizations available to the applicant
- Data provided to State higher education agency
- Data provided to IHE
- Prohibitions of data

494:

- Notification and Approval Requirements
- Access to FAFSA information
- Discussion of FAFSA information
- Restriction on disclosing FAFSA information

6103(l)(13)

- Use of FTI for Federal Student Financial Aid
- Redisclosure to IHEs, State higher education agencies, and designated scholarship organizations
- Additional permitted redisclosures (e.g., contractors, family members)

6

IMPACTS OF 483(a)(3)(E)

Pre-FUTURE Act / FAFSA Simplification Act
(2023-24 & Preceding FAFSA Cycles)

FAFSA Data includes:

- Applicant & contributor information provided on the FAFSA:
 - Personally-Identifiable Information
 - Demographic Information
 - Income & Asset Information (including information received through the IRS data retrieval tool (DRT).
 - Student Eligibility Information
 - List of college receiving the FAFSA form
- Derived FAFSA Data:
 - Expected Family Contribution (EFC)
 - Federal Pell Grant Eligibility (Yes/No)



7

CHANGES TO FAFSA DATA USE

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(2023-24 & Preceding FAFSA Cycles)

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 - List of college receiving the FAFSA form
- Derived FAFSA Data:
 - Expected Family Contribution (EFC)
 - Federal Pell Grant Eligibility (Yes/No)

Post-FUTURE Act / FAFSA Simplification Act
(2024-25 & Succeeding FAFSA Cycles)

FTI Data:

- Includes any Federal return information received from the IRS by ED under the FUTURE Act Matching Program
- Tax Filing Status (Yes/ No)

FAFSA Data includes:

- Applicant & contributor information provided on the FAFSA (similar to preceding FAFSA cycles)
- **Manually Entered/ Provided Income & Asset Information***

Derived FAFSA Data:

- Student Aid Index (SAI)
- Federal Pell Grant Eligibility (Yes/No)

8

CHANGES TO FAFSA DATA USE

Other Non-FAFSA Data*

- Pell Grant Received/ Amount (\$)
- Unmet Need
- Loan Disbursement Records
- Student Admission Records (e.g., admission application)
- Other financial aid data and information

* Not implicated by use restrictions under Section 483 and 494 of HEA; FERPA and other HEA (e.g., 485B) restrictions may apply!



9

APPLICATION OF FAFSA & FTI DATA USE PROVISIONS (UNDER FAFSA SIMPLIFICATION AND FUTURE ACT)

Permitted Access, Disclosure, and Use of FAFSA Data

- Application, Award, and Administration of student financial aid program (federal, state, institutional)
- Used for research that does not release PII on an applicant to promote college attendance, persistence, and completion
- Disclosure external to the institution or agency require written consent

Permitted Access, Disclosure, and Use of FTI Data

- Application, Award, and Administration of student financial aid programs (federal, state, institutional)
- Disclosure permitted to other entities as defined by the student but only for purpose of applying for and receiving Federal, State, local, or tribal assistance towards cost of attendance.
- Disclosure permitted directly to the applicant upon their request

10

CHANGES TO FAFSA DATA USE



**Beginning w/ the 2024-25 FAFSA cycle,
Federal Tax Information (FTI) Received via the
ISIR is not considered FAFSA Data!**

**FTI Data Access, Use, and Disclosure are
implicated under the IRC (6103(I)(13)) and
further restricted under HEA (483 and 494).**

11

FTI AND FAFSA[®] DATA USE GUIDANCE

12

12

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Fall 2023 Guidance

New FTI-SAIG Mailbox

- The updated SAIG enrollment agreement was published on the SAIG Enrollment website on Oct. 23, 2023
- Requires compliance with the protection of FTI, including return information obtained in support of the administration of the federal student aid programs.
- Includes an acknowledgement of the criminal and civil penalties for the unauthorized inspection or disclosure of FTI.
- To receive ISIR data in a new FTI-SAIG mailbox, the eligible organization must first sign and submit the updated SAIG enrollment agreement.

