



# Pennsylvania Association of Financial Aid Administrators

## **Comment Code 399: Can you “C” the changes?**

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# Transition to PPY

- 2016-17 Award Year
  - Need Analysis uses prior year data (2015)
- 2017-18 Award Year
  - Need Analysis uses prior-prior year data (2015)
- For the transition year only, 2015 data is used for two years

# Processes to Reduce Conflicting Information

- To avoid errors in 2017-18 FAFSA completion, ED will use pop-up warnings if applicant enters income data that conflicts with 2016-17 FAFSA
  - Edits not triggered if:
    - 16-17 FAFSA data based on estimated income/taxes
    - Student's dependency status changed between the two years
    - Student's or Parents' marital status changed between the two years
- To prevent conflicting data errors, applicants should use the IRS-DRT for both years

# Conflicting Information: GEN 16-14

- If 2016-17 and 2017-18 FAFSA's conflict, ED determines if change in EFC is significant and flags with 399 comment code
  - Exceptions
    - Student is not expected to be Pell eligible in 2017-18
    - PJ exercised in 2016-17 or 2017-18
    - Dependency status change
    - Student or parent marital status change

# Conflicting Information: GEN 16-14

- Only aid applicants with the 399 comment code on the 2017-18 ISIR require resolution for cross-year conflicting information
- Only 2017-18 ISIR will have the 399 comment code applied
- Rules for verification and resolution of conflicting information remain unchanged

# Conflicting Information: GEN 16-14

- If 2017-18 ISIR is flagged with comment code 399, a school is **not required** to resolve if:
  - The school never received a 2016-17 ISIR
  - Did not and will not disburse Title IV aid in 2016-17 **or** 2017-18
  - Student was a graduate student for all of 2016-17 and will continue as a graduate student for all of 2017-18 and student did not and will not receive FWS for either award year

