The following is a presentation prepared for:
NAFAA
Las Vegas, NV
October 19, 2017
Training Goals

• Examine common database match SAR comment codes that schools encounter

• Discuss the basis for the SAR comment code

• Review options a school must use to resolve a SAR comment code that impact student eligibility for Title IV aid

Database Matches

- Selective Service
- Department of Homeland Security
- Social Security Administration
- Department of Veteran Affairs
- National Student Loan Data System
- Department of Justice
Selective Service

- Registration requirement for all males between the ages of 18 and 25
- Selective Service confirms the registration completion for all FAFSA applicants who indicate they are a male
- Until the age of 25, registration can be completed via the FAFSA or Selective Service website
SAR Comment Code 030

- The applicant is not in the database
- Selective Service Match Flag = N
- **Student action:**
  - Register with Selective Service, or
  - Provide the school with confirmation that he has registered, or
  - Provide documentation that he qualifies for an exemption or waiver
- **School action:**
  - Assist the student in fulfilling the requirement
  - If student is a noncitizen, determine if student would be exempt

SAR Comment Code 033

- The student’s name could not be sent to Selective Service for the following reason(s):
  - Insufficient information
  - Student is too old to register
  - FAFSA was not signed
- **Selective Service Match Flag = blank**
SAR Comment Code 033

- **Student action**
  - If within age range, correct the FAFSA and submit it for processing
  - If older than 26, obtain registration status documentation from Selective Service

- **School action**
  - If student is within the age range, help the student make FAFSA corrections and submit for processing
  - If student older than 26, determine if student is exempt from registering or eligible for waiver

SAR Comment Code 057

- The student did not indicate that he is male on the FAFSA and registration for Selective Service was not conducted
- Selective Service Registration Flag = N
- **Student action**
  - Correct FAFSA question #21 and submit it for processing
Exemptions

- Under 18 years of age
- Born before 1960
- Currently in the armed services and on active duty
- Citizens of the Republic of Palau, the Republic of the Marshall Islands, or the Federated States of Micronesia
- Noncitizens - under certain conditions
- Unable to register under certain conditions
- Enrolled in specific officer procurement programs
- Commissioned officer of Public Health Service on active duty or member on specified active duty
- Transgender males who were assigned the sex of female at birth

Department of Homeland Security
Department of Homeland Security (DHS)

- Verifies student’s citizenship status and eligible noncitizen status through primary confirmation (sometimes called primary verification and automated confirmation processes)

Citizenship Status

- Applies as “eligible noncitizen”
- Alien Registration Number required
- DHS primary confirmation
- DHS secondary confirmation
- Manual secondary confirmation
Citizenship Status

Manual secondary confirmation for eligible noncitizens

<table>
<thead>
<tr>
<th>Status documented within 30 days</th>
<th>Submit Form G-485 within 10 business days</th>
<th>Required in subsequent years only if document expires or status is conditional</th>
</tr>
</thead>
<tbody>
<tr>
<td>• School may accept images</td>
<td>• Verification of valid documentation only</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• If no response within 15 business days, school makes determination</td>
<td></td>
</tr>
</tbody>
</table>

SAR Comment Code 046

• Student’s eligibility for Title IV as a noncitizen has not been confirmed by DHS
• DHS Secondary Confirmation Match Flag = N
• School action
  – Verify the Alien Registration Number (ARN) matches the student’s eligible noncitizen documentation
SAR Comment Code 105

- Student’s eligibility for Title IV as a noncitizen has not been confirmed by the DHS
- DHS Secondary Confirmation Match Flag = C
- School action
  - Wait 10 business days for another ISIR with updated Secondary Confirmation match flag before beginning the G-845 process

SAR Comment Code 109

- Student’s eligibility for Title IV as a noncitizen has not been confirmed by the DHS because additional information needed
- DHS Secondary Confirmation Match Flag = X
- School action
  - Verify the ARN matches the student’s eligible noncitizen documentation
SAR Comment Code 141

- Student has changed either his or her citizenship response or the DHS verified ARN
- DHS Secondary Confirmation Match Flag = X
- School action
  - Verify the ARN matches the student’s eligible noncitizen documentation

