



NASFAA

NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS



Navigating Federal Guidance on the Use and Disclosure of FAFSA Data and Federal Tax Information

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Introduction

The FAFSA Simplification Act made significant changes to the FAFSA, including the addition of Federal Tax Information (FTI) to the information postsecondary institutions receive on the Institutional Student Information Record (ISIR). FTI is subject to stricter data privacy standards than FAFSA data, necessitating new data use and data-sharing guidance. The U.S. Department of Education (ED or Department) has issued a series of guidance documents related to the use and disclosure of data collected as a part of the FAFSA application process. (See the *Library of ED Guidance* section below for the comprehensive list.) The most recent [Dear Colleague Letter](#) (DCL) released on September 30, 2025, provided guidance on the use and disclosure of FAFSA data and FTI (both terms are defined below). The September 2025 guidance overturned prior ED guidance on the use and disclosure of FAFSA data that was issued as an [Electronic Announcement](#) (EA) in November 2024.

This document is designed to help financial aid professionals, legal counsel, and others at postsecondary institutions understand the new changes in how FAFSA data and FTI can be used to support students and for the administration of financial aid programs by comparing the new September 2025 DCL to the prior November 2024 EA. This comparison is provided in the *Updated Data Use Guidance* section below. We also provide examples to support a better understanding of the requirements.

While many allowable activities are described below, it is important to note that any individual or entity that receives access to FAFSA data or FTI can only use that data for the explicit allowable purposes — whether that permission comes from Higher Education Act (HEA), Internal Revenue Code (IRC), or the applicant’s consent — and may not *redisclose* the data unless explicitly authorized to do so.

The Department has issued no changes to NSLDS data use provisions. Section 485B(d)(2) of the HEA contains a provision that specifically prohibits the release of Personally Identifiable Information (PII) from NSLDS to non-governmental researchers and policy analysts and also prohibits the use of NSLDS data for marketing purposes. These restrictions also apply to NSLDS data on the student’s ISIR.

There are several areas where Department guidance remains unclear. We have noted when that is the case and will update this document as we get further clarifications from the Department.

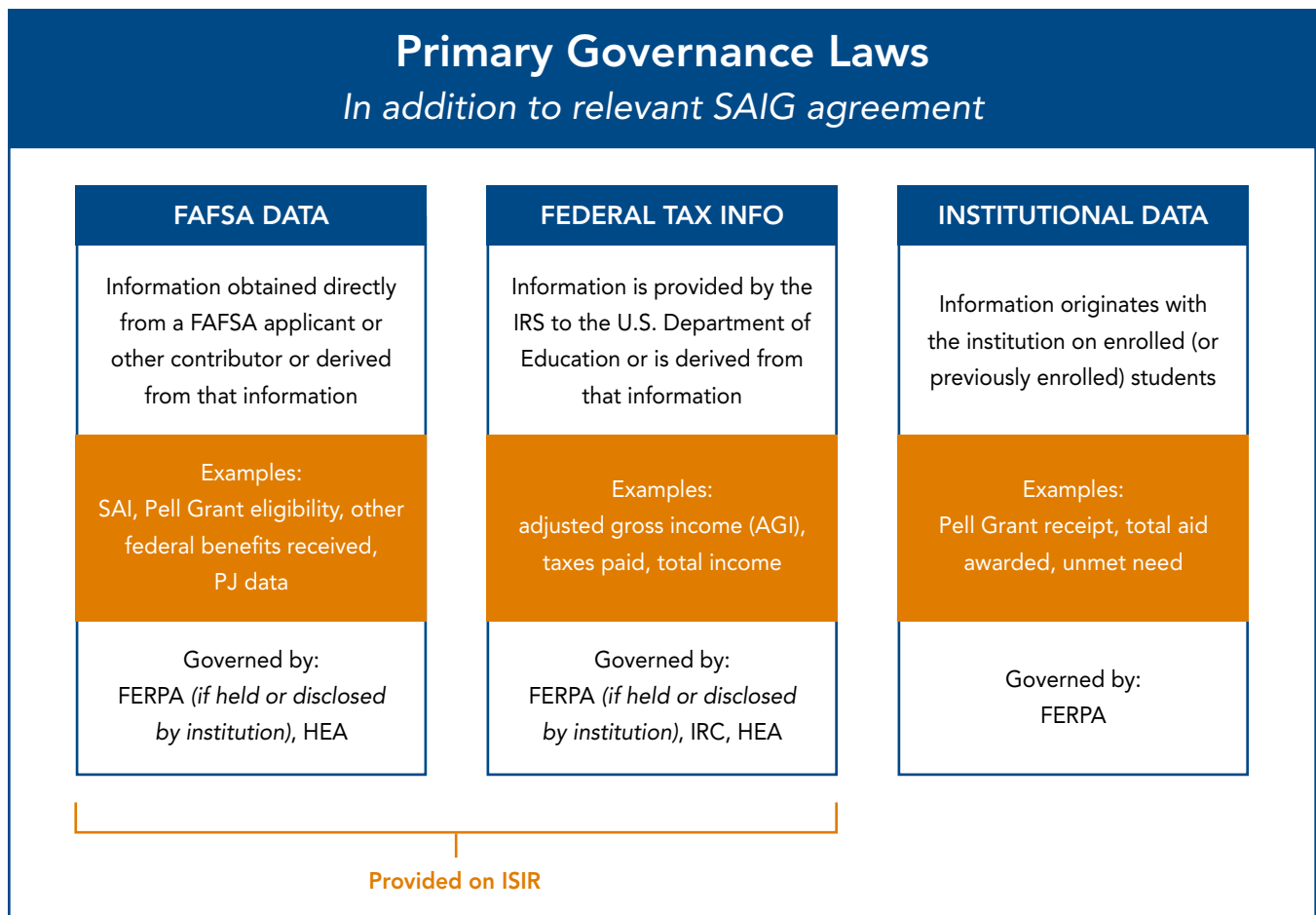
The last part of this document outlines best practices for financial aid administrators at institutions. While written specifically for institutional staff, much is also applicable at the state level.

Brief Background on Laws

There are four primary laws that govern the ability of institutions and states to use and disclose FAFSA data and FTI: the Higher Education Act (HEA), Internal Revenue Code (IRC), Family Educational Rights and Privacy Act (FERPA), and the Privacy Act. The Fostering Undergraduate Talent by Unlocking Resources for Education (FUTURE) Act (2019) and the FAFSA Simplification Act (2020) made amendments to the HEA and the IRC that specifically impact how FAFSA data and FTI can be used and disclosed. Both FERPA and the Privacy Act are longstanding federal legislation that are not specific to FAFSA data and FTI, but generally also restrict how these data may be disclosed to others.

It is generally helpful to think of HEA and IRC as data-use statutes and to think of FERPA and the Privacy Act as data-disclosure statutes. The first question should always be: Is this a permitted use of data under HEA or IRC? The second question is then: Do I need to disclose the data to another party (even within the same institution) to carry out the permitted use? The most restrictive provision in any of the laws ultimately determines if a use and/or disclosure is permitted. For example, a data use provision may be allowable under HEA, but FERPA may restrict who can receive the necessary data to carry out that function.

