Verification
Database Matches, C-Code Resolution, and Citizenship Confirmation

Presenter:
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Today’s Agenda

- Database Match Process
- C-Code Definitions and Flags
- Resolving C-Code Flags
- Documentation Used to Clear Flags
- Unusual Enrollment History Flag
- Citizenship –
  - Acceptable Documentation
  - Eligible Noncitizen
  - Secondary Confirmation
Central Processing System (CPS) Database Matches

• Citizenship
  • U.S. Citizen or National
  • U.S. Permanent Resident
  • Citizen of the Freely Associated States

• NSLDS
  • Default on an FSA Loan or owes an overpayment on an FSA Grant
  • Unusual Enrollment History Flag

• Social Security Number
  • Match on Name or Date of Birth
  • Student and/or Parent(s)

• Selective Service
  • Male is required to register (18 – 26)
  • Exemptions
    • Males currently in the US Armed Services
    • Males who are not yet age 18
Central Processing System (CPS) Federal Databases

The CPS uses application data to calculate the EFC and to match against several databases:

- NSLDS (weekly scan)
- Department of Defense
- Department of Justice
- Social Security Administration
- Department of Veterans Affairs
- Department of Homeland Security
- Selective Service System
Case Scenario #1
Database Match Results

The Federal Student Aid Handbook, Volume 1—FSA Handbook: Student Eligibility contains detailed information about student eligibility and the action needed to resolve discrepancies found in the data matches.

- Flag of “C” - Resolution Required
- “C” Flag - Next to the EFC
- Match may result in Rejected Record
  - EFC blank
- Match results Rejected – No “C” Code
- SAR “C” Code – Other Reason
The SAR C Code is set based on eligibility conditions.

Complete List of C Code Comments:


Comments 359 and 360 are associated with Unusual Enrollment History.
Comments 392 and 393 are new for 2015-2016 and require resolution for Subsidized Loan Limits.

Description of each comment can be found at:
http://ifap.ed.gov/sarcommcodestxt/1516SARCommCodesTxt.html

*Note: In rare cases, the C-Flag is provided on an ISIR/SAR without a corresponding comment. This would only happen if the applicant receives an excessive number of comments (including C-Flag comments) and some of the comments must be suppressed so that a SAR/ISIR can be generated.*
List of C Code Comments by Content Area:

- Selective Service Match: 30, 33, and 57
- DHS Match: 46, 105, 109, 141, 142, and 144
- Social Security Administration Citizenship Status: 146
- Student’s Social Security Number Match: 63 and 64
- Veterans Affairs Status Match: 162, 173, and 180
- Responses to Question 23/Drug Conviction: 53, 54, 56, and 58
  - Potential Pell Overpayment: 20, 38, 39, 41, 42, and 43
  - Potential FSEOG Overpayment: 10, 65, 66, 67, 77, and 79
  - Potential Perkins Overpayment: 86, 90, 100, 101, 102, and 107
  - Potential TEACH Grant Overpayment: 289, 290, 291, 292, 293, and 294
  - Potential Iraq and Afghanistan Service Grant Overpayment: 309, 310, 311, 312, 313, and 314
  - Unusual Enrollment History: 359 and 360
Database Match Flag Chart

Chart describing SAR C Codes and Rejects

An asterisk (*) in the Match Flag column the chart indicates that a match flag value is not generated for cases that could not be sent to the matching agency.