(GENERAL-23-79) Updated SAIG Enrollment Agreement Available Oct. 23, 2023 – Required Steps to Receive 2024–25 ISIRs (Updated Feb. 9, 2024)

13

13

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April 2024 Guidance

FAFSA Completion Initiative

- State grant agencies that sign the updated SAIG Participation Agreement will be able to share FAFSA Filing Status Information with the following eligible entities for purposes of encouraging FAFSA completion:
 - Grantees of the U.S. Department of Education under the TRIO Programs and the Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP)
 - American Indian and Alaska Native Educational entities
 - Nonprofit college access organizations that may be eligible on a case-by-case basis

Federal Means-Tested Benefits Outreach

- Use of FAFSA data by State grant Agencies, such as the Student Aid Index (SAI), Pell Grant status, and the FAFSA applicant's email address, to outreach to applicants about means-tested benefits for which they may be eligible.

(GENERAL-24-35) Updates to the FAFSA Completion Initiative and Means-Tested Benefits Outreach (Updated April 29, 2024)

14

14

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April 2024 Guidance: Safeguarding Federal Tax Information (FTI)

- If a concern or discrepancy arises with FTI disclosed on an ISIR, ***do not further redisclose FTI to other individuals (internal and external)***, including to the Department, for resolution via email.
- Email can be an unsecured communication and lead to an unauthorized disclosure given FTI may not be appropriately labeled (i.e., CUI//SP-TAX).
 - FTI may also be intercepted by unauthorized individuals, such as forwarded to another entity/ party beyond the control and scope of the original email author.
- If a student requests a copy of their ISIR, institutions are permitted to disclose this information, including FTI, consistent with Section 494 of the *Higher Education Act*. institutions may provide students with ISIR data in a password-protected file or via a physical copy.

(GENERAL-23-34) Access and Use of Federal Tax Information (FTI) for Federal Student Aid Programs Beginning with the 2024-25 FAFSA Processing Cycle (Updated April 18, 2024)

15

15

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SAIG Agreement Modifications and Reminders

- IHEs, State grant agencies, and their respective contractors, may receive and use FAFSA data, including FTI for the application, award, and administration of financial aid, consistent with federal law and as outlined in the SAIG agreement.
- IHEs and state grant agencies must ensure only authorized personnel access and use FAFSA data, including FTI. Authorized personnel include both paid and non-paid staff and agents, such as contractors, administering any aspect of the application, award, and administration of student aid-related activities.
 - Authorized personnel must be under the direct control of or bound by written agreement to the institution or state grant agency. The SAIG agreements further detail the responsibilities of authorized personnel, including Primary Destination Point Administrators (PDPAs) and Destination Point Administrators (DPAs) of IHEs, and any penalties that might apply for failure to execute on those responsibilities.

16

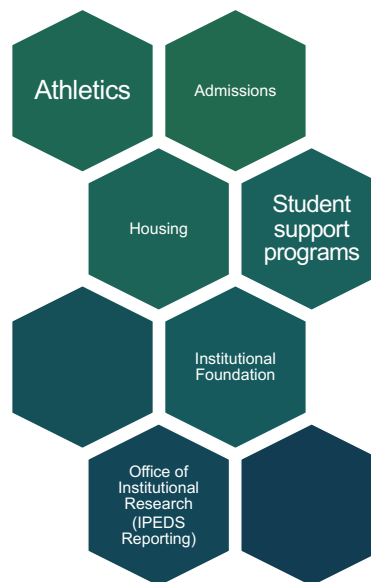
16

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Access to FTI and FAFSA Data

- Personnel authorized to access FAFSA data can be in a variety of offices across the state grant agency or institution, **so long as their duties are related to the application, award, or administration of aid.**
- Offices handling responsible for the overall administration and delivery of financial aid programs, other scholarship awards, or providing support for completing such applications.
- Offices or staff must be under the direct control of the institution.



