



September 7, 2021

The Honorable Dr. Miguel Cardona
Secretary of Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Dear Secretary Cardona,

We are writing on behalf of the National Association of Student Financial Aid Administrators (NASFAA) and the National College Attainment Network (NCAN) to express disappointment in the Department of Education's (ED) failure to extend, for the 2022-23 award year, the verification waivers granted in GEN-21-05 for the 2021-22 award year. We appreciate ED's assurance in Electronic Announcement VERIF-21-02 that possible waivers are still under consideration for 2022-23, but students and institutions need to know before the application cycle begins whether the waiver will apply.

Less than two months ago, in the July, 2021 waiver announcement, ED cited the continued challenges college students and their families are experiencing due to the ongoing COVID-19 pandemic as justification for the waiver. Those conditions have not improved in the short time that has elapsed and, in fact, have worsened—with COVID-19 cases, hospitalizations, and deaths once again trending upward. With the emergence of new virus variants and vaccine effectiveness waning, it is reasonable to assume that the pandemic will continue to take its toll on a wide swath of Americans—college students included—for many months to come. The administration has already recognized the ongoing impacts of the pandemic by further extending the student loan payment pause; it must do the same with verification waivers.

Continuing the July verification waiver is smart policy that works for taxpayers and exemplifies good government. The days of improper payments arising from misreported family and income information on the FAFSA are limited, given the upcoming implementation of the FAFSA Simplification and FUTURE Acts in the 2024-25 award year. Even if a slight increase to improper payments were observed in the years the waiver was effective, it would almost certainly disappear when FAFSA data begins to come directly to ED from the IRS. Further, these changes are in alignment with the White House call to improve underserved communities' access to government programs. NCAN shared this [view](#) on July 6 in response to the Office of Management and Budget public comment request.

The 2021-22 waiver was a necessary and welcome relief to students, for whom every aspect of their lives has been disrupted by the pandemic. Schools also benefited greatly from the relief, given campus disruptions and the additional time and resources they needed to devote to addressing student emergencies and compliance with HEERF grant rules and reporting requirements, although the benefit to schools was offset to some degree by the administrative burden of changing the verification process mid-cycle.

Students received their student aid offers and disbursements earlier than in previous years thanks to the verification waiver. NASFAA conducted a limited survey of financial aid administrators to gauge the impacts of the verification waiver. Several institutions indicated they were able to award aid immediately upon issuance of the waiver to hundreds and even thousands of students whose files had been held up due to missing verification paperwork. One school found that one-third of those students were first generation students with whom the financial aid office had already done some intervention to assist with verification. Other schools noted that many of those students who benefitted from the verification waiver were low-income and/or Pell grant recipients.

The impact of verification relief extends beyond securing financial aid. One scholarship director at an NCAN member college access program stated that the verification process shortened the time advisors had to work with students and caused students to be uncertain about college enrollment. Verification relief provides the student support team the opportunity to focus on summer melt issues like securing housing, deciphering financial aid packages and providing social emotional support; all of which increase the likelihood of seamless enrollment for our students.

The institutions surveyed by NASFAA overwhelmingly agreed that their students benefited from verification relief, and most agreed that lifting the verification burden freed up their time to better advise their students. However, most respondents also indicated a significant upfront burden associated with the timing of the issuance of the waiver, which temporarily decreased their ability to help their students as they updated systems and processes.

Many also reported that students were understandably confused by the mid-cycle waiver. Communicating that something is required for financial aid, then explaining that it is no longer required is difficult enough. Communicating again in the new award year that the requirement is reinstated, only to backtrack for a second time will cause students to second guess all so-called requirements, and will likely lead to a lower rate of compliance with such requests. Nearly all institutions surveyed believed that the waiver should be extended but that schools must know immediately whether that is the case, because they are already preparing for the 2022-23 award year.

We understand the concern that waiving income verification could lead to an increase in improper payment rates. However, there has always been scant evidence that certain forms of income verification actually prevent improper payments. In 2018, NASFAA found that 84% of verified applications resulted in either no EFC change or a change so small that it did not result in a change to the student's Pell Grant award. In 2020, NCAN conducted research showing that 93% of applicants with an automatic zero EFC, and more than 70% of all students selected for verification saw no change to their Pell Grant amount after verification.

ED wisely chose to retain the identity verification and statement of educational purpose aspects of verification in 2021-22, and should continue to do so if that reduces the likelihood of fraud and abuse in the federal student aid programs. However, it is clear that too many students are selected for income verification that does not impact their eligibility and, consequently, does not reduce the improper payment rate. The likely small impact on improper payments does not justify the significant burden verification imposes.

We urge ED to waive the 2022-23 income verification requirements as soon as possible, and at latest by October 1. While July's waiver for the 2021-22 award year was celebrated by the financial aid and college access and attainment communities alike, changing the verification process mid-year is fraught with issues. Many students may have already decided against attending college because they don't understand or can't comply with the verification requirements.

While we appreciate ED's willingness to continue to evaluate what verification changes are needed for 2022-23, time is of the essence in making those decisions. Institutions have already revised their procedures and systems to accommodate the 2021-22 waiver. Forcing them to switch back to pre-waiver conditions and then re-instituting the waiver wastes valuable time schools could be using instead to limit the spread of COVID-19 on campus, and to support their students' educational, financial, and physical and mental health needs. The most beneficial impact for students and institutions is a seamless continuation of the current verification waiver.

Thank you for your consideration of this important matter.

Sincerely,



Justin Draeger, President & CEO
NASFAA



Kim Cook, Executive Director
NCAN

Cc:

The Honorable Nancy Pelosi
The Honorable Kevin McCarthy
The Honorable Chuck Schumer
The Honorable Mitch McConnell
Mr. Richard Cordray
Dr. Michelle Asha Cooper
Ms. Julie Morgan