

Financial Aid 201: Updates, Changes, and Difficult Situations

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Agenda for FA 201: Updates, Changes, and Difficult Situations

- FAFSA Updates and Changes
- FAFSA Dependency Status
- Who Is *The Parent*?
- Verification Challenges
- Undocumented Students
- Changes in Federal Student Aid
- The Oregon Promise



Free Application for Federal Student Aid (FAFSA) Updates

- Proposed for the 2016-17 FAFSA
 - On the paper FAFSA, the pages have been reordered so that the instructions appear in a single area of the document
 - The student's list of schools will continue to be shared with the student's state agency but not with the colleges
 - Schools can only see their school on the student's FAFSA, even when students have listed 10 schools on the FAFSA on the Web
 - For federal student aid purposes, it does not matter in what order the student lists their selected schools. For state aid, the student may want to list their preferred college first



FAFSA Changes



- 2017-2018 FAFSA
 - Filing FAFSA date is earlier, begins October 1, 2016
 - Will use prior-prior year (PPY)

FAFSA Year	File FAFSA on or after	Tax Year Reported on FAFSA
2015-2016	January 1, 2015	2014
2016-2017	January 1, 2016	2015
2017-2018	October 1, 2016	2015
2018-2019	October 1, 2017	2016

FAFSA.com



- The US Department of Education has taken control of the FAFSA.com domain
 - > Once the transition is complete, FAFSA.com will redirect to the federally-operated FAFSA.ed.gov page
 - > The Consumer Financial Protection Bureau, in July 2015, ordered Student Financial Aid Services—the company that operated the website—to refund \$5.2 million to customers it says were illegally billed



FAFSA Dependency Status

Do I need to include my parent's information on the FAFSA?

Dependency Determination



Application was successfully saved.

Were you born before January 1, 1992?

 Yes No

As of today, are you married?

 Yes No

At the beginning of the 2015-2016 school year, will you be working on a master's or doctorate program (such as an MA, MBA, MD, JD, PhD, EdD, or graduate certificate, etc.)?

 Yes No

Do you now have or will you have children who will receive more than half of their support from you between July 1, 2015 and June 30, 2016?

 Yes No

Do you have dependents (other than your children or spouse) who live with you and who receive more than half of their support from you, now and through June 30, 2016?

 Yes No

Are you currently serving on active duty in the U.S. Armed Forces for purposes other than training?

 Yes No

Are you a veteran of the U.S. Armed Forces?

 Yes No

At any time since you turned age 13, were both your parents deceased, were you in foster care, or were you a dependent or ward of the court?

 Yes No

As determined by a court in your state of legal residence, are you or were you an emancipated minor?

 Yes No

As determined by a court in your state of legal residence, are you or were you in legal guardianship?

 Yes No

On or after July 1, 2014, were you homeless or were you self-supporting and at risk of being homeless?

 Yes No

Help and Hints

Is Student Homeless or At Risk of Being Homeless?

Select **Yes** if any time after July 1, 2014, you were homeless or were self-supporting and at risk of being homeless.

Select **No** if you are not homeless or at risk of being homeless.

- **Homeless** means lacking fixed, regular and adequate housing.
- You may be homeless if you are living in shelters, parks, motels or cars, or temporarily living with other people because you have nowhere else to go. Also, if you are living



Help

SEARCH

Student Demographics

School Selection

Dependency Status

Parent Demographics

Financial Information

Sign & Submit

Confirmation

STUDENT

Dependency Status Results

Based on your answers to the dependency status questions, **you are considered a dependent student. This means you must provide parental information.** Select "I will provide parental information" and click **Next** to continue to Parent Demographics.

If you have a special circumstance and are unable to provide parental information, under very limited circumstances, you may be able to submit your FAFSA without parental information. Select "I am unable to provide parental information" and click **Next** to get additional information.

- I will provide parental information
- I am unable to provide parental information

PREVIOUS

NEXT

NEED HELP?

SAVE

CLEAR ALL DATA

VIEW FAFSA SUMMARY

EXIT

Help and Hints

Dependency Status Results

For dependent students, a special circumstance is a situation that exists between the student applicant and his or her parent(s) which prevents the student from providing parental information.

Select **I will provide parental information** to continue to Parent Demographics.

Select **I am unable to provide parental information** to get additional information about special circumstances.