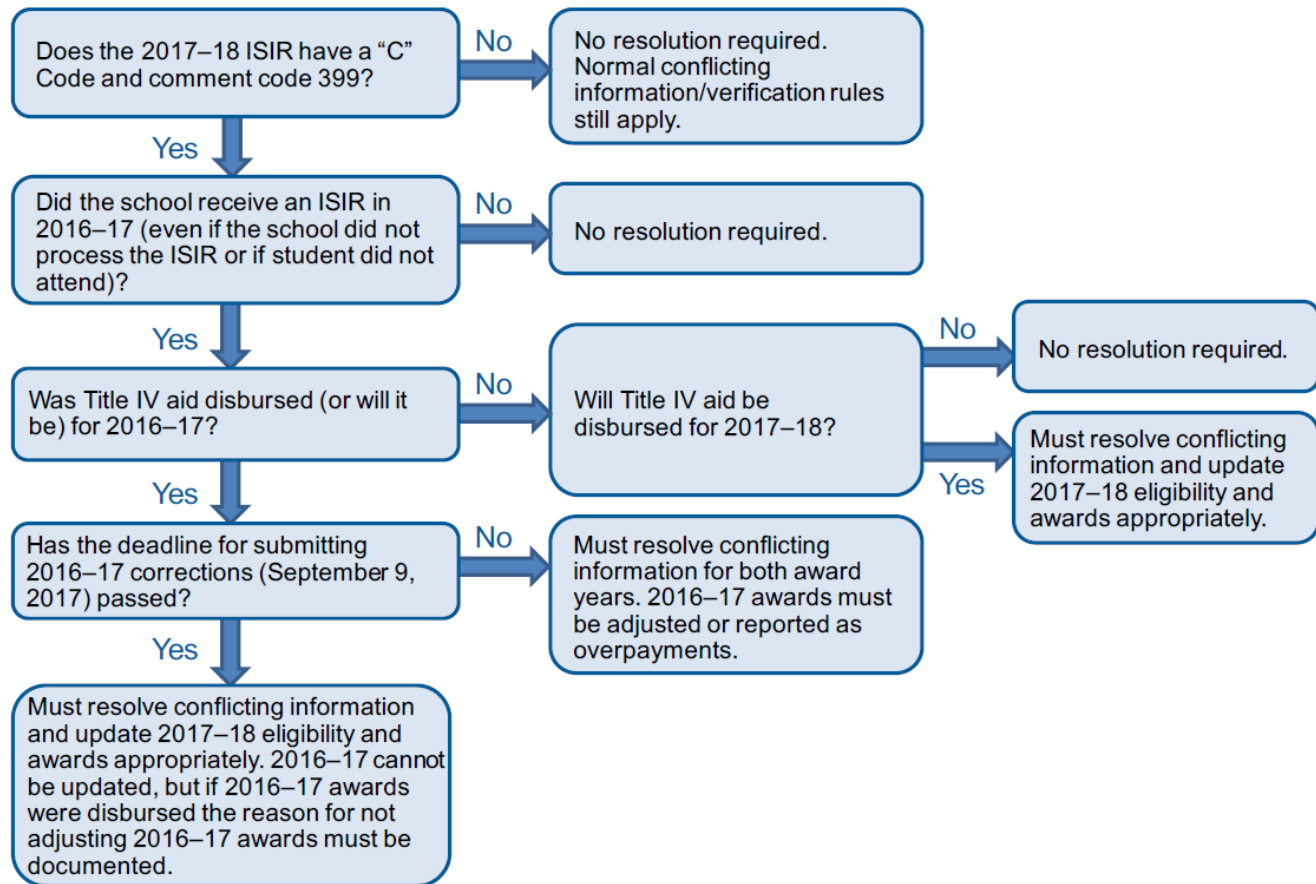


# Conflicting Information: GEN 16-14

- If 2017-18 ISIR is flagged with comment code 399, a school **must resolve** if the school:
  - Received a 2016-17 ISIR and disbursed, or may disburse, aid (regardless of whether the school will disburse aid for 2017-18)

# Conflicting Information: GEN 16-14

## ED Guidance to Date in Flow Chart Format





# Resolving Conflicting Information

- Institution must compare all 2015 income and tax related FAFSA items from both years
  - Tax return status
  - Type of tax return
  - Tax filing status
  - Eligible to file a 1040A or 1040EZ
  - AGI
  - U.S. Taxes Paid
  - Number of exemptions claimed
  - Income earned from work
  - Exclusions from income
  - Untaxed Income

# Resolving Conflicting Information

- If the school verified conflicting information in either year or IRS-DRT was used and unchanged (02) the school must submit corrections to the other ISIR year's values.
  - Amended Tax Returns
    - If filed, school must ensure both years' EFCs were calculated using amounts from amended returns

# What does it all mean?

- Until resolved, the school may not disburse
  - Any future 2016-17 Title IV Aid
  - 2017-18 Title IV Aid

# Additional Payments

- Lower EFC for 2016-17
  - Institution must disburse any additional 2016-17 aid that it determines the student is eligible to receive, consistent with late disbursement rules (34 CFR 668.164(g))

# Resolving Overawards

- Higher EFC for 2016-17
  - Institution must determine the student's 2016-17 Title IV eligibility based on the corrected EFC and
  - Not make additional disbursements for which the student is no longer eligible
    - Adjust aid not yet disbursed
    - Title IV Grant or Perkins Loan must be repaid by the student (student is liable for overpayments, not the school)
    - Overawarded Direct Subsidized Loans are repaid under MPN (like R2T4)
    - Immediately cease paying FWS funds

# When is it over!?!?!?!?

- Institutions are not required to submit corrections to a 2016-17 ISIR if the published deadline date of September 9, 2017, for making such corrections has passed.
  - Document reason why the correction was not submitted and no further action is required.





What changes are schools “c”ing?



# **COMMUNITY COLLEGE OF ALLEGHENY COUNTY (CCAC)**

**KYLE MOSLEY**

# CCAC

- As of February 24<sup>th</sup>, 2017
  - 5,888 of ISIR's received
  - 163 ISIR's with comment 399 Code (2.77%)
  - 50% reviewed/resolved
  - 50% outstanding

# CCAC

- Of the 50% resolved, 85.7% required updates.
  - 8.33% had changes to 16/17 data
  - 66.67% had changes to 17/18 data
  - 25% had changes to both years



# CCAC

- Affect on 16/17 Aid
  - 16.67% of those resolved received an increase in Pell eligibility.
  - 8.33% of those resolved received a decrease in Pell eligibility.
  - 8.33% of those resolved had a lower EFC but still not Pell eligible.

# CCAC - What's Causing the 399?

- Income Earned from Work
  - One parent on one FAFSA vs. two parents on another. Parent transferring data and removing income earned from work
- Child Support Received and Paid
- Taxable Grant and Scholarship Aid
- Other Untaxed Income
- Using different (divorced) parent between the two FAFSA years.
- Tax Deferred Pensions
  - Not a transferable item.
- FWS



# CCAC – Other Issues

- 3% flagged with comment code 399 and had no differences in 2017-18 FAFSA verses the verified 2016-17 FAFSA.
- 3% of ISIR's with comment code 399 due to PJ's in prior year.

