

November 26, 2008

Ms. Angela C. Arrington  
IC Clearance Official  
Regulatory Information Management Services  
Office of Management  
U.S. Department of Education  
830 First Street, NE  
Washington, DC 20202  
(also sent via email to [SAR.comments@ed.gov](mailto:SAR.comments@ed.gov))

Dear Ms. Arrington,

I am writing to comment on the draft 2009-2010 Student Aid Report (SAR), in response to the *Federal Register* notice published on September 29, 2008.

An independent, nonprofit organization, the Institute for College Access & Success works to make higher education more available and affordable for people of all backgrounds. By conducting and supporting nonpartisan research, analysis, and advocacy, the Institute aims to improve the processes and public policies that can pave the way to successful educational outcomes for students and for society.

We appreciate the Department of Education's efforts to make the SAR more user-friendly, but believe that more changes are needed. The current SAR fulfills the basic requirements of reporting a student aid applicant's Expected Family Contribution (EFC) and allowing the applicant to review and correct the information they provided on the Free Application for Federal Student Aid (FAFSA). However, it does not answer the most basic questions that students and families have at this stage of the financial aid process. The current form contains unnecessary jargon, confusing instructions, and vague references that do not convey where the student stands with regard to receiving financial aid. Students and families are not getting a clear message about their federal aid eligibility or the steps they must take to receive awards. Students who make the effort to submit a FAFSA deserve a consumer-focused SAR that prioritizes the most useful information and presents it as clearly and intuitively as possible.

Students and families want to know if their FAFSA has been received, if they have to do anything else to complete the aid application process, and whether they are eligible for federal aid. The layout of the SAR should reflect these priorities, with the first few pages devoted to addressing applicants' core concerns. We have developed and attached examples of a more user-friendly approach to both the content and the format for the first section of the SAR. It would be followed by the section for verifying the information submitted on the FAFSA, then all remaining elements of the SAR, including the summary of information from the National Student Loan Database System (NSLDS), information for Financial Aid Administrators, and the Office of Management and Budget's (OMB) legal information. Rather than starting the form with a confusing array of code numbers, only the OMB Form Number and a "Student Aid Confirmation Number" (replacing the Data Release Number) should be listed at the top. Then

the different sections of the SAR should be outlined so the applicant knows what information the document contains.

The first message students and families should receive is the status of their application and whether or not they need to provide missing or corrected information. Families should be able to immediately discern what is necessary to complete their application and the steps they must take to submit corrections. For applicants who must take certain steps before processing of their FAFSA can continue, a special section should highlight the actions needed to resolve any issues that could prevent or delay processing.

It is also essential that the first page tells applicants about their federal student aid eligibility and provides exact figures for grant programs, ranges of loan programs, and an indication that the aid is available at any participating eligible school. The family's Expected Family Contribution (EFC) can then be listed along with a brief explanation of its purpose as a tool to calculate eligibility for different types of aid. The list of colleges the applicant designated to receive their FAFSA results should also include contact information for each school's financial aid offices and a notice that students should expect an award letter from each school that accepts them into a program of study. Details about the federal grant and loan programs the student is eligible for should be provided. As each program name is mentioned in the text, there should be a hyperlink to the relevant web page with more details about that program. For the paper form, web addresses should be provided as short, intuitive URL's that redirect to the appropriate page.

For students whose aid applications cannot be processed until they make corrections, the instructions for how to make these corrections should clearly state the problem and what the student needs to do to correct it. The comment codes should also be provided to facilitate communication with college financial aid offices and the Office of Federal Student Aid when students and their families seek help with the FAFSA process.

As currently written, the section of the SAR containing the student's responses from the FAFSA and the space to make corrections is also confusing. There is no title for this section and the instructions throughout make it appear that all applicants must complete the form and send it back, even if they are not making any changes. It should be titled "Verify the data you provided on the FAFSA." The instructions at the beginning and end of this section should clearly state that the applicant should verify the information listed and that the applicant only needs to take any action if there are errors. At this point, the instructions should also specify that there are two ways to make corrections: by using the form provided and mailing it to a particular address, or going to the FAFSA website ([www.fafsa.ed.gov](http://www.fafsa.ed.gov)) and using their PIN to enter changes online. Throughout this section, instructions should be phrased so that students know that they only need to make corrections if they find a mistake, or if the earlier part of the SAR indicated that they need to make a correction. For example, the current instruction, "You must read and sign this Certification" should continue "if you are making changes or corrections to the information on this form."