Do I need to provide my parents' information on my FAFSA?

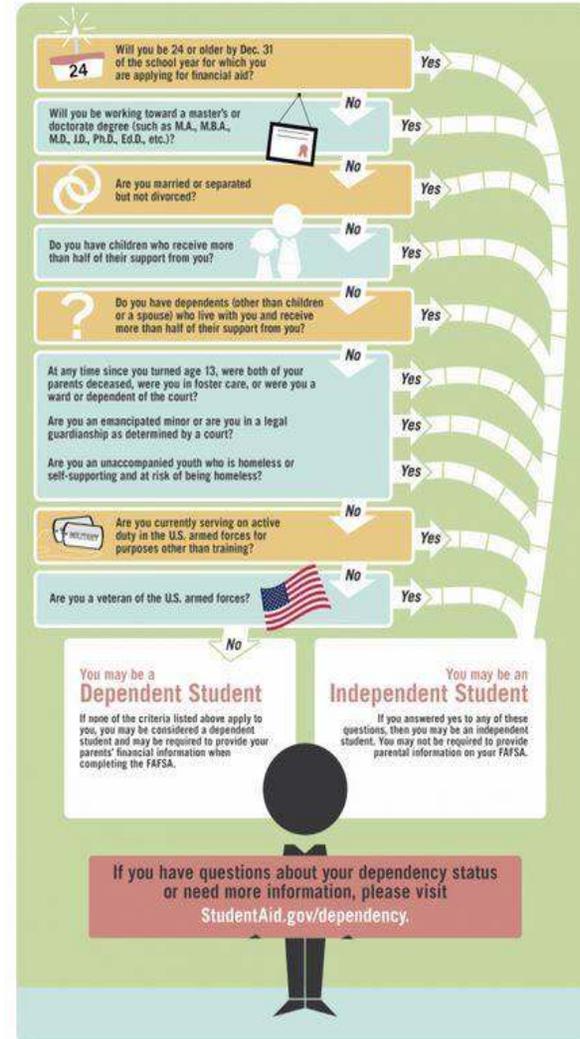
DEPENDENT - *yes*

- or -

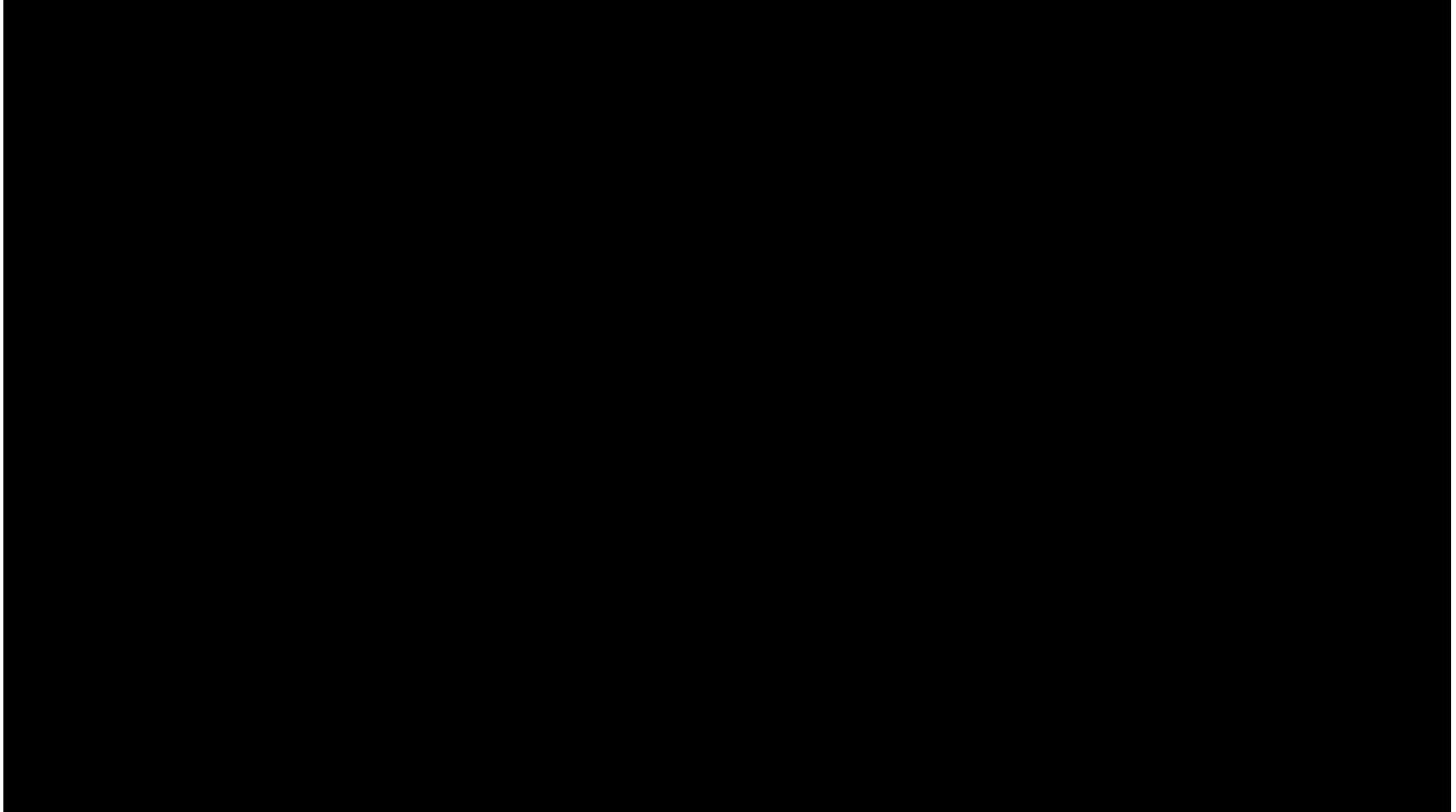
INDEPENDENT - *no*

Do I Have to Provide My Parents' Information on the Free Application for Federal Student Aid (FAFSA)?

All applicants for federal student aid are considered either "independent" or "dependent." Dependent students are required to include information about their parents on the FAFSA. By answering a few questions, you can get a good idea of which category you fit into.



FAFSA: Determining Your Dependency Status



StudentAid.ed.gov YouTube Video: <https://www.youtube.com/watch?v=dEbxRjILus>

DEPENDENT students must list parents' information on FAFSA

- Who is considered a parent?
 - Legal parent (biological or adoptive)
 - Do not list grandparents, foster parents, legal guardians, unless they have legally adopted you