17

17

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Application, Award and Administration of Aid

The Department interprets “**the application, award, and administration of aid**” as used in HEA section 483 as the administrative and business functions necessary to deliver federal, state, and institutional financial aid efficiently and effectively to students, which may include, but are not limited to:

- Managing ISIR processing to determine applicant eligibility for financial aid awards, verification, and other packaging processes;
- Assisting students or other contributors to their form (e.g., parent(s) or spouse) with the application process
- Processing and disbursing federal, state, or institutional financial aid funds;
- Monitoring the academic progress of aid recipients and enforcing other aid requirements (e.g., Satisfactory Academic Progress);

18

18

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Application, Award and Administration of Aid

The Department interprets “*the application, award, and administration of aid*” as used in HEA section 483 as the administrative and business functions necessary to deliver federal, state, and institutional financial aid efficiently and effectively to students, which may include, but are not limited to:

- Performing analyses related to financial aid, including leveraging and modeling and other research necessary to administer student financial aid programs consistent with Section 483 of the HEA ;
- Complying with mandatory reporting for participation in Title IV, HEA programs, including (but not limited to) Integrated Postsecondary Education Data System (IPEDS) reporting (20 U.S.C. § 1094(a)(17)) and publishing net price calculators (20 U.S.C. § 1015a(k)); and
- Conducting audits, program evaluations, or other research to support the efficient and effective administration of student aid programs.

19

19

FTI AND FAFSA® DATA USE GUIDANCE



Section 1098h(c)(4)(B) - Written Consent

The term “written consent” means a separate, written document that is signed and dated (which may include by electronic format) by an applicant, which-

- indicates that the information being disclosed includes return information disclosed under section 6103(l)(13) of title 26 with respect to the applicant;
- states the purpose for which the information is being disclosed; and
- states that the information may only be used for the specific purpose and no other purposes.



20

FTI AND FAFSA® DATA USE GUIDANCE



Section 1098h(c)(4)(B) – Written Consent

The term "written consent" means a separate, written document that is signed and dated (which may include by electronic format) by an applicant, which-

- indicates that the information being disclosed includes return information disclosed under section 6103(l)(13) of title 26 with respect to the applicant;
- states the purpose for which the information is being disclosed; and
- states that the information may only be used for the specific purpose and no other purposes.

Basic Rules:

When is written consent needed?

- Disclosure/ use of FTI for assist a student in applying for and/ or receiving student financial assistance towards Cost of Attendance at your institution.
- Disclosure/ use of FAFSA data to another entity for purpose(s) beyond the application, award, and administration of student aid programs (e.g., academic offices).
- Disclosure of FTI to FAFSA contributor may require FERPA written consent; NOT HEA written consent*

21

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Sharing Data with Applicant or Contributor(s)

- The Higher Education Act requires that, upon request from an applicant, IHEs must provide the applicant access to the FTI and FAFSA data included on the ISIR, including any data provided by from their contributor(s).
- Applicants, however, may further redisclose FAFSA data, including FTI at their own discretion to other individuals or entities; including those internal or external to the institution. (e.g., external scholarship organizations and other student support organizations).
 - Institutions are not required to monitor or track further disclosures/ use of the data after providing it to the applicant.
- However, any entity that receives this FTI data may only use it to assist the student in applying for and receiving financial aid assistance towards cost of attendance at an IHE consistent with Section 494 of the HEA.