The chart below provides a general snapshot of what laws, in addition to the [Student Aid Internet Gateway \(SAIG\) agreement](#), govern the different types of data associated with the FAFSA. (Note the data definitions are included in the [Updated Data Use Guidance](#) section of this document.)



HEA and IRC

HEA governs both FAFSA data and FTI due to the legislative changes made through the FUTURE Act and FAFSA Simplification Act. IRC only governs FTI. HEA and IRC include data use requirements and allowances for both institutions and states. Both HEA and IRC refer to the application, award, and administration of aid (discussed more below) to define the primary, appropriate uses of FAFSA data and FTI without requiring student consent.

FERPA

The FERPA statute and its [implementing regulations](#) (34 CFR § 99) protect the privacy of a student's education record if the student has attended (either currently or in the past) an institution. It therefore does not apply to the records of an individual who is only an applicant to an institution. Under FERPA, an education record is generally considered to be information that is directly related to a student and maintained by an educational agency or institution (or a party acting on their behalf). FAFSA data and FTI are both protected by FERPA at an institution. Any information from a student's education record that is provided by the institution to a contractor, the state, the federal government, or other entity is generally also protected by FERPA. FERPA is administered by the Department's Student Privacy Policy Office (SPPO). SPPO has many resources for institutions included on its [website](#).

FERPA-protected information cannot generally be disclosed or redisclosed without the consent of the parent (if the student is under the age of 18) or eligible student (if they are over the age of 18 or attend a higher education institution, regardless of age). Highlighted below is a sample of exceptions to the consent rule (34 CFR § 99.31) that are important for institutions and states to understand as they relate to the disclosure of FAFSA data and FTI.

The **School Official Exception** (CFR § 99.31(a)(1)(i)(A-B)) permits the disclosure to other school officials within the agency or institution who the agency or institution has determined to have legitimate educational interests. A contractor, consultant, volunteer, or other party to whom an agency or institution has outsourced institutional services or functions may be considered a school official provided that the outside party (1) performs an institutional service or function for which the agency or institution would otherwise use employees; (2) is under the direct control of the agency or institution with respect to the use and maintenance of education records; and (3) is subject to the requirements of §99.33(a) governing the use and redisclosure of personally identifiable information from education records. Schools are required (34 CFR 99.7(a)(3)(iii)) to notify parents/eligible students annually regarding the criteria it uses to determine whether someone is a "school official" and what constitutes a "legitimate educational interest."

The **Financial Aid Exception** (CFR § 99.31(a)(4)(i)) permits the disclosure of an education record without the prior written consent of an eligible student if the disclosure is in connection with financial aid for which the student has applied or which the student has received, if the information is necessary for such purposes as:

- A. Determining eligibility for the aid;
- B. Determining the amount of the aid;
- C. Determining the conditions for the aid; or
- D. Enforcing the terms and conditions of the aid.

FERPA defines "financial aid" as a payment of funds provided to an individual (either tangible or intangible) that is conditioned on the individual's attendance at an educational agency or institution.

The **Audit and Evaluation Exception** (CFR § 99.31(a)(3) and 99.35(a)(1)) permits, for example, disclosure, subject to the requirements of §99.35 (e.g., use of reasonable methods and written agreements to protect the student records), to authorized representatives of entities including state and local educational authorities for the audit or evaluation of a federal or state supported education program, or for the enforcement of or compliance with federal legal requirements related to those programs.

The **Studies Exception** (CFR § 99.31(6)(i-iii)) permits disclosure to organizations conducting studies for, or on behalf of, educational agencies or institutions to develop, validate, or administer predictive tests; administer student aid programs; or improve instruction. As with the audit and evaluation exception, the studies exception has requirements (e.g., written agreements) to ensure the protection of the student records.

Privacy Act

It is important to clarify that the Privacy Act does not apply directly to institutions and states. Instead, the law places requirements on federal agencies and protects records stored within a “system of records.” A system of records is a group of records controlled by a federal agency, from which information is retrieved using a unique identifier, such as a name, date of birth, or Social Security number. The FAFSA Processing System is a system of records, and FAFSA data and FTI are considered records under the Privacy Act. As with FERPA, the Privacy Act restricts how these records can be shared, generally requiring consent from the individual. However, as also with FERPA, a federal agency can use certain exceptions to this consent rule, such as publishing a “routine use” in the Federal Register that outlines how the agency can disclose records stored within a specific system of records without consent. The routine use must be compatible with the reason the agency collected the information. Routine uses can be updated at any time and are outlined in [Systems of Records Notices](#) published by the Department. How the Department implements the Privacy Act may filter down to requirements for institutions and states. These would be outlined in respective SAIG agreements (e.g., explaining who can access and use FAFSA data).

Updated Data Use Guidance

Topic	Prior ED Guidance – EA GEN-24-129 (November 2024)	Updated ED Guidance – DCL GEN-25-08 (September 2025)
1. Laws Covered	The November 2024 guidance discussed HEA, FERPA, IRC, and the Privacy Act. The guidance noted the most restrictive provision applies to when determining if FAFSA data can be used or disclosed.	There was no change to the laws or the most restrictive provision.
2. Data Covered	The November 2024 guidance discussed FAFSA data and non-FAFSA data. It explicitly did not cover FTI.	In addition to FAFSA data and non-FAFSA data, the September guidance also covers FTI.
3. Definition of FAFSA Data	FAFSA data was defined as information obtained directly from a FAFSA applicant or contributor from the FAFSA. It also included other information that appears on the ISIR that is derived from the FAFSA information entered by the applicant/contributor and from FTI (e.g., Pell Grant eligibility, Student Aid Index (SAI), verification status).	FAFSA data includes all information entered on the FAFSA application or transferred from the previous year’s application. The guidance does not limit what is considered FAFSA data by who has entered the information. For example, professional judgment changes to the FAFSA information by a financial aid administrator are considered FAFSA data. The definition continues to include data that is derived from the application (e.g., Pell Grant eligibility, SAI, verification status). In general, the definition includes what appears on the ISIR that is not FTI.
4. Definition of Non-FAFSA Data	Non-FAFSA data was defined as information that originates from institutions (and not the ISIR) and is reported to the Department (e.g., total aid awarded, grant aid and/or loan receipt and amount by source, unmet financial need).	The same definition applies, with the addition that the information can originate both from institutions as well as other entities. The term “other entities” is not defined in the guidance. The Department also used the terms “institutional data” or “school data” to describe the same data.
5. Definition of FTI	The November 2024 guidance did not define FTI and instead referred readers to GENERAL-23-34 for more information.	<p>FTI is defined as all data received from the IRS through the FUTURE Act Direct Data Exchange (FA-DDX) as well as any data derived from the FA-DDX that can be used to “reverse calculate” FTI. More information, including labeling protocols, can be found in GENERAL-23-34.</p> <p>FTI does not include tax data that is manually entered into the FAFSA (e.g., foreign tax return data, all tax data from award years prior to 2024-25 when the FA-DDX was implemented).</p>

