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

Michelle Jackson, University of Pittsburgh
Kyle Mosley, Community College of Allegheny County
Renee Wright, Mercyhurst University
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
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

1. Does the 2017–18 ISIR have a "C" Code and comment code 399?
   - Yes: Did the school receive an ISIR in 2016–17 (even if the school did not process the ISIR or if student did not attend)?
     - Yes: Was Title IV aid disbursed (or will it be) for 2016–17?
       - Yes: Has the deadline for submitting 2016–17 corrections (September 9, 2017) passed?
         - Yes: Must resolve conflicting information and update 2017–18 eligibility and awards appropriately. 2016–17 cannot be updated, but if 2016–17 awards were disbursed the reason for not adjusting 2016–17 awards must be documented.
       - No: Must resolve conflicting information for both award years. 2016–17 awards must be adjusted or reported as overpayments.
     - No: Will Title IV aid be disbursed for 2017–18?
       - Yes: Must resolve conflicting information and update 2017–18 eligibility and awards appropriately.
       - No: No resolution required.
   - No: No resolution required.

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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
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 24th, 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

- 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%)
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

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

<table>
<thead>
<tr>
<th>FA Campus</th>
<th>Count</th>
<th>ISIR's w/ 399 Comment Code</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Pittsburgh Campus</td>
<td>16,112</td>
<td>290</td>
<td>1.80%</td>
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<td>Bradford Campus</td>
<td>1,617</td>
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<td>1,601</td>
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<td>Johnstown Campus</td>
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<tr>
<td><strong>TOTALS</strong></td>
<td>22,378</td>
<td><strong>413</strong></td>
<td><strong>1.85%</strong></td>
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<table>
<thead>
<tr>
<th>FA Campus</th>
<th>ISIR's w/ 399 Comment Code</th>
<th>Resolved 399 Codes</th>
<th>Percentage</th>
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<td>71.43%</td>
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<tr>
<td><strong>TOTALS</strong></td>
<td><strong>413</strong></td>
<td><strong>260</strong></td>
<td><strong>62.95%</strong></td>
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# University of Pittsburgh

<table>
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<tr>
<th>FA Campus</th>
<th>ISIR's w/ 399 Comment Code</th>
<th>Outstanding 399 Codes</th>
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<tr>
<td><strong>TOTALS</strong></td>
<td><strong>413</strong></td>
<td><strong>153</strong></td>
<td><strong>37.05%</strong></td>
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</table>
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/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
- Early FAFSA link for Comment Code 399
Questions