DHS Primary Verification Match

<table>
<thead>
<tr>
<th>SAR C Code/ Reject</th>
<th>Match Flag</th>
<th>Comment Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Y = Citizenship confirmed</td>
<td>143</td>
</tr>
<tr>
<td>C code</td>
<td>N = Citizenship not confirmed</td>
<td>144</td>
</tr>
<tr>
<td>Reject 17</td>
<td>Blank = Record not sent to DHS *</td>
<td>68</td>
</tr>
<tr>
<td>C code</td>
<td>Blank = Record not sent to DHS *</td>
<td>141 or 142</td>
</tr>
</tbody>
</table>
### Database Match Flag Chart

<table>
<thead>
<tr>
<th>SAR Comment Code</th>
<th>SAR Comment Text Definition</th>
<th>Notes/Changes</th>
<th>Reason for Comment</th>
<th>C Code</th>
<th>Reject Code</th>
<th>Action Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>076</td>
<td>Social Security Administration (SSA) records indicate that the Social Security Number (SSN) that was provided in Item 8 belongs to a deceased person. If the SSN is correct, the applicant must contact the SSA at 1-800-772-1313 or <a href="http://www.socialsecurity.gov">www.socialsecurity.gov</a> to resolve this problem. If the SSN is incorrect, the applicant must correct the SSN on a paper SAR or submit a new FAFSA online with the correct SSN.</td>
<td>SSN Match Flag = 5 (SSN, name, and DOB match with date of death) A successful SSN match with a record that belongs to deceased person</td>
<td>8</td>
<td></td>
<td>Resolution required. If the student’s SSN is correct, he or she must contact SSA. After SSA corrects its records, the student can re-enter the name or date of birth and submit it as a SAR/ISIR correction so the transaction can go back to SSA for an updated match flag. ISIR records sent for rematching will continue to receive this match flag until SSA updates its database. Review subsequent transactions for updated match flag. If the SSN is incorrect, the student can correct the SSN on the SAR/ISIR. If this is done, the student’s original SAR ID (the ID that is used with the incorrect SSN) to access the SAR/ISIR will not change, but the current SSN reported in question 8 will be changed to reflect the corrected SSN. Alternatively, to obtain a SAR with a SAR ID that matches the student’s reported SSN, the applicant should file a new FAFSA under the correct SSN. This FAFSA will be treated as an original application and will be sent through all of the matches as if another FAFSA had never been completed. The SAR ID will be the same as the SSN reported on this application.</td>
<td></td>
</tr>
</tbody>
</table>
CPS Citizenship Match

- Social Security Administration
  - Name, date of birth, U.S. citizenship status
  - Successful Match – Confirmed
  - Data Doesn’t Match – C-Code
    - Corrected
    - Documentation
  - Citizenship Not Confirmed – C-Code
    - FAA must collect documentation

Citizenship issues

- All applications are matched with the SSA to determine U.S. citizenship
- Applications that have an ARN are matched against DHS records
- If the DHS match fails after automated primary and secondary confirmation, the school must conduct manual third-step confirmation
Citizenship –vs- Eligible Noncitizen Confirmation

• Verify Student is a Citizen
  • Do not submit documents to Department of Homeland Security (DHS) or any other agency
  • Collect documentation, review, and retain in file
  • Must examine original copies of documents
  • Lawful to copy even though statement on document states not to copy

• Confirming Eligible Noncitizen
  • Filer reports A-Number on FAFSA
  • If confirmed, process aid
  • DHS unable to confirm, wait 10 business days for another ISIR with updated match
  • No match or not enough information – begin paper secondary confirmation process
Case Scenario #2
Acceptable Documentation to Confirm U.S. Citizenship - 34 CFR 668.33(d)

• A copy of the student’s birth certificate
  • Born in the US, Puerto Rico (on or after 1/13/1941), Guam, the U.S. Virgin Islands, American Samoa, Swain’s Island, or the Northern Mariana Islands

• A U.S. passport, **current or expired**

• Form FS-240, FS-545 or DS-1350
  • State Department documents

• A Certificate of Citizenship (N-560 or N-561)
  • Issued by USCIS to individuals who derive U.S. citizenship through a parent.

