HISTORY OF CHANGES TO FINANCIAL AID VERIFICATION

2009-2010 AY
- IRS Data Retrieval (DRT) first available for limited use

2012-2013 AY
- IRS DRT added as acceptable verification documentation
- Department of Education (ED) announces all applicants who filed taxes but opted out of DRT will be subject to being selected for verification
- ED makes exception to allow signed copy of tax return for limited time due to inability for some applicants to obtain transcripts
- 30% institutional verification cap is removed
- Guidance issued regarding individuals who are unable to use DRT, such as victims of ID theft and amended return filers

2013-2014 AY
- Introduction of verification groups broken into 3 categories: targeted selection, discretionary selection and a combination
- Technical error with tax filing software comes to light; no disbursement made for 4 to 6 weeks for borrowers selected for verification but not completed
- High school completion status and identity/statement of education purpose requirements added

2014-2015 AY
- Verification of non-filing status requirement added if school questions the submitted status of the student or parent
- Schools required to report results of V4 (high school completion/identify statement) & V5 (aggregate) verification groups
- V6 (household resources) verification group added
V2 (SNAP) verification group eliminated; however, SNAP/food stamps must be verified for applications placed in groups V1 (standard), V4, V5, V6.

Signed paper copy of 2014 tax return may be accepted by school if the tax filer had tried and failed to obtain a transcript from the IRS.

IRIS Get Transcript Online service unavailable starting May 2015 through June 2016.

2015-2016 AY

Verification of non-filing required for all schools.

Applicants may be moved from V1 or V4 groups after verification is completed to V5 or V6. Verification must be completed again for any moved applicant.

ED announces DRT will not be restored for 16-17 or 17-18 AYs.

Verification group V3 eliminated.

2016-2017 AY

Verification of non-filing statement requirement removed because of difficulty getting the document from the IRS starting April 2017.

2017-2018 AY

Quality Assurance Program ends with start of 17-18 AY.

Verification group V6 eliminated.

Verification of non-filing statement required again.

Start of Prior Prior Year (PPY); documents used for 2016-17 VE allowed to be used for 2017-18 VE.

ED reprocesses certain ISIRs due to incorrectly assigned 399 codes which resulted in 7,500 new ISIRs selected for VE.

ED announces future implementation of automatic confirmation of non-filing status.

ED abandons plans for automatic confirmation of non-filing status.
Institutions report drastically higher percentages of applicants selected for verification.

2018-2019 AY

- Institutional resolution of 400/401 codes introduced in response to IRS DRT masking of information transferred into FAFSA.
- ED removes requirement for dependent students to obtain non-filing statement, still required for parents of dependent student and independent students.
- ED acknowledges error in verification selection algorithm and makes adjustments with the anticipated result of lower selection rates.

2019-2020 AY

- ED announces no change to verification requirements.
- ED releases verification relief guidance which suspends the in-person submission or notarized document requirement for identify/statement of educational purpose in V4 and V5 applicants. Effective only through June 30, 2020 or the end of the 2019-20 award year, whichever is later.
- Schools are permitted to verify a student’s high school completion status for V4 or V5 verification groups through a signed and dated statement from an applicant through Dec. 31, 2020, and is applicable to both the 2019-20 and 2020-21 award years.
- ED also allows schools to accept expired forms of identification and waives the requirement for the school to collect a parent’s signature to verify the number in the household and the number enrolled in college if the dependent student’s parents are unavailable.
- ED extends verification relief guidance through the end of the payment period that includes December 31, 2020 or the end of the payment period that includes the end date for the federally declared qualifying emergency, whichever comes later.

2020-2021 AY

- ED announces no change to verification requirements.
- Schools allowed to accept copies of tax returns and written statements of non-filing to be accepted for verification purposes in lieu of obtaining IRS tax return transcripts and verification of non-filing forms for both the 2018-19 and 2019-20 application years.
- At FSA Conference ED announces a change to their selection algorithm, which lowered selection rates from 30% to 22%.