If you get this question:

“My legal (biological or adoptive) parents are divorced, which parent should I list on the FAFSA?”



- You should ask the student
 - Which parent have you lived with the most in the previous 12 months?
 - Do not report information for grandparents, foster parents, legal guardians, aunts, uncles, etc. unless they have legally adopted you
 - What is the **current** (as of that day) marital status of the parent you lived with the most in the previous 12 months?
 - Separated or divorced
 - Report parent you lived with the most in the previous 12 months
 - Remarried
 - Report parent you lived with the most in the previous 12 months **and include stepparent’s information**

If you get this question:

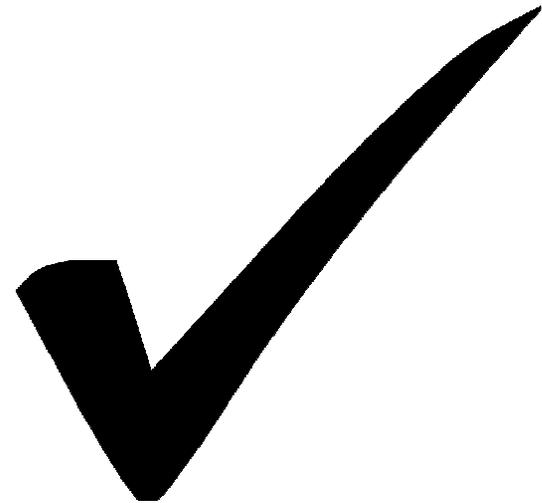
“My legal (biological or adoptive) parents are not married, but live together--which parent should I list on the FAFSA?”