*Note: If a student is a "dependent student" as defined in Section 152 of the IRC (i.e., the student is claimed by the parent as a dependent on the parent's most recent tax return), an institution **may** disclose the student's education record to the parent without the eligible student's consent. More information can be found in the Department's eligible student guide to FERPA ([Published March 2023](#))*

22

22

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Means-Tested Benefits

- The Higher Education Act allows for IHEs and state grant agencies to use limited FAFSA data to contact applicants and inform them of additional federal means-tested benefit programs they may be eligible to receive.
 - For example, emailing applicants with an SAI of zero or below to let them know they may be eligible for SNAP.
- IHEs and state grant agencies cannot disclose FAFSA data to other entities for the purpose of administering and determining eligibility for other federal means-tested benefit programs without written consent of the applicant. However, you may develop a process for applicants to provide written consent to further redisclose FAFSA data to other federal, state, or local government agencies or tribal organizations for any component of their cost of attendance consistent with Sections 483 and 494 respectively of the HEA.
- This may include non-monetary or financial assistance, including means-tested benefits, so long as it is a component of the student's cost of attendance.

23

23

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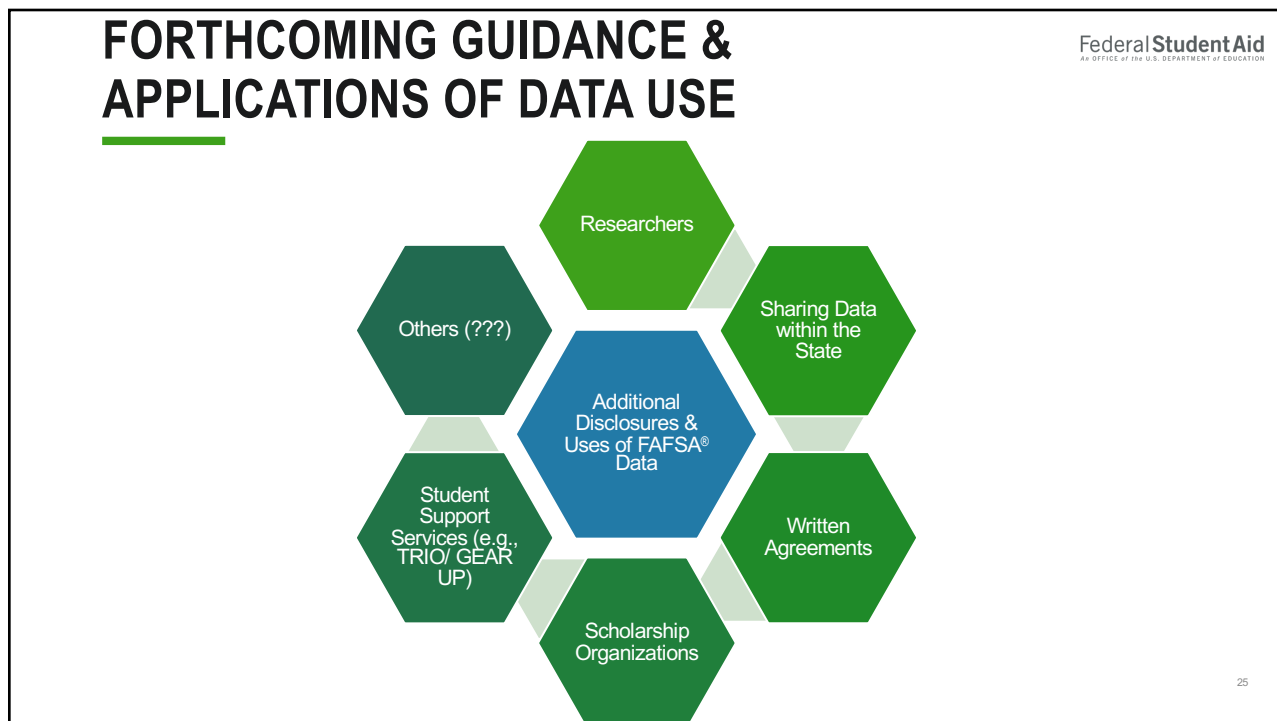


Audit, Evaluation and Research Uses

- The Higher Education Act permits IHEs and state agencies to use FAFSA data (not FTI), for specific research purposes, including mandatory reporting, audits and evaluations, and research on college attendance, persistence, and completion.
- Findings and Summaries must not release any individually identifiable information on an applicant.
- FERPA exception(s) still apply for disclosure of FAFSA data without written consent for these purposes.
- The Department considers the use of FAFSA data, including aggregated FTI, as part of the administration of aid to comply with mandatory reporting under HEA (e.g., submission of IPEDS survey data and Satisfactory Academic Program (SAP) monitoring).