• A Certificate of Naturalization (N-550 or N-570)

"If the student failed the citizenship database match with the Social Security Administration or the automated secondary confirmation database match with the Department of Homeland Security, the student must provide the original document confirming his/her citizenship status to the financial aid office. See pp. 1-21 and 1-23 of the 2013–14 FSA Handbook. This doesn’t mean the student has to present the documents in person, only that the financial aid office must examine the student’s original documents. Unfortunately, there is no exception to the requirement that the school must examine the student’s original documents. You also should note that we have asked ED several times about students enrolled in distance education programs, but have not received an answer that would change the Handbook guidance."

FSA Handbook
Common Acceptable documents

**U.S. Passport**
Can be used to document citizenship for citizens born abroad. For a noncitizen national, must be stamped “Noncitizen National.” (Note that a passport issued by another country may be used to document permanent resident status if it has the endorsement “Processed for I 551” and has a currently valid expiration date.)

**Certificate of Naturalization**
The Certificate of Naturalization is issued to naturalized U.S. citizens.

**U.S. Passport Card**
This resembles a credit card in size and form. Though it cannot be used for international air travel, it is, like the passport book, proof of U.S. citizenship.

**Certificate of Citizenship**
The Certificate of Citizenship is issued to persons who were born abroad of U.S. parents, who became citizens when their parents were naturalized, or who were adopted by U.S. parents.

**Citizenship C-Code Flag Resolution Documentation** – See 2014-2015 FSA Handbook, Pages 1-45 through 1-49
Lawful Permanent Resident (LPR) - Noncitizen legally permitted to live and work in the U.S. permanently.

- Permanent Resident Card (I-551 or I-151)
- Conditional Permanent Resident (I-551C) – Unexpired
  (page 1-27 FSA HB)
- Noncitizen with an Arrival-Departure Record (I-94)
  - Department of Homeland Security - U.S. Citizenship and Immigration Services
- T-visa (for victims of human trafficking) or Parent holds a T-1
Other eligible noncitizens:

• Granted Asylum
• Paroled into the U.S.
• Refugees
• Human Trafficking
• Battered Immigrants
• Conditional Entrants
  • P.L. 89-236
• Cuban-Haitian Entrants
  • Section 501(e) of REAA
Students with the following documents are not eligible for Title IV aid:

- An F-1, F-2 or M-1 student visa
- A J-1 or J-2 exchange visitor visa
- A B-1 or B-2 visitor visa
- A G series visa
  - International organizations
- An H series or L series visa
  - Temporary employment
- A —Notice of Approval to Apply for Permanent Residence (I-171 or I-464)
- An I-94 stamped —Temporary Protected Status
Non-eligible Citizenship Status

Some non-eligible statuses are:
• Persons with nonimmigrant visas
• Family unity status.
• Temporary residents
• Illegal aliens under the legalization program
• Students with “Temporary Protected Status”
• Persons with non-immigrant visas, who include those with work visas, students, visitors, and foreign government officials.

WHAT IS A NON-IMMIGRANT VISA?
A non-immigrant visa is a visa issued by American Embassies and Consulates abroad to applicants travelling to the United States for a Temporary period of time. Tourist visas, business visas, student visas, and transit visas are all examples of non-immigrant visas.
A valid non-immigrant visa allows an individual to apply for admission to the United States at an authorized port of entry. Once there, the Immigration and Naturalization Service (INS) of the United States decides who may enter the United States and for how long they may stay.
Citizenship Confirmation – Secondary Confirmation Requirement

- Nonimmigrant visa isn’t eligible for FSA funds
- Form G-845 - Citizenship and Immigration Service (USCIS)
- Submitted with A-Number and Supporting Documentation
  - 10 Business Days of Receipt of Student Documentation
- Confirmed with Eligible Stamp
- www.usimmigration.com – Citizenship, Green Cards, U.S. Visas

Sending the G-845 to the USCIS
Submit the G-845 to the USCIS field office (Los Angeles or Buffalo) that serves your state or territory. See their website at www.uscis.gov. Search on “Direct Filing Addresses for Form G-845.” Do not send the form to the Department of Education.
Citizenship Secondary Confirmation