- Include both legal parents on the FAFSA if they live together and are not married
 - Add parents’ income and assets together and include both parents in the household size
- Do not include parent’s domestic partner (i.e. girlfriend, boyfriend, significant other) if they are not the student’s legal (biological or adoptive) parent



Verification Requirements

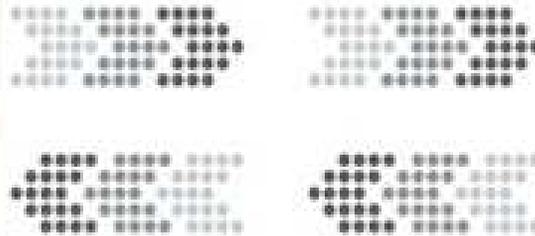
- Process by which the U.S. Department of Education through the financial aid office confirms information provided by students and families on the FAFSA is accurate
- Students can be selected for verification by the Department of Education or the college
- Items to be verified will vary, but typically include:
 - Adjusted gross income
 - US Income Tax Paid
 - Untaxed Portions of IRS Distributions
 - Untaxed Portions of Pensions
 - IRA Deductions and Payments
 - Tax Exempt Interest Income
 - Education Credits
 - Number of Household Members
 - Number in college
 - SNAP (Food Stamps), if included on the FAFSA
 - Child Support Paid, if included on the FAFSA



IRS Data Retrieval Tool within FAFSA on the Web www.FAFSA.gov



Link It!



**IRS Data
Retrieval Tool**





Get My Federal Income Tax Information

See our [Privacy Notice](#) regarding our request for your personal information.

Enter the following information as it appears on your <2008> Federal Income Tax Return. [?](#)

Required fields *

First Name *	<input type="text" value="Joe"/>
Last Name *	<input type="text" value="Smith"/>
Social Security Number *	*** - ** - 6789
Date of Birth *	<input type="text" value="01"/> / <input type="text" value="04"/> / <input type="text" value="1990"/>
Address * ? P.O. Box and/or Street Address	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
Apt. Number (Required if it appears on your tax return)	<input type="text"/>
Country *	<input type="text" value="United States"/> v
City, Town or Post Office *	<input type="text"/>
State/U.S. Territory *	<input type="text" value="Select One"/> v
ZIP Code *	<input type="text"/>
Filing Status *	<input type="text" value="Select One"/> v

By submitting this information, you certify that you are the person identified. Use of this system to access another person's information may result in civil and criminal penalties.

Parent 2014 Federal Income Tax Information

The information below is your tax information that will help you answer some of the questions on the FAFSA.

	My Tax Information	FAFSA Question Numbers
Tax Year	2014	
Name(s)	Jane Doe	
Social Security Number	*** - ** - 7890	
Filing Status	Married-Filed Joint Return	Question 82 on the FAFSA
Type of Tax Return Filed	1040	Question 81 on the FAFSA
Adjusted Gross Income	\$36,300	Question 85 on the FAFSA
Income Earned From Work	\$44,649	Your filing status indicates you may need to split this amount and enter it in two places on the FAFSA. Parent 1: Question 88 on the FAFSA and/or Parent 2: Question 89 on the FAFSA
Income Tax	\$119	Question 86 on the FAFSA
IRS Exemptions	2	Question 87 on the FAFSA
Education Credits	\$0	Question 93a on the FAFSA
IRA Deductions and Payments	\$0	Question 94b on the FAFSA
Tax-Exempt Interest Income	\$0	Question 94d on the FAFSA
Untaxed IRA Distributions	\$0	Question 94e on the FAFSA
Untaxed Pensions	\$0	Question 94f on the FAFSA

Print this page for your records before choosing an option below.

Transfer My Tax Information into the FAFSA

The tax information provided above will populate the answers to the appropriate FAFSA questions. After the FAFSA is populated your IRS session will end and you will return to your FAFSA.
 Check this box to activate the "Transfer Now" button.

[Transfer Now](#)

Do Not Transfer My Tax Information and Return to the FAFSA

By clicking the "Do Not Transfer" button, you are choosing not to transfer your tax information electronically. Your IRS session will end and you will return to your FAFSA.
 You may still use this tax information to input the data into your FAFSA.

