

## Key Terms and Systems under the FAFSA Simplification and FUTURE Acts:

### *FAFSA Processing*

- ***Account Username and Password (FSA ID):*** username and password used to log in to all Federal Student Aid products and tools on StudentAid.gov.
- ***Contributor:*** any individual required to provide consent and approval for federal tax information (FTI) along with their signature on the FAFSA<sup>®</sup> form, including the student; the student's spouse; a biological or adoptive parent; or the parent's spouse (stepparent).
- ***Controlled Unclassified Information/Specified Tax (CUI//SP-TAX):*** the U.S. National Archives and Records Administration (NARA) classification for federal tax information (FTI) related to returns and return information submitted, gathered, or generated by taxpayers. In accordance with the confidentiality protections of Section 6103(l)(13) of the Internal Revenue Code (IRC) and in accordance with all applicable privacy laws, regulations, and policies, the Department will label FTI fields on the Institutional Student Information Record (ISIR) and the FTI must be labelled as CUI//SP-TAX by our partners. These labels must follow FTI wherever it is accessed, stored, or redisclosed with express written consent. *For more information, see FTI definition below and [NARA CUI Category: Federal Taxpayer Information](#).*
- ***FAFSA FTI Approval:*** formal approval granted by an applicant and any applicable contributors for a given FAFSA cycle (e.g., December 2023 to September 2025 for the 2024-25 FAFSA form) to retrieve and use FTI to determine an applicant's federal financial aid eligibility as well as permit the redisclosure of FTI by the Department to an eligible institution; state higher education agency; or a designated scholarship organization for the application, award, and administration of student aid programs. An applicant and contributor (if applicable) must provide approval once each year. If FAFSA FTI approval is not provided, the student will not be eligible for any *Title IV* aid until the approval is provided by each contributor.
- ***FAFSA Privacy Act Consent:*** formal consent provided by an applicant and any applicable contributor(s) for a given FAFSA cycle (e.g., December 2023 to September 2025 for the 2024-25 FAFSA form) that meets the statutory requirements of collecting and using an individual's personally-identifiable information (PII) under the Privacy Act, as amended (5 U.S.C. § 552a). PII provided on the FAFSA (e.g., name, date of birth, social security number) with consent of the individual, will be provided to the IRS to conduct a match in order for the Department to receive FTI for purposes of determining an applicant's federal financial aid eligibility and permit further redisclosure of FTI by the Department. *For more information, see FAFSA FTI Approval above.*
- ***FAFSA Submission Summary:*** replaces the Student Aid Report (SAR) as the student's output document providing a summary of data input on the FAFSA form.

- **Family Size:** replaces the term “household size” on the FAFSA form. It captures the appropriate number of family members and dependents in the applicant’s household, within the meaning of section 152 of the Internal Revenue Code of 1986 or an eligible individual for purposes of the credit under section 24 of the Internal Revenue Code of 1986.
- **Federal Tax Information (FTI):** is the data and information related to federal tax paying. It includes a return or return information received directly from the IRS or obtained through an authorized secondary source such as the U.S. Department of Education pursuant to 26 U.S.C. 6103(l)(13). FTI also includes any information created by the recipient that is derived from a federal return or return information received from the IRS or obtained through an authorized secondary source. Other return information considered FTI includes the taxpayer's name; mailing address; identification numbers including Social Security number or employer identification number; any information extracted from a return, including names of dependents or the location of a business; information on whether a return was, is being, or will be examined or subject to other investigation or processing; information contained on transcripts of accounts; the fact that a return was filed or examined; investigation or collection history; or tax balance due information.
- **FPS C Flag:** the new name for the SAR C flag. *For more information, see FAFSA Processing System FPS definition below.*
- **Manually Provided Taxpayer Information:** information from a tax return or the return itself that is provided and entered by a taxpayer, applicant, or contributor on the FAFSA, either because the tax information was not received from the IRS, or because the contributor filed a foreign tax return.
- **Negative Student Aid Index (Negative SAI):** the Student Aid Index (SAI) can be a negative number (down to -1500) which can be used by institutions in determining students who have the most financial need. Note that when packaging a student for *Title IV* need-based aid, a negative SAI is converted to a 0 SAI in the packaging formula. *For more information, see Student Aid Index (SAI) definition below.*
- **Primary or Custodial Parent:** for a dependent student whose parents are divorced or separated, the primary or custodial parent is the parent who provides the greater portion of the student’s financial support and is required to provide their information (and if applicable their spouse’s information) on the FAFSA form.
- **Provisionally Independent Student:** if a student indicates they have unusual circumstances or indicates for the first time they are unaccompanied and homeless, or at risk of being homeless (without a designation from a specified entity), the FPS will consider the student to be provisionally independent and will allow them to fill out the FAFSA form as an independent student. The SAI will remain provisional and not official until the student’s college or career school makes a final determination. The ISIR will have a specific reject code that will require the financial aid administrator (FAA) to review, and if applicable, confirm the student’s independent status. The FAA will

determine if the student's circumstances make them eligible to apply independently and, if so, make any necessary updates to formally make the student independent.

- ***Student Aid Index (SAI)***: replaces the Expected Family Contribution (EFC) as a formal evaluation of a student's approximate financial resources to contribute toward their postsecondary education for a specific award year.