- Eligible Statuses (page 1-36 of the 14-15 SFA HB):
  - U.S. citizen or Lawful Permanent Resident alien of the US.
  - Conditional Resident alien of the US.
  - Alien granted asylum or refugee status in the US.
  - Alien paroled into the US pursuant to Section 212(d)(5) of the INA ... – Eligible paroled one year or more and residency intent.
  - Alien who is a Cuban/Haitian entrant as defined by Section 501(e) of the REAA of 1980.
  - Alien who is a conditional entrant.
  - American Indian born in Canada, to whom the provisions of section 289 of the INA applies. (Jay Treaty)
  - USCIS is searching indices for further information.
Jay Treaty – NEW beginning 2012-2013:
- Section 289 of the Immigration and Nationality Act (INA)
- Valid A-number on FAFSA
- No valid A-number, A999999999
- Fail primary confirmation – submit paper secondary
- Fail secondary confirmation – Prove 50% Native American Blood
  - A “band card” issued by the Band Council of a Canadian Reserve, or by the Department of Indian Affairs in Ottawa;
  - Birth or baptism records;
  - An affidavit from a tribal official or other person knowledgeable about the applicant’s or recipient’s family history;
  - Identification from a recognized Native American provincial or territorial organization.
- If the student can provide this documentation and is otherwise eligible, the school must note this in the student’s file and can award FSA funds.
Citizenship Secondary Confirmation

- Ineligible Statuses – Not Eligible for FSA Funds:
  - Alien who is employment authorized in the United States.
  - Aliens not employment authorized in the United States.
  - Alien who has an application pending for (specify...)
  - Alien who is a nonimmigrant.
  - This document is not valid because it appears to be: A. Expired, B. Altered, or C. Counterfeit.
  - Unable to process request without an original consent.
  - No determination can be made from information submitted.
  - No determination can be made without both sides of documentation.
  - Cannot read document copy.

Section B. (Continued.)

USCIS Comments

13. □ The document is not valid because it appears to be (Check all that apply):
   a. Expired (Provide expiration date - mm/dd/yyyy)
   b. Altered
   c. Counterfeit
   d. Revoked (Provide revocation date - mm/dd/yyyy)
Student Rights

- SFA Handbook – Chapter 2 page 1-38
  - Allow student at least 30 days to provide document
  - Until results of secondary confirmation, can’t deny, reduce, or terminate aid
  - If 15 days passed and documents support eligibility, can disburse aid
  - School isn’t liable
    - No conflicting data
    - ISIR meets requirements for aid
    - USCIS determination of an eligible status
    - Documents submitted by student, USCIS did not respond in timely fashion
  - Establish procedures to ensure due process

*Procedures when ineligibility is determined after disbursement
34 CFR 668.136(c)*
Written Instructions for Secondary Confirmation

- Written Instructions to Student
  - An explanation of the documentation
  - School’s deadline for submitting documentation
  - Missing the deadline
  - Chance to submit documents

Cases where you must document in a subsequent year:

- Temporary Form I-551
- Conditional permanent resident
- Expired documents
- Lack of response from prior year
NDSLDS Match

• Identify students with Grant, Loan, or Enrollment Issues
  • Match FAFSA data with NSLDS data
    • Successful Match
      • 1 - No problems
      • 2, 3, or 4 – To be resolved
    • Partial Match
      • 7 – To be resolved
    • No resolution required
      • Student not in database
      • No relevant history

Processing Problem – C-Code
  NSLDS history must be reviewed

See FSA Handbook – Chapter 3 for resolutions
**NSLDS Financial Aid History**

- **Transfer Monitoring**
  - Inform – send student data to NSLDS
  - Monitor – NSLDS to monitor any changes
  - Alert – Notify school of changes occur

- **Bankruptcy** –
  - Loan or Grant Bankruptcy Discharge – Eligible
    - Status codes BC, DK, or OD
  - Active bankruptcy claim
    - Defaulted prior to filing – Not Eligible unless dischargeable
    - Non-defaulted - Eligible

- **Total and Permanent Disability Discharge**
  - See new guidance in FSA Handbook, Chapter 3 (page 1-56 of 14-15 SFA HB) regarding final discharge, conditional discharge, and certain eligibility requirements

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**Transfer student monitoring**

Through this process for checking the eligibility of transfer students, you may either check the student’s financial aid history on the NSLDS website for professionals, or wait seven days (because NSLDS issues alerts weekly) after you’ve submitted the student’s information for monitoring to receive an alert if data has changed.