<p>6. Applicability of Provisions</p>	<p>The November 2024 guidance did not include a distinction for the types of aid programs for which state grant agencies and institutions can use FAFSA data for the application, award, and administration of aid.</p>	<p>Clarifies that state grant agencies can only use FAFSA data and FTI for the application, award, and administration of state aid, while institutions can use the data for the more general “financial aid.” The Department is interpreting the broader term “financial aid” as institutional, state, and federal aid.</p> <p>NOTE: The Department does not clarify if FAFSA data or FTI reported by the institution to the state alters the nature of the data the state can use (i.e., it is not clear if the state can use institutionally-reported data for a purpose related to the application, award, and administration of institutional aid as opposed to just state aid).</p>
<p>7. Definition of Application, Award, and Administration of Aid</p>	<p>Please see the <i>Application, Award, and Administration of Aid Changes</i> section below for the original definition of the application, award, and administration of aid as it applied to FAFSA data.</p>	<p>The September guidance kept these provisions from November 2024 as part of the definition of the application, award, and administration of aid (for both FAFSA data and FTI):</p> <ul style="list-style-type: none"> • Helping students apply for aid • Determining an applicant’s eligibility for aid and packaging aid (including verification) • Processing and disbursing federal, state, or institutional aid • Monitoring academic progress of aid recipients, enforcing other requirements (e.g., SAP) • Complying with reporting requirements • Modeling and cost estimates for state and institutional aid programs • Conducting audits and evaluations of aid programs <p>Other provisions from the November 2024 guidance are discussed in the <i>Application, Award, and Administration of Aid Changes</i> section below.</p>
<p>8. Internal Access to Data for the Application, Award, and Administration of Aid</p>	<p>Institutions and state grant agencies could use other employees who are not financial aid staff to carry out activities. For example, within an institution, staff from athletics and TRIO programs could use FAFSA data to award scholarships. Institutional Research could use FAFSA data for IPEDS reporting.</p>	<p>There is no change to who is allowed to carry out the functions of the application, award, and administration of aid, even for access to FTI. However, the September 2025 guidance articulates the “least privilege” principle, meaning users should only have access to the data they absolutely need to carry out their functions. It is recommended to limit data access – particularly for FTI – to financial aid staff as much as possible.</p> <p>The September guidance also makes note that the Department will soon issue requirements for institutions and states to comply with the National Institute of Standards and Technology Special Publication 800.171 (NIST 800.171) as relates to FTI. No timeline has been given for when these requirements will be in place.</p>

<p>9. External Access to Data for the Application, Award, and Administration of Aid</p>	<p>Institutions and state grant agencies could use external contractors to carry out application, award, and administration of aid activities. Contractors had to still comply with all security and privacy requirements that apply to the institutions and state grant agencies. Contractors also had to be under the direct control of the institution or state grant agency.</p>	<p>Contractors are still permitted to assist institutions and state grant agencies with the application, award, and administration of aid, so long as they are under the direct control of the institution or state grant agency. However, when the NIST 800.171 requirements are in place, institutions and state grant agencies will be required to ensure that all contractors meet those standards as well.</p>
<p>10. Definition of Research</p>	<p>Research was described in two ways in the November 2024 guidance:</p> <ol style="list-style-type: none"> 1. Research was included in the definition of the application, award, and administration of aid related to supporting the efficient and effective administration of student aid programs. 2. Research included activities related to college attendance, persistence, and completion (not part of the definition of the application, award, and administration of aid). <p>Research did not include the production of de-identified, aggregate statistics about financial aid programs or participants. Statistics were defined as a separate allowable activity under the application, award, and administration of aid.</p>	<p>Research continues to include activities related to college attendance, persistence, and completion. Research now includes the creation of de-identified, aggregate statistics. Research does not include program evaluations or audits; these activities are still considered part of the application, award, and administration of aid.</p> <p>See the Application, Award, and Administration of Aid Changes section below for more information.</p>
<p>11. Research Activities Allowable without Consent</p>	<p>The November 2024 guidance included a list of activities – audits, program evaluations, modeling – along with “other research necessary to support the efficient and effective administration of student aid programs” that can use FAFSA data without student consent. The inclusion of these items together under the definition of application, award, and administration of aid implied that all would be considered research activities.</p> <p>FAFSA data could also be used for research to promote college attendance, persistence, and completion without consent. The Department included the following examples: evaluating the effectiveness of college completion programs, developing predictive analytics models, or studying ways to improve instruction.</p> <p>All research products had to ensure that no individually identifiable information was released.</p>	<p>The Department has removed reference to research activities from the definition of the application, award, and administration of aid. Institutions and state grant agencies can only use FAFSA data without student consent to conduct research on college attendance, persistence, and completion efforts (see a clarification on this in the <i>What Entities Can Conduct Research</i> row below). As of September 2025, the Department considers use of FAFSA data to produce de-identified aggregate statistics as a research activity and therefore it is only allowed as relates to attendance, persistence, and completion efforts. Further, only FAFSA data can be used for this type of research. FTI may not be used for any research purposes.</p> <p>Audits and evaluations of aid programs are not considered research, but are considered part of the application, award, and administration of aid. See the Application, Award, and Administration of Aid Changes section below for more information.</p> <p>All research products must ensure that no individually identifiable information is released.</p>

<p>12. What Entities can Conduct Research</p>	<p>Institutions and state grant agencies were able to use any contractor or other entity (including other state agencies) to conduct the allowable research without consent, so long as it was done on behalf of the institution or state grant agency.</p>	<p>Contractors or third-party servicers, that otherwise have access to FAFSA data as they perform functions for the application, award, and administration of aid, can conduct allowable research.</p> <p>However, the Department is granting only third-party servicers the ability to access FAFSA data from an institution for allowable research without consent. If an institution chooses to use another contractor that is not a third-party servicer for allowable research, they can only do so with consent.</p> <p>See the <i>Application, Award, and Administration of Aid Changes</i> section below for a more detailed discussion on this matter.</p>
<p>13. FAFSA Completion</p>	<p>The Department did not include a discussion of the use of FAFSA data without consent for FAFSA completion efforts in the November 2024 EA as it had previously released guidance in April 2024 on the topic (GENERAL-24-35). The April guidance explained that state grant agencies (but not institutions) that signed an updated SAIG agreement would be able to disclose FAFSA filing status to certain “eligible entities” in addition to school districts and secondary schools. Eligible entities included grantees of the Department (TRIO and GEAR UP), American Indian and Alaska Native Educational entities, and nonprofit college access organizations on a case-by-case basis upon meeting specified criteria.</p> <p>FAFSA filing status was defined in the April guidance as: applicant’s first and last name, applicant’s date of birth, applicant’s zip code, FAFSA submitted/processed dates, verification flag, FAFSA completion flag as determined by state (submitted, complete, incomplete).</p>	<p>The September 2025 guidance maintains the ability for states – but not institutions – to disclose information for FAFSA completion efforts. While the new guidance does not refer to the term “FAFSA filing status,” the data elements in the new guidance are consistent with GENERAL-24-35. GENERAL-24-35 continues to provide more detailed information for states on FAFSA completion efforts.</p>

