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# Community College Students Challenged by Loss of FAFSA Tool

HIGHER EDUCATION

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Applying for financial aid can be a stressful and cumbersome process for students. One of the most challenging, but necessary, pieces of the process has traditionally been the Free Application for Federal Student Aid (FAFSA). In order to complete the form, students are required to enter information from their parent(s)' tax return. The U.S. Department of Education Office of Federal Student Aid (FSA) shares the necessary information with the schools that the student is interested in. Each school then determines an award package of federal and private aid for the student.

In 2010, the Internal Revenue Service (IRS) released the Data Retrieval Tool (DRT) to simplify the FAFSA process by allowing students to import the data from their parent(s)' tax return. The tool was used extensively by students over the last several years and resulted in fewer application errors and requests for income verification by the Department of Education.

In March of this year, the DRT was taken down by the IRS due to concern about the risk of identity theft by unauthorized users of the system. When the system was taken down, many students applying for aid for the 2017 – 2018 school year had already used the tool to complete the FAFSA. The IRS intends to have the system available again by October of this year in time for the majority of 2018 – 2019 school year applications.

Often, however, community college students apply for classes and financial aid later than their four-year college peers, which means that the DRT will be unavailable to them as they complete the FAFSA. Manual applications are available to enter the data, which require a transcript from the IRS that contains the income information needed, or obtaining the prior-year tax return of the student's parent(s). College financial aid officers are able to help students fill out the application, but resources are strained and the additional workload was not anticipated when budgets and staffing levels were determined.

Further complicating the process is that, in the fall of 2016, a rule went into effect that was meant to help students receive their financial aid awards earlier. The change was intended to give students a better idea of the true cost of the different schools they had applied to while making their decisions about where to enroll. Under the new rule, awards are based on the tax return from the second prior year; for example, the calendar year 2015 tax return for the 2017 – 2018 award year. Now, with the DRT down, students have to make sure that they have the proper year's tax return with them when they complete their application. The rule change further confuses students and families who are now applying for aid, and who may not

have convenient access to their parent(s)' second prior year tax returns.

The manual application process will likely result in more income verification requests which require IRS tax transcripts to be provided to the school. Obtaining tax transcripts requires families to navigate another process that can be difficult for the students who need aid the most. The National Association of Student Financial Aid Administrators (NASFAA) has requested that the tolerance levels that trigger income verification be relaxed due to the loss of the DRT tool which could be used in the past to satisfy the verification requirement, and that signed tax returns are allowed to replace the IRS tax transcripts.

Hopefully, as the summer burns away and the 2017 – 2018 school year approaches, community college students will receive the guidance they need to complete the FAFSA aid they are entitled to receive. For more information on the FAFSA process, [contact us](#).

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