The third paragraph on the "Summary of Federal Student Loans" page with information from NSLDS about the applicant's loans is confusing and should be deleted. Instead, information on the current interest rates for outstanding loans should be provided from NSLDS along with links to web-based calculators for estimating payments.

The SAR represents a unique opportunity to communicate affordability, access, and opportunity. That is why, in addition to improving the SAR itself, we recommend that the Department develop an accompanying guide to understanding financial aid award letters and

provide it as a brochure insert and/or a link to the relevant page on the Department's website. The goal of this guide is to help students and families read the award letters and determine what it would really cost them to attend each school offering an aid package.

We recently examined several hundred financial aid award letters from colleges around the country, and our analysis confirms that award letters are frequently confusing and hard to compare. Many of these letters use obscure language and acronyms, provide few details about the terms of aid awards, do not clearly distinguish between grants and loans or among different types of loans, and do not provide sufficient information for students to calculate their true cost of attendance. The federal government should make every effort to ensure that students and families receive clear information about their federal aid eligibility, both in the SAR and in financial aid award letters. Section 484 of the Higher Education Opportunity Act of 2008 (PL 110-315) directs the Secretary of Education to develop model financial aid offer formats for colleges. By including the views and experiences of college access practitioners, the process of developing and disseminating these model formats can inform the SAR revision process and the creation of a consumer guide to award letters.

Thank you for the opportunity to comment on the draft 2009-2010 SAR. If you have any questions or concerns regarding our comments, please do not hesitate to contact me by phone at (510) 559-9509, or via email at [ljasher@ticas.org](mailto:ljasher@ticas.org).

Sincerely,

A handwritten signature in black ink, appearing to read 'LJ Asher', with a long horizontal flourish extending to the right.

Lauren J. Asher  
Vice President

TICAS – Example #1 – 2009-2010 SAR – Corrections Needed

OMB Form #  
Student Aid Confirmation #

April 22, 2009

JOHN SMITH  
742 EVERGEEN TERRACE  
SPRINGFIELD, OH 55555

Dear JOHN SMITH,

We have received your Free Application for Federal Student Aid (FAFSA). Please review the contents of this letter to:

- Provide corrections or missing information to complete your application
- Verify the information you submitted on the FAFSA
- Learn about your eligibility for federal student aid
- Learn about the financial aid process and ways to pay for college

→ **Provide corrections or missing information to complete your application**

Your application is incomplete and you MUST provide additional information. Please view page 3 for detailed descriptions of comment codes and instructions to correct your application.

Issue	See Comment Code
Mother's Social Security Number is incorrect	015
Parents' income taxes	036
Grant overpayment	266

→ **Verify the information you submitted**

After you make the corrections above, please see Pages 5-10 to review all the information you submitted on the FAFSA for accuracy. You can make corrections at [www.fafsa.ed.gov](http://www.fafsa.ed.gov) using your Federal Student Aid PIN, or you may use the enclosed report.

→ **Learn about your eligibility for federal student aid**

Based on the information you submitted, your estimated eligibility for federal student aid is listed below. Please see Page 4 for additional information about these awards. You MUST address the issues listed above to complete the application process and receive any federal aid.

Federal Student Aid	Amount
Pell Grant Eligibility	\$2,250
Academic Competitiveness Grant (ACG) Eligibility	\$750
Subsidized Stafford Loan Eligibility	Up to \$3,500
Unsubsidized Stafford Loan Eligibility	Up to \$2,000

All federal aid can be used for tuition and fees at any accredited college, university, or other postsecondary institution, as well as for textbooks and living expenses such as housing, food and transportation.

TICAS – Example #1 – 2009-2010 SAR – Corrections Needed

Based on the information you submitted, your Expected Family Contribution (EFC) is \$2,451. Your EFC is used to determine the amount of aid you are eligible for under certain federal programs, and may also be used by states or schools to determine your eligibility for additional grants or loans.

For more information about federal student aid, go to <http://studentaid.ed.gov> or call 1-800-555-5555.