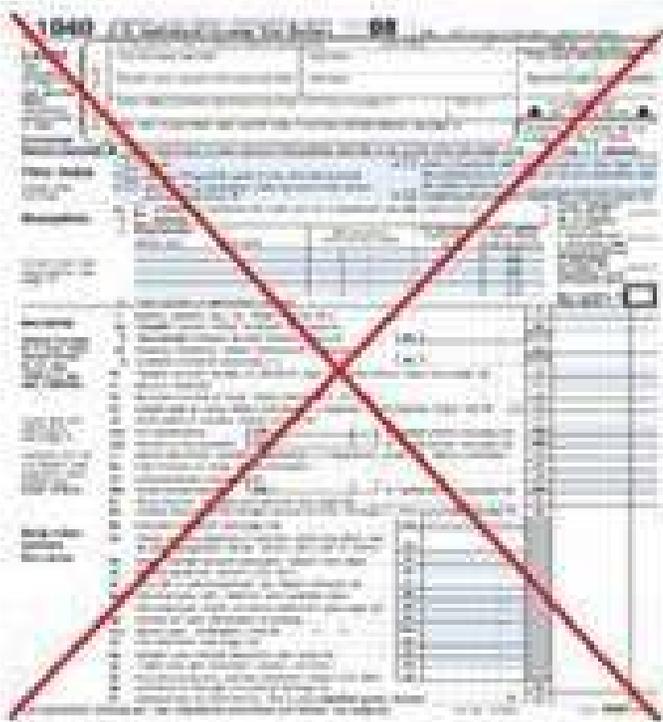
[Do Not Transfer](#)

Verification Challenges

- IRS Data Retrieval Tool (DRT)
 - Address must match address on filed IRS Income Tax Return
 - Cannot be used if marital status has changed
- IRS Tax Transcript
 - Inconsistency in policy between IRS offices and staff

Alternative to IRS Data Retrieval Tool

**Tax Return
NOT ACCEPTABLE**



**Tax Return Transcript
ACCEPTABLE**





Undocumented Students in the USA

Help students navigate their options...

What Does it Mean to be Undocumented?

- Individual lacks the documents required for immigration or legal residence in the United States of America
- Individuals may have:
 - Entered the country legally on a temporary basis and stayed after documents expired
 - Entered without documents
 - Been brought to the country by someone else

Undocumented Parents

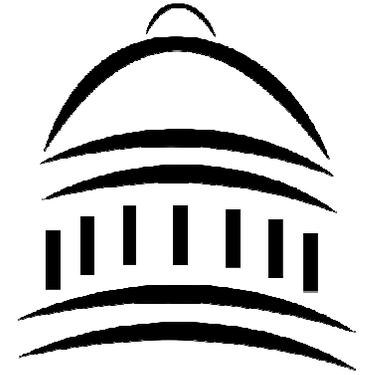
- Eligibility for financial aid typically depends on the **student's** citizenship status
- Parents' undocumented status usually does not affect student's eligibility to apply for certain types of aid (i.e. FAFSA)
 - use 000-00-0000 for parent SSN on the FAFSA
 - ineligible for a FSA ID and therefore must sign the FAFSA by completing a printed signature page and mailing it
 - not eligible for the Parent PLUS Loan program

Statistics about Undocumented Students

1.7 Million	Under age 30
1 million	Under age 18
80,000	Reach age 18 annually
65,000	Graduate from high school

Nationally, 40% of undocumented young people ages 18-24 do not complete high school, compared with 8 % of their U.S. born peers.

Recent Federal Action



- DREAM Act: August 2001 to present
- Executive Action (DACA): June 2012
- Executive Action (DAPA): November 2014

Note: Executive actions do not change the federal student assistance eligibility rules. Undocumented students remain ineligible for federal student assistance at this time.

DACA



- Consideration of Deferred Action for Childhood Arrivals
 - Entered US before 16th birthday and before June, 2007
 - Completed high school or a GED or are enrolled in school
 - Have been honorably discharged from the armed forces
 - Have not been convicted of a felony or serious misdemeanors
- Receive a renewable two year work permit and exemption from deportation
- Not eligible for federal financial aid, but may work on or off campus

