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going to the source:
a practical way to
simplify the FAFSA

the institute for
college
access & success

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Executive Summary



“[T]he main federal student aid form is longer and more complicated than the federal tax form!”

**U.S. SECRETARY OF EDUCATION
MARGARET SPELLINGS**

There is widespread agreement that the complexity of the current Free Application for Federal Student Aid (FAFSA) is a barrier to college access and success. One indication is the large and growing number of lower income college students who do not apply for aid, even though they are likely eligible for a Pell grant: an estimated 1.5 million in 2004 alone.

Unfortunately, simplification of this long, complex, and intimidating form has been difficult to achieve. Most proposals focus on changing the formula for calculating aid eligibility, usually by using fewer pieces of information to determine what a student’s family can contribute towards college costs. That approach can change who qualifies for aid and how much aid they receive, creating concerns about equity and cost that tend to stall such simplification efforts.

This report recommends a different approach, which will make it significantly easier for students and families to apply for aid regardless of the underlying formula. Many of the most difficult and important questions on the current FAFSA could be automatically answered by the IRS and eliminated from the form that applicants have to fill out themselves. The IRS already provides full transcripts of tax data to third parties at any taxpayer’s request, and recently began offering transcripts in electronic form.

Instead of digging through piles of papers, doing calculations with various lines of data, and transferring numbers by hand from a tax form to a worksheet to an application, students and parents could give the Department of Education direct access to needed income information. In some cases, the available records would be one year earlier than is currently used in the financial aid process.

Using the most recent tax data available to answer most of the income-related questions on the FAFSA would improve the financial aid process in several important ways. Going to the source would:

- **Simplify the application process for students and their families.** Of the 28 income and asset questions on the FAFSA, 22 ask for data that comes directly from lines on the IRS Form 1040. Of the 20 questions on the income worksheets required to complete the FAFSA, nine ask for data from IRS forms. That’s a total of 31 questions—about two-thirds of all the currently required income and asset questions—that can be answered automatically and removed from the FAFSA forms.
- **Improve college access and success.** By making aid more accessible, a simpler FAFSA would enable more students to enroll in college, attend full time, work limited hours so they can study more, and finish their degrees. This reform would also make it more feasible to begin the aid application process in the fall of the senior year of high school—the same time students apply to four-year colleges.
- **Reduce errors.** Applications that are filled out incorrectly result in delays that cause students to lose possible grants and scholarships. Some of the most common errors involve incorrectly transcribing information from a Form 1040 to the FAFSA. Getting income data directly from the source would increase the accuracy of federal and state aid determination, including Pell grant eligibility and amounts. It would also reduce opportunities for fraud.
- **Cut colleges’ paperwork burden.** Currently, colleges and universities must verify the data that students and parents entered on the FAFSA, which requires gathering copies of actual tax forms and checking to see that information was transcribed and calculated correctly from the 1040. This administrative burden, estimated to cost colleges more than \$400 million a year, would be dramatically reduced by using income data from the IRS, which does not require further verification by colleges.
- **Protect data privacy.** Millions of paper copies of families’ tax forms, with social security numbers and other personal information about every family member, are currently filed and piled in offices at thousands of colleges, universities, and trade schools across the country because they have to verify income data on the FAFSA. This privacy hazard would be all but eliminated if the information came directly from the tax form in the first place, and financial aid offices no longer had to keep copies of applicants’ tax forms.

Simplification Can Begin Now

Using tax data to simplify the FAFSA is both practical and feasible. At the IRS and the Department of Education, income data is already processed and stored electronically. Taxpayers can already ask the IRS to send their tax records to any third party, including another federal agency. With something as simple as a check-box on the FAFSA, aid applicants could have the Department draw the necessary income information directly from the IRS. The result: a significantly shorter, easier, and more accurate financial aid application process.

We recommend that the Treasury and Education Departments immediately begin developing a plan for sharing FAFSA-required income data with aid applicants’ consent. This plan should focus on simplifying the process for students and parents, and doing it in the most efficient and secure way possible. Most of the adjustments to the aid application and verification process can be made administratively. However, if there are any procedural obstacles requiring changes in statute, Congress should act quickly to remove them. It is time to simplify the FAFSA by going to the source.

Going to the Source: Why and How to Simplify the FAFSA

“It takes a huge amount of work to track down the financial documents students need for the FAFSA, and then figure out the answers for all the income and asset questions. Our students would be much better off if we had those extra hours to help them apply to schools and prepare for college life.”

**HARLEY FRANKEL
COLLEGE MATCH**

The Free Application for Federal Student Aid (FAFSA) is the point of entry for the scholarships, grants, loans, and work-study assistance that make it possible for millions of students to attend college. Yet while the FAFSA opens that door for many, for others its complexity creates a major barrier. The financial aid application process, whether in its paper or online form, is long, confusing, intimidating in tone, and requires a great deal of personal and family financial information that can be especially difficult for students from low-income families to collect. Some of the questions, such as those asking for checking account balances, create the inaccurate impression that parents and students will have to spend their last pennies before any aid is made available. Low-income parents who are reluctant to let their children see how little they earn are also put off by the current form.