SAR Comment Code 142

- Student’s eligibility for Title IV as a noncitizen was not conducted because ARN was not provided or is invalid
- DHS Secondary Confirmation Match Flag = Blank
- School action
  - Help student add or correct the ARN or make other corrections and resubmit SAR/ISIR for processing
SAR Comment Code 144

- Student’s eligibility for Title IV as a noncitizen has not been confirmed by the DHS. DHS will continue reviewing its records and will provide notification when more information is received.
- DHS Secondary Confirmation Match Flag = N
- School action
  - Verify the ARN matches the student’s eligible noncitizen documentation

Social Security Administration
Social Security Administration (SSA)

- Verifies the student’s claim of U.S. citizenship or national status
- Verifies student’s and parent’s (if the student is dependent) Social Security Numbers (SSNs) are correct and the SSN corresponds to the individual’s name and date of birth
- Checks whether student’s and parent’s (if the student is dependent) SSN belongs to a deceased person or is associated with a date of death

SAR Comment Code 063

- The date of birth reported on the FAFSA does not match SSA records for the student’s and/or parent’s SSN
  - Student may have reaffirmed this information but the outcome did not change
- SSN Match Flag = 2
- Student action
  - Provide proof of date of birth to school
SAR Comment Code 064

- The name reported on the FAFSA does not match SSA records for the student’s and/or parent’s SSN
- SSN Match Flag = 3
- Student action
  - Review information for accuracy
  - Contact SSA to update database
  - Provide documentation to school explaining the name discrepancy

SAR Comment Code 146

- SSA did not confirm the student is a U.S. citizen
- SSA Match Flag = B, C, D, E, F, or *
- Student action
  - Provide citizenship documentation to the school
- School action
  - Review provided documentation and update FAFSA
**Veteran for Title IV Purposes?**

- An individual who has engaged in active duty
- A National Guard or Reserve enlistee who was called to active duty for other than state or training purposes
- A cadet or midshipman at one of the service academies
- An individual who will be a veteran by June 30, 2018
- An individual who was released under a condition other than dishonorable
SAR Comment Code 162

- Student reported on FAFSA that he or she is a qualifying veteran and the VA did not confirm this.
- Only reason student is independent
- VA Match Flag = 2
- Student action
  - Provide DD214
  - Contact VA to have records updated
  - If not a qualifying veteran, must provide parental information

SAR Comment Code 173

- Student reported on FAFSA that he or she is a qualifying veteran and the VA did not confirm this.
- Only reason student is independent
- VA Match Flag = 3
- Student action
  - Provide DD214
  - Contact VA to have records updated
  - If not a qualifying veteran, must provide parental information
DD214 Samples

DD214 Example – Acceptable

DD214 Example – Unacceptable

SAR Comment Code 180

- Student reported on FAFSA that he or she is a qualifying veteran and the VA did not confirm this.
- Only reason student is independent
- Student on active duty
- VA Match Flag = 4
- Student action
  - Provide release orders to school
National Student Loan Data System (NSLDS)

- Verifies student’s default and overpayment status
- Informs school if fraudulently obtained Title IV funds have not been repaid
- Ensures annual and aggregate award limits are not exceeded
- Performs check for a student Unusual Enrollment History (UEH)
- Informs the school if the student subsequently becomes ineligible for Title IV funds based on new data in NSLDS
SAR Comment Code 115

- Discharge of one or more of the student’s federal student loans
- Loan has been discharged due to disability
- NSLDS Results Flag = 1 (record matched, data sent)
- Student action
  - Provide a physician regarding ability to engage in gainful activity
  - Student statement acknowledging new Title IV funds cannot be discharge for existing impairment

SAR Comment Code 116

- Student has one or more student loans in an active bankruptcy status
- Under certain circumstances the student remains eligible for Title IV aid
- NSLDS Results Flag = 1
- Student action
  - Provide documentation confirming the debt is dischargeable
SAR Comment Codes 254, 255, 256, and 260