<p>14. Means-tested Benefits Outreach</p>	<p>Institutions and state grant agencies could use a student’s own FAFSA data – without consent – to let a student know they might be eligible for certain federal means-tested benefits such as SNAP. EA GENERAL-24-93 provided more detailed guidance, including a non-exhaustive list of federal benefits programs that can be included in the targeted outreach.</p> <p>Institutions and states could disclose – with consent – FAFSA data to other local, state or federal government agencies or tribal organizations to assist applicants in accessing local, state, or federal benefits that support their cost of attendance (both monetary and non-monetary benefits).</p>	<p>EA GENERAL-24-93 is still in effect and allows for the use of FAFSA data – but not FTI – for outreach related to means-tested benefits without consent. While there is no restriction on the FAFSA data that can be used, the Department has recommended minimizing the amount of information used and the personnel who can access it. Please note that this outreach is not considered part of the application, award, and administration of financial aid and, as such, FTI may not be used for means-test benefits outreach.</p> <p>Institutions and state grant agencies can also still obtain consent to share FAFSA data with other local, state, or federal government agencies or tribal organizations for benefits associated with the cost of attendance. See more nuance to this in the <i>Government Agency or Tribal Organizations</i> row below.</p>
<p>15. Consent Requirements</p>	<p>Both HEA and FERPA have consent requirements that institutions and state grant agencies must follow as applicable. For example, HEA requires that prior written consent be collected from the applicant through a written document and be signed and dated, specifying the FAFSA data being disclosed and for what purpose. The consent must be obtained for at least three years past the student’s last day of attendance at the institution. Consent requirements under FERPA (when there is no applicable exception to consent) are similar, except it must also identify the party that is receiving the data. FERPA also only applies to students who have attended the institution (either currently or in the past). Institutions and state grant agencies could collect both HEA and FERPA consent simultaneously and electronic signatures were allowable.</p> <p>The Department provided more specific guidance on consent in GENERAL-24-149 (December 2024).</p>	<p>The same consent requirements related to HEA and FERPA are still in place as articulated in the November 2024 guidance and in GENERAL-24-149. The Department does clarify that if the data being disclosed contains FTI, that must be explicitly noted in the consent.</p>

16. Government Agencies or Tribal Organizations

Institutions and state grant agencies could collect prior written consent from applicants to share FAFSA data with other local, state, or federal government agencies or tribal organizations. The consent could only be given to help applicants apply for and receive government or tribal assistance that covers a portion of their cost of attendance. The assistance could be either monetary or non-monetary.

State grant agencies can obtain consent to share FAFSA data (but not FTI) with the same government agencies (i.e., local, state, or federal government agencies) and tribal organizations as in the November 2024 guidance. Also consistent with November 2024, state grant agencies can share FAFSA data only for assistance related to the applicant’s cost of attendance (either monetary or non-monetary).

Institutions can obtain consent to share FAFSA data with government agencies and tribal organizations. The September DCL also now allows institutions to obtain consent to share FTI with these entities. Institutions can only share data for monetary cost of attendance assistance (not non-monetary).

The Department has also explained that an institution that is considered a government agency (because the institution’s employees are considered government employees), may be able to receive FAFSA data (not FTI) with applicant consent from the state grant agency for non-monetary cost of attendance assistance. (We refer to such institutions as “state agency institutions” or “government agency institutions” in this white paper.)

The Department provides the example of a TRIO program, at a government agency institution, that does not provide monetary support for students, but that could receive FAFSA data from the state grant agency on students with consent (and only related to assistance for the student’s cost of attendance). To further clarify, a TRIO program that offers monetary support for a student’s cost of attendance is able to access both FAFSA data and FTI – without consent – as a part of the definition of application, award, and administration of aid. A TRIO program that only offers non-monetary support for a students’ cost of attendance could access FAFSA data only – with consent – from the state grant agency.

NOTE: The Department does not clarify other implications for such state agency institutions (e.g., are they generally considered both an institution and state agency under the Higher Education Act).

<p>17. Internal Scholarship Organizations</p>	<p>As noted above, staff across an institution or state grant agency could use FAFSA data for the application, award, and administration of aid regardless of where that aid is administered within the institution or state grant agency (e.g., by an institution’s athletics or TRIO programs).</p>	<p>The Department has not made changes here other than to allow FTI to be used by others within an institution or state grant agency as well. However, the Department has emphasized that this type of broad access to FAFSA data and particularly FTI should be done minimally and ideally only the financial aid office would hold these responsibilities.</p>
<p>18. External Scholarship Organizations</p>	<p>Institutions and state grant agencies were both able to obtain prior written consent from the applicant to disclose FAFSA data to an external scholarship organization, including tribal organizations, to help the applicant apply for and receive additional aid. Even with consent, an institution and state grant agency could only share FAFSA data to help the applicant receive support for their cost of attendance. The Department encouraged external scholarship organizations to work with institutions and state grant agencies to create a collaborative process for collecting the needed consent.</p>	<p>Institutions, but not state grant agencies, are able to obtain consent from applicants to disclose both their FAFSA data and FTI with an external scholarship organization, including tribal organizations. The Department notes that the external organizations will ultimately be required to comply with NIST 800.171 standards.</p>
<p>19. Designated Scholarship Organizations</p>	<p>The FAFSA Simplification Act granted special privileges to scholarship organizations that had previously received a designation from the Secretary granting them access to FAFSA data. There are only two such organizations – United Negro College Fund and the Hispanic College Fund.</p>	<p>There is no change to the organizations that can receive FAFSA data as a result of a prior designation by the Secretary. The new guidance does clarify the two organizations can also access FTI but will be required to comply with NIST 800.171 standards.</p>
<p>20. Support Services for Students</p>	<p>FAFSA data could be used without consent by institutions and state grant agencies when providing advising and other services to students, but only if the activities were associated with the application, award, administration of aid. For example, academic advisors could use FAFSA data to help a student complete the FAFSA or other institutional or state aid forms. Institutions could obtain consent from students for the use of FAFSA data for other activities (e.g., academic advisor using the data for retention efforts).</p>	<p>The September guidance does not include a discussion of the use of FAFSA data or FTI for student support efforts. However, we would encourage institutions and state grant agencies to limit these activities to only those associated with the application, award, and administration of aid or consider non-FAFSA data as an alternative.</p>