DAPA

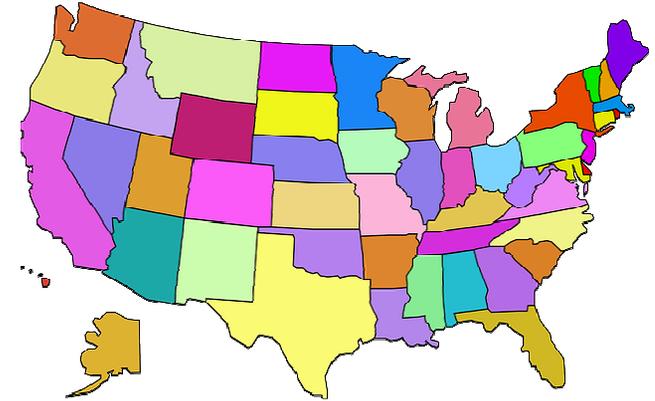


- Deferred Action for Parents of Americans and Lawful Permanent Residents
 - Have lived in the United States continuously since Jan. 1, 2010
 - Were physically present in the United States on Nov. 20, 2014
 - Had no lawful status on Nov. 20, 2014
 - Had, on Nov. 20, 2014, a son or daughter, of any age or marital status, who is a U.S. citizen or lawful permanent resident
 - Have not been convicted of a felony, significant misdemeanor, or three or more other misdemeanors; do not otherwise pose a threat to national security; and are not an enforcement priority for removal

Due to a federal court order, US Citizenship and Immigration Services has suspended implementation of Deferred Action for Parents of Americans and Lawful Permanent Residents. Updates available at: www.uscis.gov/immigrationaction

Recent State Actions

- Allowing in-state tuition
- Providing state financial assistance
- Banning in-state tuition
- Prohibiting enrollment at any public college or university in the state



Note: State actions do not change the federal student assistance eligibility rules. Undocumented students remain ineligible for federal student assistance at this time.

18 States Currently Allow In-State Tuition for Undocumented Students

- California
- Colorado
- Connecticut
- Florida
- Illinois
- Kansas
- Maryland
- Minnesota
- Nebraska
- New Jersey
- New Mexico
- New York
- Oklahoma
- Oregon
- Rhode Island
- Texas
- Utah
- Washington

Oregon House Bill 2787

- Provides certain students an exemption from nonresident tuition and fees at Oregon public universities
 - Attended elementary or secondary/high school in a state or territory of the US for at least five years, and
 - Studied at an Oregon school for at least three years, and
 - Graduated from an Oregon high school or received a GED in Oregon, and
 - Show intention to become a US citizen or lawful permanent resident

Financial Aid from Colleges and Universities



- Institutional scholarships, grants, or loans
- Availability of institutional aid varies widely
- Scholarship funds come with a merit component
- Selective, private colleges and some public institutions (very limited) may use the CSS Profile to determine eligibility for need-based institutional grants

Examples of Aid from Private Sources

- FastWeb
- Mexican American Legal Defense and Education Fund
- Get Ready for College
- Latino College Dollars
- Scholarships for Hispanics
- Genesco Migrant Center



Counseling Undocumented Students

- Create a Safe Environment for Students:
 - Non-threatening
 - No requirement to report status
 - Be supportive and encouraging
- Be Proactive:
 - Be aware of what is available at the state and local levels to assist undocumented students
 - Good project for student assistants or local advocacy organizations
 - Include the student's family in counseling