- Student has exceeded grade level loan limits
- Subsidized or Combined Loan Total Reason Code = 09 or 10
- Student action
  - Repay excess amount borrowed
- School action
  - Review aggregate loan limits on NSLDS

SAR Comment Codes 392 and 393

- Student has exceeded aggregate loan limits
- NSLDS Graduate Subsidized Loan Limit Flag or Graduate Combined Loan Limit Flag = R
- Student ineligible for additional Title IV funds
- School action
  - Review aggregate loan limits on NSLDS
Annual Loan Limits

First Year
- Dependent: $5,500 ($3,500 subsidized)
- Independent*: $9,500 ($3,500 subsidized)

Second Year
- Dependent: $6,500 ($4,500 subsidized)
- Independent*: $10,500 ($4,500 subsidized)

Third Year and Beyond
- Dependent: $7,500 ($5,500 subsidized)
- Independent*: $12,500 ($5,500 subsidized)

Graduate & Professional
- $20,500**

*Includes dependent students whose parents cannot borrow a PLUS
**Students enrolled in certain health professions programs may borrow an increased amount of Direct Unsubsidized Loan

Aggregate Loan Limits

Undergraduate
- $31,000 ($23,000 subsidized)
- $31,000 ($23,000 subsidized)

Graduate
- $138,500 ($65,500 subsidized)
- $224,000 ($65,500 subsidized)
Case Study 1: Sam

- Sam will be attending Achievement University to earn a second bachelor's degree.
- He borrowed Direct Loans as an independent undergraduate student and as a graduate student.
- He has a C-code that must be resolved.

Separating Undergraduate and Graduate Level Loans

- **Step 1:** Collect loan data via NSLDS
- **Step 2:** Separate and calculate aggregate outstanding principle balance
- **Step 3:** Sum the loan level aggregate outstanding principle balance by loan type
- **Step 4:** Determine if the student has remaining eligibility
Case Study 2: Lila

- Lila is a dependent student at Overachiever University
- Her parent borrowed a parent PLUS her freshman year
- Her parent was denied parent PLUS loans her sophomore and junior years

Separating Undergraduate and Graduate Level Loans

Step 1 • Collect loan data via NSLDS

Step 2 • Separate and calculate aggregate outstanding principle balance

Step 3 • Sum the loan level aggregate outstanding principle balance by loan type

Step 4 • Determine if the student has remaining eligibility
SAR Comment Code 133

- Student has an overpayment on a Title IV loan
- NSLDS Results Flag = 1
- NSLDS Match Flag = 3
- Overpayment Flag set to Y = overpayment
- Resolution depends on the overpayment information found in NSLDS

Overpayment SAR Comment Codes

<table>
<thead>
<tr>
<th>Federal Pell Grant</th>
<th>FSEOG</th>
<th>Federal Perkins Loan</th>
<th>TEACH Grant</th>
<th>IASG</th>
</tr>
</thead>
<tbody>
<tr>
<td>020</td>
<td>010</td>
<td>086</td>
<td>289</td>
<td>309</td>
</tr>
<tr>
<td>038</td>
<td>077</td>
<td>090</td>
<td>293</td>
<td>313</td>
</tr>
<tr>
<td>039</td>
<td>079</td>
<td></td>
<td>294</td>
<td>314</td>
</tr>
</tbody>
</table>
Overpayment SAR Comment Codes

<table>
<thead>
<tr>
<th>Federal Pell Grant</th>
<th>FSEOG</th>
<th>Federal Perkins Loan</th>
<th>TEACH Grant</th>
<th>IASG</th>
</tr>
</thead>
<tbody>
<tr>
<td>041</td>
<td>065</td>
<td>100</td>
<td>290</td>
<td>310</td>
</tr>
<tr>
<td>042</td>
<td>066</td>
<td>101</td>
<td>291</td>
<td>311</td>
</tr>
<tr>
<td>043</td>
<td></td>
<td>102</td>
<td>292</td>
<td>312</td>
</tr>
</tbody>
</table>