<p>21. Sharing Data with Applicant or Contributor</p>	<p>Upon request, an institution had to provide an applicant with access to their own FAFSA data/ISIR, including their contributor's information. If a student is claimed as a dependent on their parent's taxes, the institution could (at its discretion) give that parent a copy of the student's FAFSA data/ISIR without the student's consent. Institutions were encouraged to consider factors such as whether the student indicated on the FAFSA that they had unusual circumstances when deciding what data to share with a parent.</p>	<p>The September 2025 guidance upholds the requirement that an institution must provide an applicant with access to their FAFSA data/FTI (ISIR) upon request. The Department does not clarify whether a parent of a tax-dependent student is still permitted to access FAFSA data/FTI (ISIR) – without student consent – upon submitting a request under FERPA. The Department also does not clarify whether a student can give consent for the institution to disclose the information to a parent or other contributor (as allowed under FERPA).</p> <p>The updated guidance does note the allowance under HEA for a student to have a third-party (e.g., advisor, parent) present – with the student's consent – for discussions with financial aid staff regarding their FAFSA application, including access to the student's FAFSA data and FTI.</p>
<p>22. Applicant Use of Data</p>	<p>FAFSA applicants who have obtained a copy of their FAFSA data/FTI (ISIR) from their institution could redisclose that information to any others at their discretion – both internal and external to the institution.</p>	<p>There is no change to this provision.</p>
<p>23. Correcting the FAFSA</p>	<p>The November guidance included no provisions related to correcting FAFSA data.</p>	<p>FERPA requires that eligible students have the right to seek to amend information in their education records that is incorrect. The Department provides a link to the FSA Handbook (Chapter 4) for how to do corrections for FAFSA data. The Department notes that FTI cannot be corrected as it is accurate data from the IRS and schools should refer students to the IRS to contest FTI. An institution may make changes to a student's tax information to better reflect the student's current financial situation through professional judgment. Such a change would alter the nature of the tax data to turn it into FAFSA data and not FTI.</p>
<p>24. Responding to Subpoenas</p>	<p>Institutions and state grant agencies could provide FAFSA data for law enforcement purposes or in response to a subpoena, so long as the investigation is related to the application, award, and administration of aid.</p> <p>If the data were covered by FERPA, institutions and state grant agencies may generally comply with the order but must make reasonable efforts to notify the student in advance of the intent to comply to allow the student time to seek protective action.</p>	<p>The Department's September DCL provides no guidance on responding to subpoenas or other requests from law enforcement for either FAFSA data or FTI. It is unclear what remains allowable/required and we encourage you to work with your legal counsel and contact the Department for guidance should you receive a subpoena or other requests for data from law enforcement.</p>

Application, Award, and Administration of Aid Changes

The application, award, and administration of aid allow institutions and state grant agencies to use FAFSA data and FTI without needing consent from students. As explained above, the original definition of application, award, and administration of aid from November 2024 only applied to FAFSA data. The September 2025 definition applies both to FAFSA data and FTI. In the chart below, you will find the full definitions of the application, award, and administration of aid in both guidance documents. The blue text denotes a change that is discussed more in the *Key Changes* section below.

Prior ED Guidance – EA GEN-24-129 (November 2024)	Updated ED Guidance – DCL GEN-25-08 (September 2025)
<p>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:</p> <ul style="list-style-type: none"> ➔ Assisting students or other contributors (e.g., parent(s) or spouse) with the aid application process; ➔ Managing ISIR processing to determine applicant eligibility for financial aid awards, verification, and other packaging processes; ➔ 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 (SAP)); ➔ Performing analyses related to financial aid, including conducting audits, program evaluations, or modeling and other research necessary to support the efficient and effective administration of student aid programs consistent with Section 483 of the HEA; ➔ The production by IHEs or state grant agencies of de-identified, aggregate, descriptive statistics about financial aid programs or participants; ➔ Development of state budgets and forecasting; and ➔ Complying with mandatory reporting for participation in <i>Title IV, HEA programs</i>, 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)). 	<p>The Department interprets “the application, award, and administration of aid” to be the administrative and business functions necessary to deliver federal, state, and institutional financial aid efficiently and effectively to students. These functions may include but are not limited to:</p> <ul style="list-style-type: none"> ➔ Managing aid applications, eligibility, verification, and packaging and assisting students with those processes; ➔ Processing and disbursing federal, state, or institutional financial aid; ➔ Monitoring the academic progress of aid recipients and enforcing other aid requirements (e.g., satisfactory academic progress or SAP); ➔ Complying with mandatory reporting for participation in aid programs, such as the ➔ Integrated Postsecondary Education Data System (IPEDS) reporting and net price calculator publishing under HEA sections 487 and 132 respectively; ➔ Performing analyses necessary to the administration of financial aid programs by leveraging FTI and FAFSA data to estimate and model how financial aid will be allocated by the school or state agency; and ➔ Conducting audits and program evaluations necessary for the efficient and effective administration of those student aid programs.

Key Changes

Support for aid application process. The prior definition allowed for FAFSA data to be used for assisting both students and contributors with the aid application process. The new definition allows for FAFSA data and FTI to be used to assist only students with the application process. The ability to support contributors has been removed. For example, an institution would not be able to ask a contributor questions about changes to their FTI while using a prior year's FTI for reference. The institution could either 1) share the data with the student applicant — upon the student's request — who would then, in turn, share the information with the contributor, or 2) ask the student to consent to having the contributor present for conversations as allowable under HEA and explained in the *Sharing Data with Applicant or Contributor* row above.

Research using FAFSA data and FTI. The definition of the application, award, and administration of aid no longer includes the ability to use FAFSA data for "research necessary to support the efficient and effective administration of student aid programs." However, institutions and states may continue to use FAFSA data, and also now FTI, to conduct "audits and program evaluations necessary for the efficient and effective administration of those student aid programs." In addition, the definition of the application, award, and administration of aid no longer includes the ability to use FAFSA data to produce de-identified, aggregate statistics about financial aid programs or participants, unless these statistics are associated with college attendance, persistence, or completion.

It is important to note that the Department appears to provide allowances for some types of de-identified, aggregate statistics using FAFSA data and FTI to be developed under its updated definition of the application, award, and administration of aid. For example, aid modeling by institutions and state grant agencies, IPEDS reporting, and evaluations of student aid programs are all allowable activities despite generally requiring the use of de-identified, aggregate statistics.

In addition, regarding the use of contractors/third-party servicers, the Department does not clarify whether ONLY those contractors/third-party servicers who already have access to FAFSA data can conduct research (i.e., it is unclear whether agreements for other work associated with the application, award, and administration of aid have to be in place before an institution can use the entity to conduct research.) This is further complicated as third-party servicers are only required by the Department for the administration of federal, Title IV programs, not institutional or state aid programs.

The Department has also not clarified the reason for the distinction between using a third-party servicer and a separate contractor. As stated earlier, research is not covered under the definition of the application, award, and administration of aid, and it is unclear why a third-party servicer — that is only used for the administration of federal aid programs — would be connected to a non-administration activity.

*Under the September 2025 DCL, research is defined as **only related** to college attendance, persistence, and completion activities. The Department has clarified that program evaluations and audits of aid programs **are included** under the definition of application, award, and administration of aid and therefore can be done with both FAFSA data and FTI without consent. Program evaluations and audits **are not considered research** and therefore **are not limited to attendance, persistence, and completion activities**. The production of de-identified, aggregate statistics **is considered research** and is therefore **limited to only attendance, persistence, and completion activities**, and only the use of FAFSA data without consent. FTI **cannot** be used for de-identified aggregate statistics or other research – even with consent – due to statutory prohibitions against using FTI for attendance, persistence, and completion research.*

Due to the complicated nature of determining whether an activity is considered research or the application, award, and administration of aid, we encourage financial aid officers to work with the data requestor and legal counsel to document why, for example, an activity might be considered related to attendance, persistence, and completion or how the activity is an evaluation of an aid program as opposed to a research activity. For example, the September 2025 guidance offers the example that de-identified, aggregate statistics using FAFSA data can be posted by institutions if the implicit purpose is to encourage students to attend that institution. A state grant agency might extrapolate from this that they can continue to post FAFSA completion data by school district, as the information is being posted to encourage student attendance in higher education, even if not for a specific higher education institution.