**MERCYHURST UNIVERSITY**

**RENEE WRIGHT**

# Mercyhurst

- As of February 24, 2017
  - 2,939 ISIR's received
  - 35 ISIR's with 399 comment code (1.25%)
  - 33 reviewed and/or resolved (94.29%)
  - 2 outstanding (5.71%)

# Mercyhurst

- Of the 33 resolved, 18 required updates:
  - Three had changes to 16/17 data
  - Seven had changes to 17/18 data
  - Eight had changes to data in both years

# Mercyhurst

- Affect on 16/17 Aid:
  - Five had a reduction in Pell Grant eligibility in 16/17
  - One had an increase in Pell Grant eligibility in 16/17
  - No changes to other need based aid

# What's Causing the 399?

- Tax Deferred Pensions
- Child Support Received
  - Some are not reporting if they are not currently receiving
- Income Earned from Work
- Taxable Grants/Scholarships
- FWS Earnings
- Eligible to file a 1040A or EZ question.
  - Answered one year and not the other



# Other Issues

- One student flagged with comment code 399 and had no differences in any fields required for review
- Two ISIR's with comment code 399 due to PJ's prior to February 5 reprocessing of ISIR's

**UNIVERSITY OF PITTSBURGH**

**MICHELLE JACKSON**

# University of Pittsburgh

- All Campus (February 24, 2017)
  - 22,378 ISIR's received
  - 413 ISIR's with 399 comment code (1.85%)
  - 260 resolved (62.95%)
  - 153 outstanding (37.05%)

# University of Pittsburgh

FA Campus	Count	ISIR's w/ 399 Comment Code	Percentage
Pittsburgh Campus	16,112	290	1.80%
Bradford Campus	1,617	40	2.47%
Greensburg Campus	1,601	31	1.94%
Johnstown Campus	2,608	45	1.73%
Titusville Campus	440	7	1.59%
<b><u>TOTALS</u></b>	<b><u>22,378</u></b>	<b><u>413</u></b>	<b><u>1.85%</u></b>

# University of Pittsburgh

FA Campus	ISIR's w/ 399 Comment Code	Resolved 399 Codes	Percentage
Pittsburgh Campus	290	195	67.24%
Bradford Campus	40	25	62.50%
Greensburg Campus	31	9	29.03%
Johnstown Campus	45	26	57.78%
Titusville Campus	7	5	71.43%
<b><u>TOTALS</u></b>	<b><u>413</u></b>	<b><u>260</u></b>	<b><u>62.95%</u></b>

# University of Pittsburgh

FA Campus	ISIR's w/ 399 Comment Code	Outstanding 399 Codes	Percentage
Pittsburgh Campus	290	95	32.76%
Bradford Campus	40	15	37.50%
Greensburg Campus	31	22	70.97%
Johnstown Campus	45	19	42.22%
Titusville Campus	7	2	28.57%
<b><u>TOTALS</u></b>	<b><u>413</u></b>	<b><u>153</u></b>	<b><u>37.05%</u></b>



# What's Causing the 399?

- Taxable Grants/Scholarships
- Co-op earnings
- FWS earnings
- Tax Deferred Pensions
  - Students are thinking IRS-DRT is bringing this over
- Child Support Paid
  - Not really Child Support Received
- Parents/students trying to remove a rollover themselves
- Parent 1 and Parent 2 switched from 2016-17 to 2017-18

# Other Issues

- 2016-17 ISIR's are now being selected for verification when resolving 399 comment code
- Approximately 5 ISIR's with comment code 399 due to PJ's prior to February 5 reprocessing of ISIR's

# General Consensus...



Federal Register Deadline - 1718 Verification Corrections

# Resources

- DCL GEN-16-14: 2017-18 Early FAFSA – Identification and Resolution of Conflicting Information  
<https://ifap.ed.gov/dpcletters/GEN1614.html>
- Early FAFSA Electronic Announcement #4  
<https://ifap.ed.gov/eannouncements/031816EarlyFAFSAEA4DeterminingFAFSAPriorPriorItems.html>
- Electronic Announcement 10-21: Information Regarding Institutional Responsibilities to Resolve 2017-2018 Comment Code 399 Conflicting Information Issues  
<https://ifap.ed.gov/eannouncements/102116RegardInstitutionalResponsibilitiesResolve20172018CommentCode399Conflict.html>

# Resources

- PPY Implementation Task Force Offers Hints and Tips for Resolving Comment 399-Flagged ISIRs
  - [https://www.nasfaa.org/news-item/10543/PPY\\_Implementation\\_Task\\_Force\\_Offers\\_Hint\\_and\\_Tips\\_for\\_Resolving\\_Comment\\_399-Flagged\\_ISIRs](https://www.nasfaa.org/news-item/10543/PPY_Implementation_Task_Force_Offers_Hint_and_Tips_for_Resolving_Comment_399-Flagged_ISIRs)
- Q & A from NASFAA's Webinar Prior-Prior Year: Understanding the Treatment of Conflicting Information
  - [https://www.nasfaa.org/uploads/documents/PPY\\_Conflicting\\_Webinar\\_QA.pdf](https://www.nasfaa.org/uploads/documents/PPY_Conflicting_Webinar_QA.pdf)
- Early FAFSA link for Comment Code 399
  - <https://ifap.ed.gov/EarlyFAFSA/indexVI.html>



# Questions