

BACKGROUND

To address privacy and security concerns, the Department of Education and the Internal Revenue Service (IRS) made changes to the IRS Data Retrieval Tool (DRT) effective with the start of the 2018-19 FAFSA processing cycle. The DRT limits the information viewable by applicants.

The Department of Education's Privacy and Technical Assistance Center (PTAC) recently confirmed guidance provided to the National Association of Student Financial Aid Administrators (NASFAA) that schools cannot release FAFSA data unless the release is related to the application, award, and administration of awards under the federal student aid programs, state aid, or aid awarded by eligible institutions (Section 483(a)(3)(E) of the Higher Education Act, as amended).

As explained in Electronic Announcement (EA) GENERAL-23-34, the HEA and IRC were amended by the *Fostering Undergraduate Talent by Unlocking Resources for Education Act* (FUTURE Act) and the Consolidated Appropriations Acts of 2021 and 2022. Among the requirements of these revisions is that the FAFSA applicants and contributors approve the disclosure and use of data they enter on the FAFSA form as well as FTI that is transferred from the Internal Revenue Service (IRS) for determining eligibility for federal student aid.

Effective with the full implementation of FAFSA simplification for the 2024-25 application processing cycle, applicants must consent to the disclosure and use of their federal tax information (FTI) for the purpose of determining eligibility for federal financial aid. The following data is considered FTI:

- Tax Year (ex. Award year 2024-25 is based on 2022 tax year information from the IRS);
- Tax Filing Status; • Adjusted Gross Income (AGI);
- Number of Exemptions and Number of Dependents;
- Income Earned from Work;
- Taxes Paid;
- Educational Tax Credits;
- Untaxed IRA distributions;
- IRA deductions and payments;
- Tax exempt interest;
- Untaxed pension amounts;
- Schedule C net profit/loss;
- Indicators for Schedules A, B, D, E, F, H; and
- IRS response code.

FTI is controlled unclassified information (CUI) and must be labeled as such. The university must maintain this labeling wherever the data is stored and used with its systems (PowerFAIDS). University staff must protect the federal student aid information it receives, including FTI. FTI should not be stored outside of PowerFAIDS. Staff needing to store FTI in another location, such as the Data Warehouse and/or Office of Institutional Research, must contact the University Director of Financial Aid regarding the rationale for doing so and required procedures/labeling.

Applicants may view information provided on their FAFSA by requesting an unredacted copy of their Institutional Student Information Record (ISIR). Contributors may only obtain the information they provided on the application.

POLICY

The following university-wide policy addresses two issues related to the security of FAFSA information: authenticating the identity of an applicant before disclosing certain information and the sharing of FAFSA data for purposes other than those provided in the statute.

AUTHENTICATING APPLICANT IDENTITY

NOTE: The policy below applies to the 2023-24 and prior award years. Effective with the 2024-25 award year, FTI cannot be disclosed to the student or other contributors over the phone, by email, or case management system.

Before disclosing income and tax information from a 2023-24 or prior year FAFSA to the applicant, applicant's spouse (if married), or the parent of a dependent student, financial aid staff must authenticate the individual's identity. If the applicant, spouse, or parent contacts the aid office in person, he or she must present unexpired, valid government-issued photo identification, such as a driver's license, non-driver's identification card, other state-issued identification, or a U.S. passport. If a student who visits the office does not have a government-issued ID with him or her, staff may authenticate identity by reviewing the student's university ID and having him or her confirm the last four digits of the Social Security Number and date of birth. Students who contact the office by phone or email must verify the following data: name, date of birth, the last four digits of the Social Security Number, and the high school listed on the FAFSA. Spouses of independent students who contact the office by phone or email must verify the following data: student name, student date of birth, primary address, marital status date, and the high school listed on the FAFSA. Parents of dependent students who contact the office by phone or email must verify the following data: student name, student date of birth, primary address, and high school listed on the FAFSA.

Note: For Family Educational Rights and Privacy Act (FERPA) purposes, a student is dependent if at least one parent claimed the student on his or her most recent tax return.

