

SESSION**13****Paper and Electronic Applications****Instructor's Notes****Time Estimate:**

Lecture 20 minutes

Exercises 5 minutes

Total Time: 25 minutes

By the end of this session, you will be able to:

- *understand the ins and outs of different financial aid applications and*
- *describe processing for each type of application.*

INTRODUCTION

In this session we'll discuss the ways that a student can apply for financial aid. We'll also discuss how the different types of applications are processed.

The application process ensures that each student's ability to pay for a higher education is fairly and consistently assessed. The data taken from each student's application (and, as necessary, from a student's parents or spouse) are run through a formula developed by Congress to fairly assess the student's need for federal financial aid and produce the Estimated Family Contribution (EFC).

The chart on page 3 of your Workbook gives an overview of processing for three different ways of applying for federal aid. [IG, pg. 9] We will also discuss a fourth option, FAFSA on the Web. We'll study the resulting output documents—the Student Aid Report (SAR), Institutional Student Information Record (ISIR), and SAR Information Acknowledgment—in detail during the next session.

PW 3**THE PAPER FAFSA**

Most students still use the paper Free Application for Federal Student Aid, or FAFSA, to apply. When appropriate, the student's parents or spouse also help complete the FAFSA. When completed, the FAFSA is mailed in a pre-

addressed envelope, with the correct postage added, to the FAFSA processor.

To let students know that their FAFSA was received by the FAFSA processor, a self-addressed postcard, requiring a 20-cent stamp, comes with each FAFSA. If students want a delivery receipt, they send the stamped self-addressed postcard along with the FAFSA. The processor, on receiving the FAFSA, date-stamps the postcard and mails it back to the student.

The FAFSA processor then takes the written information from the paper FAFSA, enters it electronically, and forwards it to the Central Processing System (CPS).

To process the application, the CPS:

- edits the data for errors,
- matches some of the student's information with federal databases,
- calculates the EFC,
- sends a paper document, called the Student Aid Report (SAR), to the student, and
- sends an electronic file, the Institutional Student Information Record (ISIR), to schools that the student listed on the FAFSA.
 - Schools that use EDEXpress (which we'll discuss in a moment) can receive electronic files. Otherwise, schools can get on a list to receive the data on magnetic tapes or cartridges, or request that students bring or mail paper SARs.

If students wish to attend schools not originally listed on their FAFSAs (which, therefore, aren't on their SARs), they can take or mail paper SARs to the schools. Schools that participate in EDEXpress can draw down ISIRs for these students if the students supply the Personal Identification

Number (PIN) that appears on the SAR. Processing the paper FAFSA takes approximately two weeks—this is from the time the CPS receives the FAFSA to the time the student receives the SAR.

ELECTRONIC PROCESSING

There are three electronic applications for federal student financial aid: EExpress, FAFSA Express, and FAFSA on the Web. The electronic applications are processed more quickly than the paper application—partly because edit checks in electronic applications mean that electronic FAFSAs have fewer errors than paper applications when they arrive at the CPS. For example, electronic applications can only be sent if all critical information blocks have been completed. We'll now describe these electronic applications.

EExpress

EExpress is free software from ED that a postsecondary school uses to electronically submit student applications for federal financial aid. The software operates through ED's Electronic Data Exchange (EDE). Instructions on how to sign up for EDE are in Action Letter #4 GEN-96-20. If you don't have a copy of this letter, you can call 1-800-433-3243.

The electronic application begins the same way for a student as the paper application—completing the paper FAFSA. However, instead of mailing the FAFSA for processing, the student takes or mails the completed FAFSA to the **postsecondary institution**. Staff at the school's financial aid office (or a third-party servicer) then enters the student's information from the FAFSA into the EExpress software. The school must maintain the completed, signed FAFSA in the student's file.

Once the information from the application is entered into EDE, the EDE software automatically edits the data to prevent common errors that slow or prevent processing,

such as not including a Social Security number. Then the data are transmitted directly to the CPS for processing.

- Since the data here already been entered electronically, there is no need for the FAFSA processor to do so.

The CPS then follows the same procedures used for the paper process. It checks the data, produces the EFC, and sends output documents.

- Instead of a SAR, a student who applies electronically receives a SAR Information Acknowledgment, a shorter version of the SAR, which we will discuss in the next session.

As with the paper FAFSA, schools listed on the student's electronic application that do not participate in EDEExpress can either receive magnetic tapes or cartridges or have students send them a SAR Information Acknowledgment.