We will update this section if the Department provides further clarifying guidance.

Complying with mandatory requirements for aid programs. Under the prior November 2024 guidance, FAFSA data could be used for “complying with mandatory reporting for participation in Title IV, HEA programs,” such as IPEDS reporting. The updated September 2025 guidance expands this to include mandatory reporting for participation in “aid programs,” meaning institutions can use both FAFSA data and FTI for compliance related to institutional, state, and federal programs. For example, a state could require that institutions report credential completion by income level for students participating in a state aid program, and institutions would be permitted to use FTI to meet that requirement.

State activities on behalf of institutions. ED has limited the ability of state grant agencies to only use FAFSA data and FTI for the application, award, and administration of state aid programs. It is then unclear whether data reported by an institution to the state is allowed to be used for institutional or federal aid programs, or if the state remains limited in using any FAFSA data or FTI (regardless of source) only for state aid programs. We therefore recommend that a state become a contractor of the institution to carry out any portion of the application, award, and administration of aid on behalf of the institution. This would include meeting federal mandatory reporting requirements, as well as a state using FAFSA data or FTI to conduct an audit or evaluation of the institution’s aid programs.

The Department has already clarified that a state that does IPEDS reporting on behalf of an institution must be a third-party servicer. We are extrapolating from that requirement that states would also have to be a [third-party servicer](#) for an institution to conduct audits or evaluations of the institution’s aid programs, as audits and evaluations are considered part of the administration of aid.

Department of Education Resources

Important Contacts

Questions on HEA and IRC can be submitted to Federal Student Aid (FSA) by visiting FSA's [Partner Connect Help Center](#) and selecting the Topic "Policy Guidance" on the [Contact Customer Support form](#).

Questions on FERPA can be submitted to SPPO at [Contact | Protecting Student Privacy](#).

Library of ED Guidance

Included are the relevant EAs and recent DCL posted to FSA's Knowledge Center related to FAFSA data and FTI.

- ➡ Guidance on FTI, FAFSA Data, & Non-FAFSA Data, [GEN-25-08](#) (9/30/25)
- ➡ Guidance for State Grant Agencies and Institutions of Higher Education on the Access, Disclosure, and Use of FAFSA Data for the Application, Award, and Administration of Student Aid Programs, [GENERAL-24-129](#) (11/7/24) – **REPEALED**
- ➡ SNAP Benefits for Eligible Students, [GENERAL-25-08](#), 1/16/25
- ➡ Guidance on Consent, [GENERAL-24-149](#) (12/20/24)
- ➡ Guidance on Means-Tested Benefits Outreach, [GENERAL-24-93](#) (7/29/24)
- ➡ Updates on FAFSA Completion & Means-Tested Benefits Outreach, [GENERAL-24-35](#) (4/8/24)
- ➡ Access & Use of FTI, [GENERAL-23-34](#) (5/12/23)
- ➡ Guidance on the Use of Financial Aid Information for Program Evaluation and Research, [PTAC-FAQ-9](#) (January 2017) – **REPEALED**

Examples

- 1) **The Institutional Research office (IR) is seeking income data for all incoming freshmen to determine trends in a student's persistence to graduation based on income level.**

Solution: This would be considered research related to attendance, persistence, and completion – an allowable use of FAFSA data without consent. FTI may not be used for this purpose, even with consent. IR would be able to use FAFSA data, such as Pell Grant eligibility, SAI, and tax information prior to the 2024-25 FAFSA cycle, or manually entered tax information for the 2024-25 or later cycle. Alternatively, IR could also use non-FAFSA data such as Pell Grant receipt or unmet financial need.

This activity would be allowable under FERPA's school official exception, provided the IR staff is considered a school official with a legitimate educational interest in the information and the release of this data fits within the institution's FERPA policy and is disclosed in the annual FERPA notice. Once the research had been completed, it could only be released or published at the aggregate level.

Alternative: If IR wanted income data to conduct a program evaluation of a financial aid program, that would be an allowable use of both FAFSA data and FTI. For example, if the institution had a program that provided additional emergency grants to students experiencing hardship, the institution could conduct an evaluation to determine if there should be an income qualification on the program using both FAFSA data and FTI, as this is related to the application, award, and administration of institutional aid.

- 2) **The institution's housing office requests a list of students who receive student loans to determine if a student qualifies for a housing fee deferral for a pending loan disbursement.**

Solution: Financial aid award data (e.g., amount and type of aid awarded) is not considered FTI or FAFSA data and is therefore only covered by FERPA and not HEA or IRC. If the housing office staff member is considered a school official with a legitimate educational interest in the information and the release of this data fits within the institution's FERPA policy and is disclosed in the annual FERPA notice, the disclosure would be permitted without the student's written consent.

- 3) **The institution's financial aid office receives ISIRs for students who are not currently or have never been enrolled at the institution. May the institution contact those students about enrolling at the institution and the required financial aid process?**

Solution: Yes, if the prospective student elected to have his or her FAFSA information sent to the institution, the institution's admissions office may contact the student about the application and admission process. FERPA is not implicated, as the student has not yet enrolled at the institution. The HEA permits this data use as it directly relates to the process of awarding financial aid to the prospective student.

- 4) **The institution's academic advising office wants to provide additional academic support to Pell Grant recipients and has asked for a list of Pell Grant recipients from the financial aid office.**

Solution: Pell Grant receipt status is not considered FAFSA data, so only FERPA applies in this case. If the academic advising office staff member is considered a school official with a legitimate educational interest in the information and the release of this data fits within the institution's FERPA policy and is disclosed in the annual FERPA notice, the disclosure would be permitted without the student's written consent.

Note that if the academic advising office requested Pell Grant-eligible students, that would be considered FAFSA data and would be subject to HEA FAFSA data use rules. The disclosure of this data would not be permitted without the student's consent because it was not for the application, award, or administration of financial aid or for research to promote college attendance, persistence, and completion. As noted above, it is unclear if it is allowable under the September 2025 guidance for a student to consent to the use of FAFSA data for academic advising purposes. As such, we would recommend only using non-FAFSA data (e.g., Pell Grant receipt or unmet need).

- 5) **My institution's TRIO program administrator needs the financial aid office to provide AGIs for a list of students who may be eligible for TRIO assistance. Can I share this data with our TRIO program administrator?**

Solution: AGI is generally considered FTI, so those stricter data use and data sharing rules apply. If the TRIO administrator is using FTI for determining the student's eligibility for or the amount of a monetary TRIO grant that is associated with the student's cost of attendance, then FTI may be provided to the TRIO program to use for that purpose without the student's consent. This could be done under FERPA's school official exception, provided all requirements (e.g., annual notice) are met.