PROCEDURES

- For in-person contacts, review the government-issued identification presented by the applicant, spouse, or parent. If a student visiting the office does not have a government-issued ID, review his or her university ID and verify the data points listed above. For email and phone contacts, verify the data listed above for the applicant, spouse, or parent as applicable.
- If staff authenticates the applicant's identity, disclosure of income and tax information from the FAFSA is permitted.
- If staff has concerns regarding the applicant's identity, he or she should discuss concerns with a manager.
- If an applicant's identity is not authenticated, staff should explain that FAFSA information cannot be disclosed for security reasons.
- Staff should add a comment to PowerFAIDS indicating the applicant involved, whether identity was authenticated, and what, if any, FAFSA data was disclosed.

SHARING FAFSA DATA OF MULTIPLE STUDENTS INTERNALLY

In the process of administering Title IV aid, it is sometimes necessary to share data on multiple students with a colleague. While this data sharing is permissible under applicable statutes, staff should take precautions to ensure the shared data is secure and reduce the possibility of a data breach. Staff should not use email to communicate information regarding multiple students, including lists of students with PII, completed forms with PII and/or FAFSA data, and attachments which include data on multiple students. If sharing data on multiple students is necessary, staff should use a secure medium, such as Box or a shared drive, to share data.

SHARING OF FAFSA DATA AND FEDERAL TAX INFORMATION FOR NON-STATUTORY PURPOSES

University financial aid offices cannot disclose FAFSA data for purposes not allowed by Section 483(a)(3)(E) of the Higher Education Act, as amended. Examples of prohibited disclosures include sharing award data with private landlords. Disclosure is prohibited even if a student authorizes disclosure under the Family Educational Rights and Privacy Act (FERPA). If students want to share FAFSA data for a purpose not allowed under statute, the student must make the disclosure directly to the other party.

Effective with the 2024-25 award cycle, an applicant's written consent is required before the university can share an unredacted FAFSA Submission Summary or ISIR. The University cannot redisclose FTI to parties other than the applicant even if doing so would be allowed under the HEA.

With the student's consent, university financial aid offices may share FAFSA data and FTI with scholarship providers and tribal organizations (fiscal year 2018 spending bill). The fiscal year 2019 spending bill expands this language to allow financial aid offices to share FAFSA data (with the student's consent) with an organization "assisting the applicant in applying for and receiving Federal, State, local, or tribal assistance that is designated by the applicant to assist the applicant in applying for and receiving financial assistance for any component of the applicant's cost of attendance." To request disclosure of FTI, students must submit FTI Disclosure Authorization Form.

In January 2022, the Department of Education (ED) issued designations under Section 483(a)(3)(E) of the Higher Education Act of 1965, as amended (20 U.S.C. 1090(a)(3)(E)), that permit schools to use FAFSA data to aid in the administration of several federal benefits:

- Child Tax Credit;
- Recovery Rebate Credit/Economic Impact Payment;
- Supplemental Nutrition Assistance Program (SNAP or food stamps);
- Affordable Connectivity Program; and
- Health Insurance Enrollment.

ED also encourages schools to engage in broad outreach regarding other federal benefits, including unemployment benefits and housing assistance.

For more information, see [Dear Colleague Letter GEN-22-02](#).

PROCEDURES

- School financial aid offices should remove information related to unauthorized disclosure of FAFSA data from their websites and publications.
- Financial aid staff should relay the prohibition of certain disclosures when asked to do so by applicants.
- Financial aid staff should explain to applicants how they can disclose FAFSA data directly to interested parties.

RESOURCES

[NASFAA: Financial Aid Data Sharing](#) (white paper)

[NASFAA: Data Sharing Decision Tree](#)

[NASFAA: FAFSA Data Sharing Case Studies](#)

[Dear Colleague Letter GEN-22-02 Electronic Announcement 4/18/2024: Access and Use of Federal Tax Information \(FTI\) for Federal Student Aid Programs Beginning with the 2024-25 FAFSA Processing Cycle](#)

[Electronic Announcement 9/30/25: Guidance on the Use of Federal Tax Information \(FTI\), Free Application for Federal Student Aid \(FAFSA\) Data, and non-FAFSA Data](#)

www.esm.rochester.edu

Financial Aid Office, 26 Gibbs St, Rochester NY 14604

p.585-274-1071 f.585-232-8601