24

24



25



26

FTI AND FAFSA® DATA USE QUESTIONS AND ANSWERS

Question: Are institutions permitted to disclose FTI data to other departments/ offices on campus (e.g., office of institutional research or academic departments)? What about FAFSA data without FTI data?



- It depends. Internal disclosures of FTI data are permitted without written consent solely for the application, award, and administration of federal, state, and institutional financial aid programs. If the access, use, or disclosure is for another purpose, it is prohibited under 26 USC 6103(l)(13).
- FAFSA data that does not include FTI may be disclosed and used by other internal institutional offices consistent with Section 483 (20 USC 1090) of HEA and the use/ disclosure must meet a FERPA exception to be further redisclosed without FERPA consent of the student.
- *Note: Even with written consent of the applicant, FTI data may only be disclosed or used to assist the applicant in applying for and receiving aid towards COA or to permit another party to participate in discussions that include FTI data (20 USC 1098h);*

27

FTI AND FAFSA® DATA USE QUESTIONS AND ANSWERS

Question: If FTI is rounded up (i.e., to the nearest hundredth) and exported to a spreadsheet or another field in a student information system, and used to calculate institutional aid, would the rounded information still be considered FTI that required the CUI//SP-TAX labeling?

- Yes! FTI that is rounded up and exported for purposes of determining a student's eligibility for aid is still considered FTI and the appropriate CUI labeling and safeguarding requirements must still be met. For example, the spreadsheet or field within a student information system must contain the CUI//SP-TAX label consistent with our May 12, 2023, Electronic Announcement: [\(GENERAL-23-34\) Access and Use of Federal Tax Information \(FTI\) for Federal Student Aid Programs Beginning with the 2024-25 FAFSA Processing Cycle \(Updated April 18, 2024\)](#).
- *Additional Note: FTI that is de-identified is still considered FTI per IRS rules and requires the appropriate CUI labeling and safeguarding requirements!*



28

FTI AND FAFSA® DATA USE QUESTIONS AND ANSWERS

Question: If FTI data transferred from the IRS via the DDX is de-identified and entered into a cloud computing calculator, would the FTI data still require the CUI//SP-TAX labeling?

- Yes! FTI that is entered into a cloud computing calculator is still considered FTI and the appropriate CUI labeling and safeguarding requirements must still be met. The system that contains the 'cloud computing calculator' must contain the CUI//SP-TAX label consistent with our May 12, 2023, Electronic Announcement: [\(GENERAL-23-34\) Access and Use of Federal Tax Information \(FTI\) for Federal Student Aid Programs Beginning with the 2024-25 FAFSA Processing Cycle \(Updated April 18, 2024\)](#).



29

FTI AND FAFSA® DATA USE QUESTIONS AND ANSWERS

Question: Can FTI data be shared with a contractor (individual or organization) that assists in the awarding of institutional aid?

Yes! Institutions are permitted to disclose student-level FTI with contractor to carry out the application, award, and administration of student financial aid programs. Disclosure is permitted under IRC 26 USC 6103(l)(13)(D)(iv)(II).

Contractors shall not use nor disclose FTI for any other purpose other than for the application, award, and administration of student financial aid programs for the institution in which the contracted services are being carried out.



30

FTI AND FAFSA® DATA USE QUESTIONS AND ANSWERS

Question: Can FAFSA data , including FTI, be used for purposes of IPEDS Reporting?

- Yes! FAFSA data, including FTI may be used for mandatory reporting purposes (e.g., IPEDS).