→ **Learn about the financial aid process and paying for college**

The information from your FAFSA has been transmitted to the following schools, based on your requests in question #104 of the FAFSA:

School	School Code	Financial Aid Office Phone	Financial Aid Website
Stanford University	99999	555.555.5555	<a href="http://www.stanford.edu/findaid">www.stanford.edu/findaid</a>
University of California, Berkeley	11111	444.444.4444	<a href="http://www.berkeley.edu/finaid">www.berkeley.edu/finaid</a>

You may add additional schools at [www.fafsa.ed.gov](http://www.fafsa.ed.gov) using your Federal Student Aid PIN.

These schools may send you a financial aid award letter – either by mail or online – if they accept you into a program of study. Each financial aid package may include federal and state grants and loans as described above, along with scholarships and grants from the school. Enclosed, please find a guide, “Understanding Financial Aid Award Letters”, to help you compare the out-of-pocket costs for each school. Please contact the school’s financial aid office if you have any questions about its financial aid process.

For more information about federal student aid, go to <http://studentaid.ed.gov> or call 1-800-555-5555

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The following pages contain:

- Page 3..... Instructions for Completing/ Correcting your FAFSA
- Page 4..... Eligibility for Federal Student Aid
- Pages 5 – 10..... Verifying your FAFSA data
- Page 11..... National Student Loan Database System Summary (NLSDS) and Financial Aid Administrator (FAA) Information
- Page 12..... Office of Management and Budget (OMB) Legal Information

**Instructions for Completing/Correcting your FAFSA**

Instructions: Please refer to the comment codes below to complete your application and learn more about your eligibility for federal student aid. You can make corrections at [www.fafsa.ed.gov](http://www.fafsa.ed.gov) using your Federal Student Aid PIN, or you may use the enclosed copy of your Student Aid Report. If you have any questions, please contact the schools you are applying to or contact the Office of Federal Student Aid at 1-800-555-5555.

Comment Code	Comment	What to Do
015	The Social Security Administration (SSA) confirmed the Social Security Number (SSN) you reported for your father on your FAFSA, but did not confirm the SSN you reported for your mother (Item 62).	If you believe that the SSN you reported for your mother is correct, your mother should contact the SSA by calling 1-800-772-1213 or visiting <a href="http://www.socialsecurity.gov">www.socialsecurity.gov</a> . If the SSN is incorrect, you need to make the necessary correction to your FAFSA information.
036	The amount you have reported for your parents' income taxes paid is significantly greater than the amount you reported on your FAFSA last year.	Visit <a href="http://www.fafsa.ed.gov">www.fafsa.ed.gov</a> or use the enclosed Student Aid Report to review <b>Item 80</b> and make a correction if necessary.
266	To resolve your National SMART Grant overpayment, your Financial Aid Administrator must access the National Student Loan Data System (NSLDS) for additional National SMART Grant overpayment information.	Please contact or visit your school's financial aid office and provide your Financial Aid Administrator with this letter.

**Learn about your eligibility for federal student aid**

<b>Federal Student Aid</b>	
<p>Based on the information you provided on your FAFSA, you appear to be eligible to receive a <a href="#">Federal Pell Grant</a> and other federal student aid. Your school will use your EFC to determine your level of financial aid eligibility for federal grants, loans, and work study, and possible funding from your state and school.</p>	<p>Your school will notify you about your Federal Pell Grant and other federal student aid as part of its financial aid award letter.</p> <p>If you have questions about a school’s financial aid policy, contact its financial aid office.</p>
<p>You reported that you completed a rigorous high school program or state scholars program, which may qualify you for an <a href="#">Academic Competitiveness Grant (ACG)</a>.</p>	<p>For more information about federal student aid, visit <a href="http://studentaid.ed.gov">http://studentaid.ed.gov</a>.</p>
<p>Subsidized <a href="#">Stafford loans</a> are fixed-interest federal student loans based on financial need. While you are in school at least half time, or during any future deferment periods, the federal government pays the interest. There are limits on how much you can receive per school year. These limits are higher for independent students.</p>	<p>Your school will notify you about your Stafford eligibility at which point you may accept, decline, or reduce the loan amount.</p>
<p>Unsubsidized <a href="#">Stafford loans</a> are fixed-interest federal loans that are <i>not</i> based on financial need. Interest accrues from the time the loan is disbursed to the school. There are limits on how much you can receive per school year. These limits are higher for independent students.</p>	<p>For details about borrowing limits, see <a href="http://studentaid.ed.gov/loans">http://studentaid.ed.gov/loans</a> or call 1-800-555-5555.</p>