SAR Comment Codes 346 and 347

- Student has reached or exceeded the Pell Lifetime Eligibility Used (LEU) threshold
- School action
  - Review NSLDS to determine if student has exceeded Pell LEU
  - If exceeded, the student is ineligible until overpayment is resolved
Default or Fraudulent Loan SAR Comment Codes

124  132  134

135  136

Unusual Enrollment History

- NSLDS reveals unusual enrollment patterns
  - Recipients of Federal Pell Grants and certain Direct Loans within previous four years
  - Undergraduate and graduate enrollment reviewed independently
  - School may need to review enrollment records
    - If no academic credit earned, student must explain
    - Student must have opportunity to appeal
    - School’s decision is final
SAR Comment Codes 359 and 360

- Unusual Enrollment History (UEH)
- NSLDS Unusual Enrollment History Flag = 2 or 3
- Student action
  - Provide documentation requested by school
- School Action
  - Review student’s enrollment and NSLDS records for specified award years
  - Request documentation, as necessary

Case Study 3: Sailor

- Has attended three different schools before transferring to Constellation University
- She has earned credit at only one school she has attended
- Her SAR/ISIR has a UEH flag of “3” and a SAR comment code of 360
UEH Decision Tree
UEH 3 Flag (Comment Code 360)

Does the student have a UEH 3 flag?
   Did the student receive a Federal Pell Grant or Direct Loan at a school in the last four award years? NO
   YES

Is there reason to believe the student enrolled to receive a Title IV credit balance based on the enrollment pattern? NO
   YES

Does the student have a questionable enrollment pattern? Is there reason to believe the student enrolled to receive a Title IV credit balance? NO
   YES

Student must provide documentation explaining lack of credit earned. Does the documentation provide a sufficient explanation for not earning any academic credit and support the enrollment was for the purpose of receiving a credit balance?
   NO
   YES

Student is denied Title IV aid if student failed to provide adequate documentation not earning any academic credit at any school in the past four years.

No additional action required.
Department of Justice (DOJ)

- Drug Abuse Hold File Match
  - Verifies if a student is included
  - Determines if a student has a qualified drug conviction for the sale or possession of illegal drugs while receiving Title IV aid
- FAFSA Question #23

Drug Convictions

- Loss of eligibility may be regained based on the type of conviction
  - Possession
  - Sale
SAR Comment Code 009

- FAFSA not processed due to issues with Anti-Drug Abuse Act of 1988
- Reason for the comment
  - DOJ hold on student
- Student action
  - Call number provided within 30 days

SAR Comment Code 052

- Student initial answer to FAFSA question #23 has changed
- Reason for the comment
  - Drug conviction questions changed from “Yes (Part Year)” or “Yes/Don’t Know” to “No”
- Student action
  - Review response to this question
SAR Comment Code 053

- Applicant left FAFSA question #23 blank
- Student is not eligible for Title IV aid with this question left blank
- Student action
  - Correct this question by providing a response

SAR Comment Code 054

- Student’s response to FAFSA question #23 was 2 “Yes (Part Year)”
- Student is ineligible for Title IV aid for part of the 2017–18 award year
- Student action
  - Contact the financial aid administrator for eligibility determination
- School action
  - Review the student’s eligibility for the 2017–18 award year
Regaining Eligibility

- Required amount of time has passed;
- Satisfactory completion of approved drug rehabilitation program;
- Passes two unannounced drug tests administered by an approved drug rehabilitation program without passing the rest of the program.

SAR Comment Code 056

- Student’s response to FAFSA question #23 was 3 “Yes” on transactions other than original paper FAFSA
- Student is ineligible for Title IV aid
- Student action
  - Review response for accuracy
  - If incorrect, follow directions provided in comment
SAR Comment Code 058

- Student’s response to FAFSA question #23 was 3 “Yes” on transactions other than original paper FAFSA
- Student is ineligible for Title IV aid
- Student action
  - Review response for accuracy
  - If incorrect, follow directions provided in comment

Case Study 4: Lucas

- Lucas is a junior at Notable College
- He completed the 2017–18 FAFSA on December 21, 2016
- Lucas was arrested and convicted of a drug-related offense while attending spring semester
- Institution is aware of the conviction
Conclusion