### ***Packaging Aid***

- ***Food and Housing***: replaces the terms "room and board" as a component within a student's Cost of Attendance (COA).
- ***Other Financial Assistance (OFA)***: term used in lieu of Estimated Financial Assistance (EFA) when factoring in other aid to determine the amount of a student's need- and non-need-based financial aid.
- ***Packaging Formulas***: need-based formula includes the following new terms (COA minus SAI minus OFA = Need); while the non-need-based formula now includes the following (COA minus OFA = Non-Need Eligibility).

### ***Federal Pell Grant Program Eligibility***

- ***Enrollment Intensity***: the percentage of full-time enrollment at which a student is enrolled, rounded to the nearest whole percent used to determine a student's annual Pell Grant award. For example, if full-time enrollment is 12 or more credit hours and the student is enrolled in 7 hours, the enrollment intensity would be  $(7 \div 12) \times 100\% = 58\%$ .
- ***Maximum Pell Grant Eligibility***: ability of a student to receive a maximum Pell Grant (amount determined annually by Congress) which depends on annually published federal poverty guidelines; the U.S. tax return adjusted gross income (or the equivalent for foreign tax filers); state of legal residence; family size; and tax filing status.
- ***Minimum Pell Grant Eligibility***: ability of a student to receive a minimum Pell Grant depending on annual published federal poverty guidelines, Adjusted Gross Income (or the equivalent for foreign tax filers), state of legal residence, and family size.
- ***Restoration for Discharge***: Pell Grant eligibility restored in the Common Origination and Disbursement (COD) system due to an eligible borrower defense or other qualifying loan discharge. Eligibility is restored by the Department through an adjustment to the Lifetime Eligibility Used (LEU) percentage.
- ***Special Rule for Pell Grants***: replaces Iraq and Afghanistan Service Grant (IASG) and Children of Fallen Heroes (CFH) Awards with new or modified eligibility criteria for students whose parent or guardian died in the line of duty while serving on active duty as a member of the Armed Forces on or after September 11, 2001 or actively serving as and performing the duties of a public safety officer and is less than 33 years old as of the first

January 1 of the processing year. Eligible students will receive a maximum Pell Grant regardless of their SAI.

- ***Student Aid Index Calculated Pell Grant Eligibility:*** maximum Pell Grant minus the Student Aid Index rounded to the nearest \$5 (not to exceed COA). For applicants with a calculated SAI that is greater than the corresponding award year's maximum Pell Grant award or the calculated Pell Grant amount is less than the award year's minimum Pell Grant, the applicant is not eligible for a Pell Grant unless they qualify for a minimum Pell Grant award.

### ***Professional Judgement (PJ)***

- ***Special Circumstances:*** special or extenuating situations (such as the loss of a job) that impact a student's financial condition and support a financial aid administrator adjusting data elements in the COA or in the SAI calculation on a case-by-case basis.
- ***Unusual Circumstances:*** conditions that justify a financial aid administrator making an adjustment to a student's dependency status, commonly referred to as a dependency override, based on an unusual situation (e.g., human trafficking or parental abandonment).

### ***Prison Education Program (PEP) Program Eligibility***

- ***Advisory Committee:*** a group established by the oversight entity that provides nonbinding feedback to the oversight entity regarding the approval and operation of a PEP within the oversight entity's jurisdiction.
- ***Oversight Entity:*** the appropriate state department of corrections, other entity that responsible for overseeing correctional facilities, or the Federal Bureau of Prisons.
- ***Prison Education Program (PEP):*** the educational program in which an individual incarcerated in a federal, state, or local correctional institution must be enrolled in order to qualify for Pell Grant funds. An eligible PEP must be offered by an eligible public or nonprofit institution. The PEP also must meet a variety of requirements including oversight entity approval, credit transferability, meeting the best interest of the students, and having no recent institutional compliance issues. Some exceptions to this definition exist for programs which are part of the Second Chance Pell Experiment.
- ***Prison Education Program Application (PEP Application):*** The purpose of the PEP Application form is to provide a streamlined process for institutions of higher education or postsecondary vocational institutions applying to the Department for approval of a PEP. The application must be completed by schools wishing to apply for eligibility of a PEP and must be submitted as supporting documentation to the Electronic Application for Approval to Participate in the Federal Student Financial Aid Programs (E-App).

### ***Department of Education Systems***

- ***FAFSA Partner Portal (FPP)***: a student-centered system that replaces FAA Access to CPS Online. It will allow FAAs to enter corrections, view processed records, compare multiple transactions, and provide identity verification results.
- ***FAFSA Processing System (FPS)***: replaces the Central Processing System (CPS) to become an integral part of the entire FAFSA process and experience.
- ***Federal Tax Information Module (FTIM)***: a system that receives, stores, uses, and controls individual FTI received from the IRS for federal financial aid eligibility determination.
- ***FTI SAIG Mailbox***: the new Student Aid Internet Gateway (SAIG) mailbox specifically designed to securely exchange batch data with Federal Student Aid Application Systems, which includes, among other things, FAFSA data and FTI that are provided to our partners via an ISIR. FTI provided via the SAIG mailbox will be labeled as CUI//SP-TAX. *For more information see Controlled Unclassified Information/Specified Tax (CUI//SP-TAX) definition above.*
- ***FUTURE Act Direct Data Exchange (FA-DDX)***: the system replacing the IRS Data Retrieval Tool (DRT) to transfer an individual's FTI to the Department. FA-DDX allows the Department to request, and the IRS to transfer, FTI to the FTIM system for use in determining a student's federal financial aid eligibility. *For more information see Federal Tax Information Module (FTIM) definition above.*