**NSLDSFAP**

www.nsldsap.ed.gov

**Getting the student’s financial aid history**

There are several ways for you to get a student’s financial aid history from NSLDS. You can:

- use the NSLDS Financial Aid History section of the ISIR,
- log on to the NSLDS Professional Access website and access the data online for a student,
- for multiple students, use the FAT 001 Web report, which you submit from the Reports tab on the NSLDS site (you retrieve the results through SAIG), or
- send a batch TSM/FAH Inform file to request aid history data for several students, which will be returned in either extract or report format through SAIG. The TSM/FAH processes and batch file layouts are posted on the IFAP website at the NSLDS reference materials link under Processing Resources.
Case Scenario #3
Resolving Default Status

- Defaulted Loan – Ineligible for FSA Funds
- Options for Resolution
  - Repayment in Full (including consolidation)
  - Satisfactory Repayment Arrangements
    - Satisfactory to the loan holder
    - After 6 consecutive, full, voluntary payments on time
    - Loan status code DX
  - Loan Rehabilitation
    - Take loan out of default status
    - 9 full, voluntary payments on time within 10 consecutive months
- Aggregate Loan Limits
  - Dependency Status and Undergraduate –
    - IND ($57,500) DEP ($31,000)
  - Graduate ($138,500)
Fraud and Judgment Lien

- FSA Fraud - Convicted or Pled No Contest
  - Must repay all before regaining eligibility
- Subject to a Federal Lien
  - Student cannot receive FSA funds
  - Parents cannot borrow a Plus Loan
  - The CPS doesn’t perform any matches
  - If lien is known, FSA funds cannot be paid

Federal default and debt
HEA Sec. 484(a)(3), 484(f), 34 CFR 668.32(g), 668.35
Social Security Match

- SSN is required to apply for FSA Funds
- CPS conducts match with SSN using name and birth date associated with the SSN:
  - Successful Match
  - No Match – Resolve
  - Wrong SSN – Correct
  - Data entry error –
    - Student contact 1-800-4-FED-AID
  - Error in Social Security Database –
    - Must be corrected.
  - Missing Information – Correct
  - Date of Death – Resolve
  - No Match on Name or Birth Date – Verify and/or Correct
  - Duplicate – Someone using same SSN – Resolve or Correct
- Applicants using same Social Security Number

Contacting the SSA
For more information (in English and Spanish), students should call the SSA at 1-800-772-1213 or go to its website (www.ssa.gov).

Contact the Department at (319) 665-7101 if you believe that a correction application may be needed; one can be mailed to your office or to the student.
Selective Service Match

- Male students
- Age 18-25 are required to register
- Cannot register after 26
- Exemptions:
  - Armed Services and Active Duty
  - Not 18 on FAFSA Filing Date
  - Born before 1960
  - Citizens of the Republic of Palau, the Republic of the Marshall Islands, or the Federated States of Micronesia
  - Noncitizens – Enter U.S. or became US citizen after age 26
- Match Results
  - Successful Match – No resolution required
  - Unsuccessful Match – Must be resolved

Selective Service requirement
General Provisions
34 CFR 668.32(j), 668.37
PLUS exemption 682.201(b)(1)(v)

Exemptions
34 CFR 668.37(a)(2)
Non-Registration Knowing and Willful

- Status Information Letter
- www.sss.gov/status.html
- E1-E8 and NR are exempt
- Military Service
- Final Decision with School
- Entered US after 26
  - Documentation
Selective Service Letters

Selective Service Registration Confirmation Site:
https://www.sss.gov/RegVer/wfVerification.aspx

Status information letter codes

• E1–E8 - Not required or Exempt
• NM - On Active Duty
• NR – Born before 1960.
• RD – Invalid Reason for Not Registering
• RH – Letters Returned as Undeliverable.
• RL - Required to register, No Record
• RR – Attempted to register, No proof of Attempt.