FAFSA EXPRESS and FAFSA on the Web

We'll now discuss the two computer versions of the FAFSA that students can complete somewhere other than a postsecondary school: FAFSA Express and FAFSA on the Web.

FAFSA Express

FAFSA Express is free software that can be installed from a diskette or downloaded from the Internet. Students may use their home computers or use computers at local libraries, high schools, Educational Opportunity Centers, or postsecondary schools. The computer must be a personal computer (PC) with a modem, so that data can be transmitted directly to the CPS. To speed up the application process, the computer should also be connected to a printer.

The student should complete a paper FAFSA first, then enter that data into the FAFSA Express software.

FAFSA Express screens look just like the paper version of the FAFSA. FAFSA Express has built-in edits to keep the student from making common errors that delay processing.

- The student may save a partially completed application on a diskette and finish it later. **Because of privacy issues, the student may not save a partially completed FAFSA to his or her hard drive.**

On completion, the FAFSA Express data are sent electronically by modem to the CPS. However, the required signature cannot be sent electronically. The student prints out and signs the signature page, and mails it to the CPS.

- If no printer is available, the student must wait for what's called a Reject 16 SAR from the CPS. After receiving an application by modem, the CPS will wait two weeks to receive the signature page; if none is received, it sends the Reject 16 SAR. This Reject 16 SAR serves as the signature page which the student signs and returns.

On receiving the data, the CPS does its part by editing, matching, creating the EFC, and sending output documents. FAFSA Express, like EExpress, has a turnaround time of 72 hours.

- Just as if they had submitted a paper FAFSA, students using FAFSA Express receive paper SARs from the CPS.

Page 2 of your Workbook tells how to order FAFSA Express software or locate it on the Internet.

FAFSA on the Web

FAFSA on the Web, which just became available in June 1997, is very similar to FAFSA Express. The student completes the application at home or at other locations and sends it by modem to the CPS. The student prints out a

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signature page, mails it to the CPS, and receives a paper SAR in 72 hours.

There are a few key differences between FAFSA Express and FAFSA on the Web.

- FAFSA on the Web does not need to be downloaded. Students simply access the program on the Web and begin entering data.
- Macintosh and PC users can both use FAFSA on the Web—FAFSA Express is available only for PC users.
- Beginning in January 1998, students using FAFSA on the Web can also complete a Renewal FAFSA electronically. Students may not use FAFSA Express to complete a Renewal FAFSA.

Because of privacy issues, students can only submit the FAFSA data from a computer equipped with Secure Socket Layer (SSL) 3.0. This program encrypts the data so it cannot be read by anyone until it arrives at the CPS. Also, ED is exploring the possibility of allowing students to use Personal Identity Numbers in lieu of signatures, thereby eliminating the need to print out and mail a separate signature page (or wait for a Reject 16 SAR).

The Web site for FAFSA on the Web is given on page 2 of your Workbook.

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Do you have any questions about FAFSA Express or FAFSA on the Web?

Please complete the quiz on page 4 of your Workbook.
[IG, pg. 7]

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- » Give the participants 2 minutes to complete the quiz. Then review the answers, asking for volunteers to give responses.

Review Quiz—Types of FAFSAs (True or False)

Directions: Place a “T” or “F” after each statement.

1. The CPS always produces a Student Aid Report (SAR), regardless of the type of FAFSA the student completes. F
2. Students applying through EExpress usually do not have to fill out a paper FAFSA. F
3. FAFSA Express can only be completed using a PC. Macintosh users cannot apply through FAFSA Express. T
4. Students using FAFSA on the Web should print out and sign a signature page. T
5. Students using FAFSA Express also can complete a Renewal FAFSA using that program. F
6. Schools not listed on a student's application can still access that student's ISIR without a student knowing about it. F
7. Data from a student's application for federal financial aid are screened for eligibility criteria, such as citizenship, legal residence, and a valid Social Security number. T
8. A student cannot receive any federal financial aid without completing a FAFSA on paper, through EExpress, using FAFSA Express, or using FAFSA on the Web. T

BACK AT THE OFFICE

When you return to your office, find out if your school processes applications through EDEExpress. Also find out if your school has a computer for students to use when applying through FAFSA Express and/or FAFSA on the Web. You might want to practice using FAFSA Express and FAFSA on the Web so you can best help your students.

What else should you do when you return to your office?

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**The 1997-98
Federal Application Processing System**

