



UNITED STATES DEPARTMENT OF EDUCATION

THE UNDER SECRETARY

March 25, 2016

Dear Colleague:

On behalf of Secretary of Education John King, I want to thank you for helping students of all backgrounds access and successfully complete postsecondary education. We appreciate that the delivery of financial aid resources, information, and services to students in a timely, accurate, and efficient manner would be impossible without your dedication. Most importantly, we want to acknowledge and recognize the commitment of your financial aid office staff.

Institutions and the Department of Education have a fiduciary duty to taxpayers to ensure that the \$150 billion disbursed annually in student aid is appropriately safeguarded. Compliance with the laws and regulations governing the administration of the Federal student aid programs is an institutional responsibility, and therefore requires not only a capable and sufficiently resourced financial aid office, but the full collaboration and cooperation of other offices at your institution, including the registrar's office, the admissions office, and the business and finance offices. Your institution-wide commitment to administering the Federal student aid programs is critical to the continued public support of the programs and for the success of the students those programs serve.

I would like to note some of the relatively recent statutory and regulatory requirements that have increased administrative responsibilities on institutions:

- Ensuring that students do not exceed the statutory lifetime limit on receipt of Federal Pell Grants;
- Ensuring that students do not exceed the academic program lifetime limits for Direct Subsidized Loans;
- Increased requirements for student enrollment reporting to the National Student Loan Data System;
- Implementing the Gainful Employment regulations, especially the requirement to report additional student-level data and to disclose to current and prospective students detailed information about the institution's Gainful Employment academic programs;

- Increased campus safety reporting and disclosures, as required by the Violence Against Women Act; and
- Ensuring the successful implementation of the recently revised Federal student aid cash management regulations, especially the provisions related to institutional relationships with financial institutions, disclosures to students about their federal aid credit balance options, and related reporting requirements.

I also want to take this opportunity to highlight two significant financial aid application processing changes that were announced by President Obama this past fall.

Traditionally, the Free Application for Federal Student Aid (FAFSA) filing cycle begins on January 1 of the year preceding the award/academic year (e.g., January 1, 2016, for the 2016-2017 award/academic year). Beginning with the 2017-2018 FAFSA cycle, the application will become available to students and their families three months earlier (e.g., October 1, 2016, for the 2017-2018 award/academic year).

The second change announced by the President is that beginning with the 2017-2018 cycle, the FAFSA will collect income information from the tax/calendar year one year earlier than has been used in the past. Thus, for the 2017-2018 FAFSA, students and families will provide income information from tax/calendar year 2015 rather than tax/calendar year 2016. Using an earlier tax year for determining eligibility for financial aid will make it significantly simpler for families to complete their FAFSA because they will be using information from tax records that had been completed many months earlier. Moreover, most applicants and their parents will be able to use our FAFSA/IRS Data Retrieval Tool (DRT) to automatically view and transfer the necessary tax return information directly from the IRS into their FAFSA. Using the DRT will not only increase the accuracy of information used to determine a student's eligibility, but will also eliminate the burden for many students and families of providing tax return transcripts to their colleges for verification of the information that was provided on their FAFSAs.

We believe that starting the FAFSA filing process three months earlier on October 1 and using an earlier year's income information, coupled with new information published on the College Scorecard about institutions' outcomes for students, will have a meaningful impact on college choice, access, and persistence for millions of this nation's students. For this reason, I ask your institution, beginning with the 2017-2018 academic year, to consider providing earlier award notifications in order to maximize the benefits to students and their families consistent with the President's Early FAFSA initiative.

We want to thank you for your partnership in all these efforts and in our shared endeavor to assist students in pursuing their postsecondary educational goals.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Ted Mitchell', with a long, sweeping horizontal stroke extending to the right.

Ted Mitchell