October 13, 2015

To Whom It May Concern:

On behalf of the more than 3,000 member institutions of the National Association of Student Financial Aid Administrators (NASFAA), I am writing to offer our comments on the draft 2016-17 Free Application for Federal Student Aid (FAFSA).

We appreciate and applaud the administration's decision to implement the use of prior-prior year (PPY) income data in the application process for the 2017-18 award year. NASFAA is currently convening a task force to assess PPY implementation issues and develop suggested solutions to share with ED to overcome any potential roadblocks. The Department, however, could make changes for the 2016-17 award year FAFSA that would pave the way for the successful transition to PPY.

Enhance the use of the Internal Revenue Service's Data Retrieval Tool (IRS-DRT)
The move to PPY will increase the number of applicants who are able to utilize the IRS-DRT, which is a key component in FAFSA simplification efforts. We encourage ED to continue its collaboration with the IRS, specifically exploring the following issues:

- Allow more tax filers to use the IRS-DRT. For example, allow applicants and parents who file separate returns to use the IRS-DRT by pulling the tax information by SSN and combining the data on the appropriate FAFSA questions. If we do not expand the use of DRT, some of the benefits of moving to PPY will be blunted.
- Confirm for the student, parent or spouse that there is no record of a tax return on file, rather than forcing the applicant to obtain this information from the IRS. Currently, students and/or parents who do not file a tax return may be required to provide documentation of such status. The IRS filing deadline for PPY is more than a year before the FAFSA becomes available, and providing this information via the IRS-DRT would reduce administrative burden for both students and schools.
- Make the IRS-DRT authentication process more lenient, while still retaining necessary information security. For example, the current process requires tax filers to input the exact address from their tax returns in order to retrieve IRS data. Students may move from year to year, and they find it difficult to remember their exact prior-year tax filing address, let alone the address needed for PPY data retrieval. Explore other authentication factors besides address that could be used, or perhaps lessen the address requirements.
- Explore the possibility of expanding the IRS-DRT to allow for the import of all relevant line items from IRS tax returns and W-2 forms. With the implementation of PPY, IRS systems should be up-to-date with the required information available to retrieve via the IRS-DRT.

Availability of FAFSA Demo Site
We encourage ED to make the FAFSA Demo Site available earlier in the processing cycle, especially for the 2017-18 award year. Historically, ED makes the demo site available no more than a week before the production site goes live in January. The use of PPY allows the FAFSA to be available in October, and accordingly, we expect to see the demo site in late September. Aid administrators have expressed concerns about such a short lead time for the demo site for a number of years, but with the implementation of PPY, the apprehensions increase. Practitioners want to ensure they fully understand the new FAFSA and have

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sufficient time to train their staff using the demo site, rather than try to correct errors on a student's actual application.

Communication
School financial aid offices already are receiving inquiries from students and parents regarding PPY, including confusion about when the use of PPY would begin and if families would have the option of which year's income data to use. We would like the Department to provide resources to current and future applicants via www.studentaid.gov regarding the upcoming use of prior-prior year.

Student Aid Report
In recent years, the aid community has been focused on improving the FAFSA itself. It is now time for us to improve the Student Aid Report (SAR), which has long been overlooked as a key communication tool in the financial aid process. We are sure any rudimentary consumer testing would show that the layout, readability, and general user-friendliness are all in need of a complete overhaul. We urge the Department to reconsider our previous requests to improve the SAR.

We appreciate the opportunity to offer these comments and we look forward to working with you on these important application issues. Questions about our comments may be directed to Mandy Sponholtz at sponholtzm@nasfaa.org.

Sincerely,

Justin Draeger
President