If the TRIO program wants to use data to determine if a student is eligible for nonmonetary support, the following conditions would apply:

- ➔ The nonmonetary support must still be associated with a student's cost of attendance;
- ➔ The TRIO program could only use FAFSA data;
- ➔ The TRIO program would have to be located within a government agency institution (as defined in the chart above);
- ➔ The TRIO program could only receive the FAFSA data from the state grant agency and not the institution; and
- ➔ The state grant agency would need the consent of the student to redisclose their information to the TRIO program.

If the government agency institution process is used, the state grant agency could disclose to the TRIO program any of the FAFSA data for students who have selected to attend that institution. The state grant agency would not be able to use AGI to provide a list of students more likely to be eligible for the program, as that data is generally FTI. If the state grant agency is only providing to the TRIO program data that it received directly from the Department, FERPA would not apply to the redisclosure to the TRIO program. If the TRIO program first provides the state grant agency a list of specific students it is seeking FAFSA data on, that would require a FERPA exception to consent (likely the financial aid exception). However, the state grant agency would need to receive consent from the students regardless, under HEA.

Alternatively, the TRIO program could use non-FAFSA data (e.g., unmet need, Pell Grant receipt) as a proxy to determine eligibility for nonmonetary support. In this case, the nonmonetary support would not need to be associated with the student's cost of attendance, as only FERPA (school official exception) would apply. Non-FAFSA data is best used for services like advising that are not part of a student's cost of attendance.

6) The institution's foundation has a Promise Program for students whose families have an AGI < \$60,000. May the financial aid office provide a list of students whose families' AGI is < \$60,000 to the foundation?

Solution: In the November 2024 guidance, the Department noted that foundations could receive FAFSA data, "so long as they are under the control of" the institution. The November 2024 guidance also noted that philanthropy-funded scholarships, if the funds were donated to and administered by the institution or state grant agency, could be considered institutional or state aid. However, the September 2025 DCL is silent on the role of foundations and whether there are circumstances under which they can receive FAFSA data or FTI. In addition, each institution is unique in its relationship with its foundation. As such, we encourage institutions to consult with legal counsel to determine whether the foundation is considered a part of the institution and as such, the rules associated with an internal scholarship organization (as described above and under FERPA's school official exception and/or financial aid exception) apply or whether the rules for an external scholarship organization (as described above and under FERPA's financial aid exception) apply.

7) If an institution is part of a public system or district of postsecondary institutions, can the institution release FAFSA data or FTI to a central office or governing board for financial aid program evaluation?

Solution: This data release — without consent — could be allowable under the definition of application, award, and administration of aid as either a mandatory reporting requirement or as an evaluation of the aid program and would likely fall under the school official, audit and evaluation, or studies exceptions of FERPA (depending on the specifics of the scenario).

If the central office or governing board is considered a part of the institution, there is no issue in them using the data – without consent – for the purposes of evaluating an institutional, state, or federal aid program. However, if these units are considered a state agency, the restriction on states to only use FAFSA data and FTI for the application, award, and administration of aid might apply. As mentioned earlier, the Department is unclear whether that restriction applies when the data is reported from the institution as opposed to the data the state received directly from the Department. As such, we would recommend that the institution designate the central office/governing board, if they are considered part of the state, as a third-party servicer in order to carry out this part of the definition of application, award, and administration of aid.

8) Our institution wants to ensure all students who are eligible to receive means-tested benefits are receiving them. How can we use and share student data to achieve this goal?

Solution: Institutions and state grant agencies can use a student’s own FAFSA data (but not FTI) – without consent – to target and conduct outreach for federal means-tested benefits programs. The Department has explained the guidelines further in EA [GENERAL-24-93](#) where they also list numerous federal programs that can be used for targeted student outreach:

- ➡ Affordable Care Act, including tax subsidies and temporary special enrollment periods
- ➡ Child tax credit
- ➡ Earned income tax credit (EITC)
- ➡ Medicaid
- ➡ Section 8 housing assistance
- ➡ Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- ➡ Supplemental Nutrition Assistance Program (SNAP)
- ➡ Supplemental Security Income Program (SSI)
- ➡ Temporary Assistance for Needy Families (TANF)

In addition, institutions and state grant agencies use FAFSA data for targeted outreach for other federal means-tested benefits programs so long as the institution or state grant agency determines that the eligibility criteria for such a program includes an income or asset threshold to determine a beneficiary’s standard of living and that targeted outreach using FAFSA data would benefit students’ application and enrollment for the programs for which they may be eligible.

The financial aid office can also share FAFSA data (but not FTI) with other campus staff, such as basic needs coordinators — without consent — to conduct the outreach about federal benefits provided the staff member is considered a school official with a legitimate educational interest in the information and the release of this data fits within the institution’s FERPA policy and is disclosed in the annual FERPA notice.

Finally, institutions and state grant agencies are also permitted to develop a process for a student to provide explicit prior written consent to share FAFSA data with federal, state, or local government agencies or tribal organizations to assist the student in applying for and receiving local, state, or federal government assistance, or tribal assistance for any component of the student's cost of attendance. As noted in the chart above, state grant agencies can do so for both monetary and nonmonetary assistance, whereas institutions can only do so for monetary assistance.

- 9) **If one of our financial aid staff sees that the AGI reported by the family on the CSS Profile is different from what was transferred via the FA-DDX, can they use the AGI transferred via the FA-DDX to update the Profile? Would using FTI in this manner be considered allowable as part of the application, award, and administration of federal, state, or institutional aid?**

Solution: If the school has a contractual relationship, as a third-party servicer, with the College Board for services that fall under the application, award, and administration of student aid programs, then the disclosure would be permitted without the student's written consent. The College Board, like other contractors, would have to ensure that any FTI data received as a third-party servicer is appropriately labeled with the Controlled Unclassified Information (CUI) marking and used only for the application, award, and administration of student aid programs at that institution. The school would need to ensure, among other things, that its contract with the College Board reflects the appropriate provisions for ensuring the security of FAFSA data and FTI. In addition, the school will ultimately need to ensure the College Board complies with NIST 800.171, when those requirements are in place by the Department.

- 10) **Are schools allowed to use FTI from the ISIR to determine eligibility for other, non-Title IV federal student aid programs, such as Health Professional Student Loan (HPSL) and Loans for Disadvantaged Students (LDS)?**

Solution: The Health Professional Student Loan (HPSL) and Loans for Disadvantaged Students (LDS) are student financial assistance programs under the authority of the U.S. Department of Health and Human Services (HHS), which works directly with institutions participating in these programs. Institutions determine student eligibility, award aid, and manage repayment for these loan programs. While the Department's guidance does not speak directly to an institution's ability to use FTI for non-Title IV programs, the guidance does state that both FAFSA data and FTI can be used by the institution — without consent — for the application, award, and administration of institutional, state, and federal programs. As these are federal programs under HHS, the use of FTI would be allowable.

