

October 27, 2014

To Whom It May Concern:

On behalf of the more than 3,000 member institutions of the National Association of Student Financial Aid Administrators (NASFAA), I am writing to offer our comments on the draft 2015-16 Free Application for Federal Student Aid (FAFSA).

From a broad perspective, we urge the Department of Education (ED) to move forward in implementing the use of prior-prior year (PPY) income in the application process, as permitted by current statute. By using income data from two years prior in the need analysis formula, students would be able to file the Free Application for Federal Student Aid (FAFSA) much earlier than the date the FAFSA currently becomes available—January 1. In fact, under PPY it would be possible to align the admissions and financial aid application processes, offering more time for students and families to evaluate award offers from institutions and make an informed decision about where to attend college.

Additionally, the use of PPY could enhance the use of the Internal Revenue Service's Data Retrieval Tool (IRS-DRT). The IRS-DRT has been a great step forward in application simplification as it allows applicants to import their tax information from the IRS. But using only prior-year tax information - as we do today - prevents many families from utilizing this time-saving tool because taxes aren't usually completed by the time a family applies for financial aid. A move to PPY would significantly increase the number of applicants who are able to utilize the IRS-DRT and help families skip other burdensome application requirements such as income verification.

Increased use of the IRS-DRT is a key component in application simplification efforts. We encourage ED to continue its collaboration with the IRS, further integrating the work of the two agencies and exploring new technologies to enhance the IRS-DRT and improve its efficiency.

We are aware that ED is contemplating the continued inclusion of the school listing in the Institutional Student Information Record (ISIR). We share others' concerns about possible use of the school listing for purposes of awarding financial aid, especially given that students are not made aware that all listed schools receive the school list. However, we do not recommend complete removal of the school listing from the ISIR, since some institutions use the school listing in their fraud prevention efforts, most frequently to investigate unusual enrollment histories. We want to support institutions' efforts at fraud prevention, which is a high priority for taxpayers. To meet the goal of fraud prevention and prevent unscrupulous behavior by some institutions, we recommend retaining the school listing, but in a randomized or alphabetical order, and notifying applicants during FAFSA completion that the school list is sent to all institutions selected by the student.

In recent years, the aid community has been focused on improving the FAFSA itself. It is now time for ED to improve the Student Aid Report (SAR), which has long been overlooked as a key communication tool in the financial aid process. The layout, readability, and general user-friendliness are all in need of a complete overhaul.

I have attached additional comments and suggestions about the FAFSA offered by our members. Questions about our comments may be directed to Karen McCarthy at mccarthyk@nasfaa.org.

We appreciate the opportunity to offer these comments and we look forward to working with you on these important application issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin Draeger". The signature is fluid and cursive, with a long horizontal stroke at the end.

Justin Draeger
President

NASFAA Comments on Draft 2015-16 FAFSA

Page	Item	FAFSA Question and/or Suggested Change (additions are shown in bold, deletions are in strikeout)	Comments
N/A	IRS DRT Qualifying Questions	Did you file an amended tax return (1040X) ?	On FAFSA on the Web (FOTW), in order to determine if the IRS data retrieval (DRT) tool can be used, students and parents are prompted with preliminary questions, including one asking if they have amended their taxes. A significant portion of applicants erroneously indicate that they have filed an amended tax return, thus precluding their use of the IRS DRT. Revised wording defining the meaning of amending taxes, stated in terms of having filed a 1040X, may clarify this question and help parents/students choose their answer correctly.
N/A	IRS DRT Qualifying Questions	Based on your response, we recommend that you transfer your information from the IRS into this FAFSA. This timesaving process may satisfy tax documentation requirements at your school.	The current wording does not encourage use of the IRS DRT in strong enough language, nor does it explain the benefits to the FAFSA filer of using the DRT.
3	24,25	Highest school completed by Parent 1 Highest school completed by Parent 2	The concept of Parent 1 and Parent 2 is first introduced in questions 24 and 25, yet the explanation of who is considered a parent for FAFSA purposes doesn't appear until the instructions before question 59. We recommend instructions or a cross-reference to instructions be added to questions 24 and 25.
3	26	High school diploma, or foreign school equivalent	Question #26 should have an option for 'Foreign High School Credential.' Although there is a "foreign country" option in the following questions about the location of the school where the high school diploma was earned, many applicants with foreign credentials are unaware that they should select "high school diploma" in the preceding screening question.