Changes to Federal Student Aid

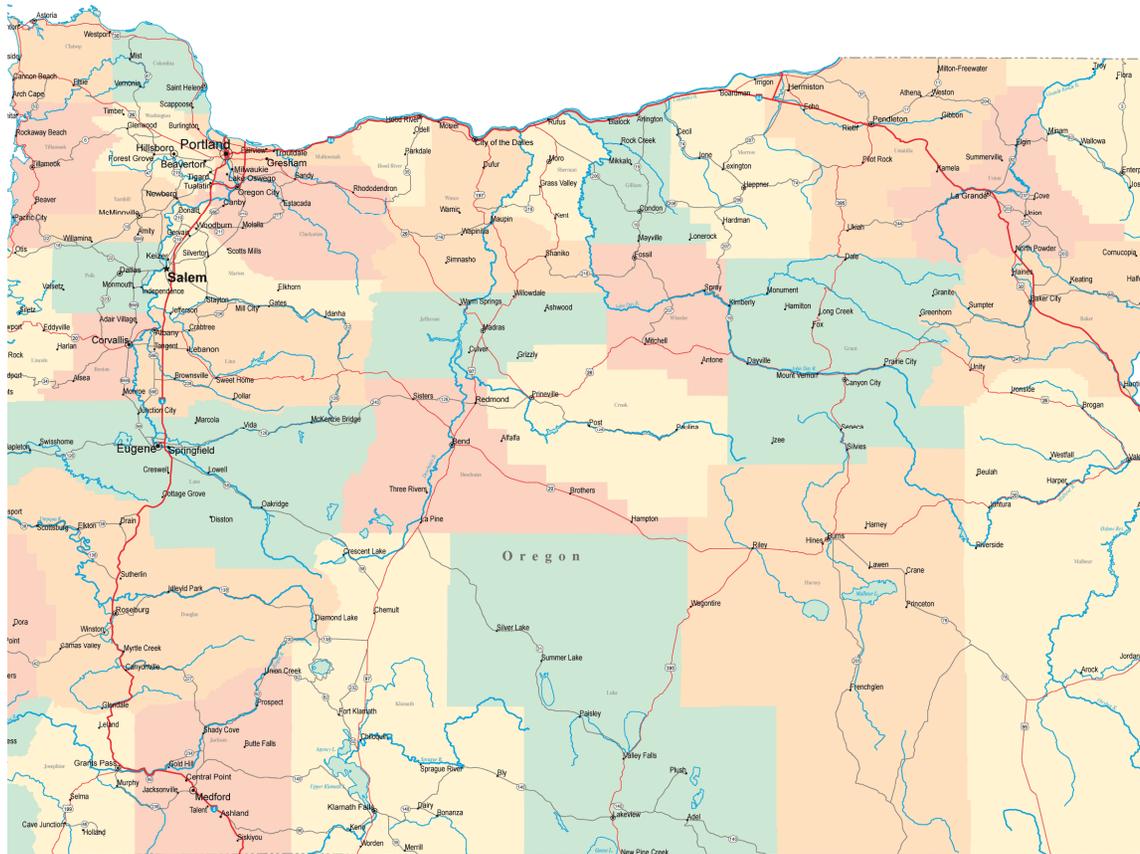
Sequestration | Federal Perkins Loan

Federal Direct Loans Interest Rates

- Fixed interest rates for Federal Direct Loans disbursed July 1, 2015 to June 30, 2016
 - **4.29%** for subsidized and unsubsidized Federal Direct Loans for **undergraduate** students
 - **5.84%** for unsubsidized Federal Direct Loans for **graduate** students
 - **6.84%** for Federal Direct PLUS Loans for **parents and graduate** students
- These rates will be fixed for the life of the loan

End of Federal Perkins Loan

- End of the one-year extension is September 30, 2015
- Narrowing of program for those grandfathered in
 - Student borrowed prior to June 30, 2015 and in same program of study
- Must have congressional action to reauthorize this program separately from the Reauthorization of the Higher Education Act (HEA), as amended
- Federal guidance has already been issued about the closing out of this program



The Oregon Promise

New for 2016-2017 Academic Year | Administered by OSAC

Oregon Promise

- Oregon Community College Tuition Waiver Program
- Signed into law July 2015 by Governor Brown
- Allocates \$10M in tuition waivers for students who qualify
- Goes into effect July 1, 2016 for courses during the 2016-2017 academic year
- A “last dollar” program
 - Students must file Free Application for Federal Student Aid (FAFSA) and accept federal and state grant aid offered
- The Oregon Office of Student Access and Completion (OSAC) administers this program, under the Higher Education Coordinating Commission (HECC)

Oregon Promise – Who is Eligible

- Oregon resident for at least 12 months prior to enrolling in community college
 - Received an Oregon high school diploma or GED certificate, or completed grade 12
 - Earned a cumulative high school GPA of 2.5+ or equivalent
 - Within six months of high school (or equivalent homeschool or GED) completion, enrolls in courses at an Oregon community college

Oregon Promise – Who is Eligible (cont.)

- Continues to be eligible after the first year if student-
 - Maintains a cumulative GPA of 2.5 or better
 - Makes satisfactory academic progress
 - Completes a FAFSA each academic year
 - Enrolls at least half time each term for at least three terms each consecutive academic year

Oregon Promise (cont.)

- The Oregon Promise Program process is under development at OSAC
- Information about the program will be available online at www.oregonstudentaid and www.oregon.gov/HigherEd, circulated through schools, and announced on OSAC's social media accounts
- If you wish to receive future updates on the program, please email info@OregonPromise.com



Questions?