The Selective Service has status information letters, which are indicated by a code that appears in the lower left-hand corner. Determination of aid eligibility for a man who failed to register with Selective Service should not be based solely on these letter codes. Financial aid administrators are obliged to review all evidence presented by a student to determine if he has shown “by a preponderance of evidence” that his failure to register was neither willful nor knowing.
Failure to Register

Knowingly and Willfully failed to register factors:

- Residencies between ages 18–25
- Understanding of Registration Status
- Reasons for Not Registering

No Response from SSS:

- 30 days – no response
- School may award
- Subsequent information
  - Ineligible for aid
  - Student return aid, not school

Failure to register
34 CFR 668.37(d), (e)
Case Scenario #4
NSLDS Unusual Enrollment Flag

- NSLDS Financial Aid History Section
- Unusual Enrollment Flag
- Resolution Required
  - Codes 2 and 3
  - Comment Codes 359,360

<table>
<thead>
<tr>
<th>ISIR Value and Value Printed on ISIR</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>For Federal Student Aid use only</td>
</tr>
<tr>
<td>2</td>
<td>Possible enrollment pattern problem, school may need to resolve</td>
</tr>
<tr>
<td>3</td>
<td>Questionable enrollment pattern, school must resolve</td>
</tr>
<tr>
<td>N</td>
<td>Enrollment pattern not unusual, no school action required</td>
</tr>
<tr>
<td>Blank</td>
<td>Record not sent for match</td>
</tr>
</tbody>
</table>

Denial of Continued Eligibility

If a student did not earn academic credit at one or more of the relevant institutions and does not provide, to the financial aid administrator’s satisfaction, an acceptable explanation and documentation for each of those failures, the institution must deny the student any additional title IV, HEA program assistance. The student must be provided with an opportunity to question and appeal the decision, consistent with the opportunities to question and appeal similar financial aid determinations at the institution such as SAP determinations and professional judgment decisions.

- Expanded selection criteria for 2015-2016
  - Federal Direct Loans and Pell
  - Four award years
- Institutional Selection – Treated as if assigned by the Department
Resolving Unusual Enrollment History (UEH) Flag

- UEH C-Code Flag - Resolve
- UEH Flag = N
  - No Action Required
- UEH Flag = 2 or 3
  - Pell or Loans past 4 years?
  - Academic Credit Earned?
  - Suspect Abuse for Credit Balances?
- Establishing Policies and Procedures
- Review Enrollment, Credits, Aid, Credit Balance Refunds
- Academic Credit Earned
- Academic Plan (SAP)
- Obtaining Documentation
- Regaining Lost Eligibility
- GEN-13-09 and GEN-15-05
• Helpful Online sites you may want to bookmark.

• FSA Handbook – Volume 1 – Student Eligibility
  • http://ifap.ed.gov/fsahandbook/1415FSAHandbookCompleteActiveIndex.html

• USCIS – US Citizenship and Immigration Service
  • http://www.uscis.gov/portal/site/uscis

• NSLDS
  • https://www.nsldsfap.ed.gov/nslds_FAP/

• Selective Service Registration Confirmation
  • https://www.sss.gov/RegVer/wfVerification.aspx

• Social Security Administration
  • http://www.ssa.gov/ssnumber/

• Unusual Enrollment History
  • http://ifap.ed.gov/dpcletters/GEN1309.html
  • http://ifap.ed.gov/dpcletters/GEN1505.html
Presenter Contact Information

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Any Questions?