Recommendations for Institutional Best Practices

Working with Data Requesters – Team Approach

Ultimately, data seekers and financial aid administrators should cooperate to serve students and ensure their offices comply with all of the laws that protect student data. The financial aid office should not be a closed resource for data seekers, but a partner with limited authority to release data. Data seekers should see the financial aid office as a partner, but also respect the statutory limitations and administrative burdens of the release of student data. We encourage institutions to create teams of staff that engage with and support students (e.g., staff with functions related to financial aid, admissions, basic needs, FERPA, legal, advising) to meet regularly to discuss how FAFSA data, FTI, and non-FAFSA data can help students attend and complete college. This team approach would also support the sharing of knowledge (e.g., financial aid rules, unique challenges faced by different student demographics) and ensure all are appropriately trained on data access and use requirements and limitations.

Both the requester and the financial aid office must remember that the release of data protected under FERPA is permissible, but not required, to any entity other than the student and the parent of an underage student. The release of data by the financial office is not always a black-and-white issue; many factors come into play other than the authority to release the requested data.

Even when it is determined that student data can be shared with another entity, institutions should always ensure they share only the data the requester needs and nothing more. Access should also be limited only to the individuals who need the data (e.g., individuals responsible for IPEDS reporting within the Institutional Research office versus the entire Institutional Research office).

When the requested data cannot be provided for either legal or administrative reasons, the financial aid office should consult with appropriate administrators to look for other possible solutions or suggestions for the requester. The institution's counsel and FERPA officer should be involved in situations where the boundaries are not entirely clear on what data can be released or if a request is unreasonable.

As financial aid and legal staff bear the greatest burden associated with ensuring data can be appropriately used and accessed by others within an institution, a collaborative team approach might support the development of cross-institution funding proposals for additional capacity.

Contracting With Outside Vendors

Arrangements with outside vendors to perform certain functions can be helpful, but can also pose unique challenges to financial aid offices. Financial aid administrators should remember two key considerations: understand the scope of the service agreement with the vendor and limit a vendor's access to only the data necessary for the vendor to do their job.

The institution should have an agreement in place that clearly outlines the scope of work and the specific type of student data that the vendor will be permitted to access, and for what purposes. This would also include data storage site providers, particularly when storing FERPA- or HEA-protected student data. The addition of FTI to the ISIR adds new labeling requirements for data that is considered CUI. Contractors must follow the same labeling process and safeguarding procedures when FTI is redisclosed to them in accordance with data-sharing laws and soon must comply with NIST 800.171. We recommend that legal counsel (either internal or external) review any contracts to be sure that they include all necessary provisions and clearly establish institutional control over the vendor's use of student data. Ideally, a representative of the financial aid office should be consulted when vendors are engaged, particularly when those vendors will require access to significant amounts of student data under the control of the financial aid office. We encourage financial aid offices to advocate within their institutions to be consulted when such agreements are put in place.

While ensuring that an agreement is in place typically is not the responsibility of the financial aid office, financial aid directors should review such agreements to be sure that they understand the scope of the arrangement and to be sure their office is only supplying data covered under the agreement. For example, an outside vendor performing counseling services may need access to student addresses to mail out informational literature, but likely would have no legitimate interest in accessing the student's Social Security number and other personal information that may be held in the same database. Prohibiting the vendor from accessing the Social Security numbers and other information in such a case is clearly required under FERPA, but the vendor may request access to other data that can be disclosed under other exceptions, such as the directory information. Even though the office may release such directory information, it is not required to do so, and the office should weigh the risks and benefits of doing so. As a general rule, limiting the range of student information the vendor can access, even when disclosure of certain data is permissible, can lower the risk of additional FERPA violations as a result of vendor error or data breach.

For large offices with multiple persons fielding requests from vendors on an ongoing basis, it may be advisable to circulate a brief summary of what data you may and may not provide to each vendor.

Practical Considerations

Know Who Has Access to the Data

The financial aid office must be aware of all institutional staff members who have access to FAFSA data and FTI, as well as processing results, award data, and disbursement information. This determination must be made to ascertain if the level of access is appropriate for their job duties, and to ensure that these individuals are fully informed of the laws that restrict the use and sharing of this data.

Get the Full Story

When a data seeker comes to the financial aid office with a request, the staff should ask questions in order to fully understand the request and how the data will be used. Understanding the requester's needs and purposes of the data request will allow the financial aid administrator to determine what information can be provided without violating the HEA, IRC, FERPA, or the requirements of the SAIG agreement.

Get the Request in Writing

Requiring the data request to be submitted in writing with specific details will ensure that all parties understand what data is being requested and how the data will be used. Asking for the request in writing will assist in establishing an open dialogue.

Release Minimal Data

When releasing any student data, but particularly FTI, ISIR, and award data for the purpose of awarding and administration of aid, release the minimum amount of data needed for the purpose. For example, when releasing FTI, ISIR, or award data for institutional aid determination purposes, release just what is needed to make the award determination, instead of the entire record.

Institutional Financial Aid Application

Many institutions utilize an institutional or third-party financial aid application, which collects some of the same data elements as the FAFSA, including income and asset information. This application data would be subject to FERPA, but not to the HEA or IRC restrictions. The extraction of this data must be carefully documented, so as not to originate from — or appear to have originated from — the FAFSA data.

Review Your Institution's FERPA Policy

All institutions should periodically examine their FERPA policy to determine if there are areas where the policy can be modified to better define the institution officials with a legitimate educational interest in the FERPA-protected data. As a key repository for student data at your institution, financial aid administrators should advocate to be included in discussions regarding institutional data privacy policies and provide feedback on procedures that are working and those that need to be adjusted. Each institution has the flexibility to define these areas within its FERPA policy, within reason. Of course, these modifications cannot be made in the spur of the moment when a FERPA request is made outside of the existing institutional policy. An amendment to the institutional FERPA data-release policy must be in place prior to implementing any changes in the manner in which FERPA data is released, and this change must also be included in the annual FERPA notification to students.

Offer Alternatives

There will be many times when the requested data cannot be provided due to statutory and regulatory restrictions. The financial aid office should seek alternatives to offer the requester. The financial aid office could ask questions like: Can existing IPEDS data be used instead? Can non-FAFSA data be used?

When the Answer Is No

If alternatives are not accepted or no data can be provided, the financial aid office should provide a written response to the data seeker, clearly explaining the reason why the data is not available based on statutory, regulatory, or other reasons. Often, this is a business decision for institutional administrators to make. Financial aid administrators should discuss the appropriate channels for elevating requests to the correct institutional administrators. And in all cases, a copy of the written response should be provided to the institution's legal counsel and FERPA officer.

Summary

As gatekeepers of confidential student and parental information, financial aid professionals have an important responsibility to protect the data for which they are entrusted. Other offices and individuals may have an interest in the data that is managed by the financial aid office for purposes that fall within and outside of the statutory limitations set by the HEA, IRC, FERPA, and SAIG agreements. However, financial aid administrators have an obligation to know what requirements apply to various types of data requests and to act accordingly, while remembering that the sharing of some data is permitted and may ultimately benefit students. When working with data seekers, the financial aid office receives various types of requests from a multitude of sources, and it is critical that they study the nuances of each type and become knowledgeable regarding what information can be released and to whom. It is also important that aid administrators understand their role in the institution's larger process for managing access to student data. When a financial aid professional is unsure of their ability to release the requested data, they should reach out to internal and external resources, including consulting with the institution's counsel and FERPA officer, to reach a compliant resolution.