31

FTI AND FAFSA® DATA USE QUESTIONS AND ANSWERS

Question: Can FTI data be disclosed due to a court cases order or to fulfill the requirements of a subpoena?

No! State, local, and federal authorities are not permitted to receive FTI under subpoena. Requests for such information should be handled with the IRS.



32

FTI AND FAFSA® DATA USE QUESTIONS AND ANSWERS

Question: Is it permissible to share student award data (and whether they owe on their bill) with an institutional committee to assess eligibility for “emergency” Foundation funding? Additionally, can the process of student consent for sharing this data be incorporated electronically into the funding application?

- Generally, student award data and student debt owed to the institution do not implicate FTI or FAFSA data. However, FERPA would be implicated given the disclosure and use of student record information. Written consent may not be needed for a FERPA exception to disclose student record information (e.g., school official exception) for purposes of determining student eligibility and award(s) for such emergency aid.



33

RESOURCES AND QUESTIONS

34

34

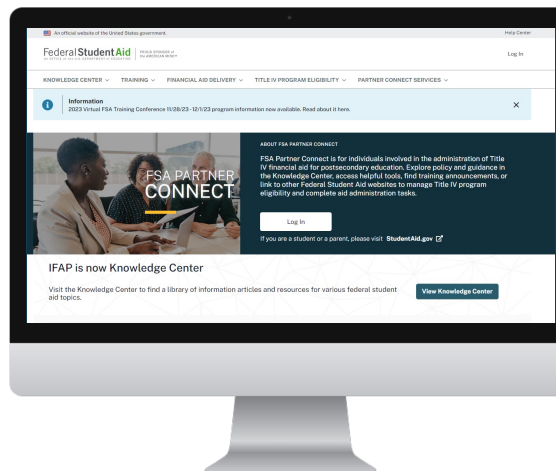
RESOURCES

September 22, 2023, Electronic Announcement: [\(GENERAL-23-79\) Updated SAIG Enrollment Agreement Available Oct. 23, 2023 – Required Steps to Receive 2024–25 ISIRs \(Updated Feb. 9, 2024\)](#)

December 2023 – [FSATC Breakout Session #10: Data Use and Considerations Under the FUTURE Act and FAFSA® Simplification Act](#)

May 12, 2023, Electronic Announcement: [Access and Use of Federal Tax Information \(FTI\) for Federal Student Aid Programs Beginning with the 2024-25 FAFSA Processing Cycle \(Updated April 18, 2024\)](#)

March 2023, [An Eligible Student Guide to the Family Educational Rights and Privacy Act \(FERPA\)](#)



35

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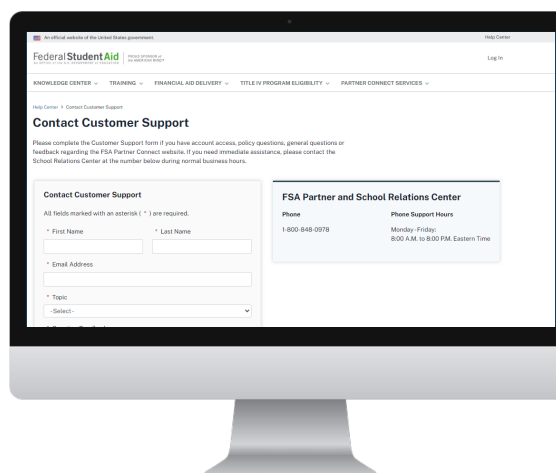
QUESTIONS

FTI and FAFSA Data Use Questions

- [Partner Connect, Help Center, Contact Customer Support](#) webpage and select the Topic “FSA Ask-A-Fed/ Policy.”

FERPA Data Use Questions

- FERPA and other student privacy issues, visit: <https://studentprivacy.ed.gov>.
- FERPA questions, submit a question at: <https://studentprivacy.ed.gov/contact>



36

36

Open-Forum

37