TICAS – Example #2 – 2009-2010 SAR – No Corrections Needed

OMB Form #  
Student Aid Confirmation #

April 22, 2009

JOHN SMITH  
742 EVERGEEN TERRACE  
SPRINGFIELD, OH 55555

Dear JOHN SMITH,

We have received your Free Application for Federal Student Aid (FAFSA). Please review the contents of this letter to:

- Verify the information you submitted on the FAFSA
- Learn about your eligibility for federal student aid
- Learn about the financial aid process and ways to pay for college

→ **Verify the information you submitted**

Please see Pages 4-9 to review all the information you submitted on the FAFSA for accuracy. You can make corrections at [www.fafsa.ed.gov](http://www.fafsa.ed.gov) using your Federal Student Aid PIN, or you may use the enclosed report.

→ **Learn about your eligibility for federal student aid**

Based on the information you submitted, your estimated eligibility for federal student aid is listed below. Please see Page 3 for additional information about these awards.

<b>Federal Student Aid</b>	<b>Amount</b>
Pell Grant Eligibility	\$2,250
Academic Competitiveness Grant (ACG) Eligibility	\$750
Subsidized Stafford Loan Eligibility	Up to \$3,500
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All federal aid can be used for tuition and fees at any accredited college, university, or other postsecondary institution, as well as for textbooks and living expenses such as housing, food and transportation.

Based on the information you submitted, your Expected Family Contribution (EFC) is \$2,451. Your EFC is used to determine the amount of aid you are eligible for under certain federal programs, and may also be used by states or schools to determine your eligibility for additional grants or loans.

For more information about federal student aid, go to <http://studentaid.ed.gov> or call 1-800-555-5555.

→ **Learn about the financial aid process and paying for college**

The information from your FAFSA has been transmitted to the following schools, based on your requests in question #104 of the FAFSA:

TICAS – Example #2 – 2009-2010 SAR – No Corrections Needed

School	School Code	Financial Aid Office Phone	Financial Aid Website
Stanford University	99999	555.555.5555	<a href="http://www.stanford.edu/findaid">www.stanford.edu/findaid</a>
University of California, Berkeley	11111	444.444.4444	<a href="http://www.berkeley.edu/finaid">www.berkeley.edu/finaid</a>

You may add additional schools at [www.fafsa.ed.gov](http://www.fafsa.ed.gov) using your Federal Student Aid PIN.

These schools may send you a financial aid award letter – either by mail or online – if they accept you into a program of study. Each financial aid package may include federal and state grants and loans as described above, along with scholarships and grants from the school. Enclosed, please find a guide, “Understanding Financial Aid Award Letters”, to help you compare the out-of-pocket costs for each school. Please contact the school’s financial aid office if you have any questions about its financial aid process.

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**Learn about your eligibility for federal student aid**

<b>Federal Student Aid</b>	
<p>Based on the information you provided on your FAFSA, you appear to be eligible to receive a <a href="#">Federal Pell Grant</a> and other federal student aid. Your school will use your EFC to determine your level of financial aid eligibility for federal grants, loans, and work study, and possible funding from your state and school.</p>	<p>Your school will notify you about your Federal Pell Grant and other federal student aid as part of its financial aid award letter.</p> <p>If you have questions about a school’s financial aid policy, contact its financial aid office.</p>
<p>You reported that you completed a rigorous high school program or state scholars program, which may qualify you for an <a href="#">Academic Competitiveness Grant (ACG)</a>.</p>	<p>For more information about federal student aid, visit <a href="http://studentaid.ed.gov">http://studentaid.ed.gov</a>.</p>
<p>Subsidized <a href="#">Stafford loans</a> are fixed-interest federal student loans based on financial need. While you are in school at least half time, or during any future deferment periods, the federal government pays the interest. There are limits on how much you can receive per school year. These limits are higher for independent students.</p>	<p>Your school will notify you about your Stafford eligibility at which point you may accept, decline, or reduce the loan amount.</p>
<p>Unsubsidized <a href="#">Stafford loans</a> are fixed-interest federal loans that are <i>not</i> based on financial need. Interest accrues from the time the loan is disbursed to the school. There are limits on how much you can receive per school year. These limits are higher for independent students.</p>	<p>For details about borrowing limits, see <a href="http://studentaid.ed.gov/loans">http://studentaid.ed.gov/loans</a> or call 1-800-555-5555.</p>