One indication of the barrier posed by the FAFSA is that an estimated 1.5 million U.S. college students who were likely eligible for a federal Pell grant did not apply for aid in 2004, nearly double the number in 2000.¹ Even as financial aid application rates are rising for students as a whole, rates for the lowest income students are not.² These students are missing out on crucial resources that could increase their odds of success by helping them go to school full time, work fewer hours, and attend institutions that best fit their needs. Others never make it to college at all because of financial constraints that could have been partially or fully alleviated by available aid.³

Economists have found that the complexity of the FAFSA process, especially the income-related data requirements, undercuts the basic purpose of financial aid, which is to ensure and expand educational opportunity. As noted in a recent study by Harvard economists Susan Dynarski and Judith Scott-Clayton, “The costs of aid complexity fall heavily on low-income, non-white and non-English speaking youth, whose lagging educational levels are repeatedly cited as a justification for financial aid. Though from a rational perspective these compliance costs may seem small relative to the payoff of a college degree, the behavioral literature demonstrates conclusively that even seemingly minor complexities can have profound impacts upon the equity and efficiency of a policy.”⁴

This mismatch between the FAFSA and the mission of our financial aid system is confirmed by college access practitioners. According to Christina Milano, executive director of the National College Access Network, “Helping students cope with the complexity and demands of the FAFSA is a constant, time-consuming challenge for college access personnel.”⁵ Harley Frankel, executive director of the College Match program in Los Angeles, reports: “It takes a huge amount of work to track down the financial documents students need for the FAFSA, and then figure out the answers for all the income and asset questions. Our students would be much better off if we had those extra hours to help them apply to schools and prepare for college life.”⁶

The current aid application process is burdensome and unpopular from start to finish. Critics include the students and parents who have to fill out the FAFSA, counselors who help low-income students make it to college, researchers who study college access, and college financial aid administrators who have to verify what students and parents submit. Leaders in Congress frequently condemn the FAFSA as too long, confusing, and intimidating, as does U.S. Secretary of Education Margaret Spellings. In a recent speech, Secretary Spellings unfolded a hard copy of the FAFSA while saying, “[T]he main federal student aid form is longer and more complicated than the federal tax form!”⁷

If everyone favors simplification, why is the FAFSA still so complicated? Most proposals focus on changing the formula for calculating aid eligibility: using fewer pieces of information to determine how much money the student and his or her family can devote to paying for college.⁸ By changing who qualifies for aid and how much aid they get, as well as potentially increasing federal costs, such changes raise flags for elected officials and constituency groups. The resulting concerns about equity and cost tend to politicize and ultimately stall attempts to simplify the FAFSA by altering the aid formula.

Furthermore, formula changes do not necessarily fulfill the goal of a simpler process for applicants. They can even have unintended effects that actually make things harder for students and parents. Finally, some data elements that may not affect federal aid levels are highly valued by certain states, which use the FAFSA to help determine eligibility for their own aid programs.

There is a different way to simplify the FAFSA for students and their families. Instead of eliminating pieces of income information from the aid formula, get the information from someplace other than the applicant. For answers to many of the most important and difficult questions on the FAFSA, the best source is the Internal Revenue Service (IRS).

Under this revised approach, the required income information would be automatically retrieved from aid applicants’ completed tax forms. The IRS already provides tax return data to third parties at any taxpayer’s request. Instead of digging through piles of papers, doing calculations with various lines of data, and transferring numbers by hand from a tax form to a worksheet to an application, students and parents could give the Department of Education direct access to most of the income information used to calculate aid eligibility.

In this way, simplification can be accomplished without any changes to the aid formula itself. It can also help make future changes to the formula easier to implement, since even the most radically simplified formula would require some income data, such as the applicant’s adjusted gross income (AGI). Whatever the underlying formula, this simplified financial aid process will be much less intimidating and time consuming for students and parents.

We Have the Technology

Terms to Know

Adjusted Gross Income (AGI):

Taxable income after all allowable above-the-line deductions are made, such as IRA deductions, moving expenses, self-employment taxes and health insurance, Keogh retirement plans, and alimony paid.

Automatic Zero EFC: Used in the federal aid process for families with an AGI less than \$20,000 and who can file either a 1040A or 1040EZ Form or receive a means-tested benefit. No EFC is calculated for these students. Their EFC is zero.

Dependent Student (as defined for federal financial aid purposes):

A student aged 23 or younger. Exceptions are listed below under “Independent Student.”

Estimated Family Contribution (EFC):

A figure determined by a congressionally mandated formula which indicates how much of a family’s resources should be considered “available” for college expenses. Factors such as taxable and nontaxable income and the value of family assets are taken into account to determine a family’s financial strength. Allowances for maintaining a family and future financial needs are then taken into consideration before determining how much a family should be able to put toward the cost of college.

Free Application for Federal Student Aid (FAFSA):

The official application students must use to apply for federal grants and loans.

Independent Student: A student who reports only his or her own income (and that of a spouse, if relevant) when applying for federal financial aid. Students who will be 24 or older by December 31, 2006 will automatically be considered “independent” for 2006-2007. Students who are under 24 will be only be considered independent if they are:

- married as of the day they apply;
- the supporter of a legal dependent other than a spouse;
- a veteran of or currently active in the U.S. Armed Forces;
- an orphan or ward of the court (or were until age 18);
- classified as independent by a college’s financial aid administrator because of other unusual circumstances; or
- a graduate or professional student.

We are not the first to suggest that using data the government already has could simplify the financial aid process for students and families. However, the feasibility and practicality of this approach have increased dramatically over the past decade—and even in recent months—due to advances in information technology.

Today, it is routine and even essential for most public and private entities to generate, transfer, and store data electronically. Online forms, electronic signatures, encryption, and other technological developments have created new opportunities to improve and simplify all kinds of processes for consumers, business, and government.

The U.S. Department of Education and the IRS already rely heavily on technology to gather and provide important information. At the Department of Education, 87 percent of first-time FAFSA filers now submit the form online.⁹ All FAFSA renewals are conducted online, and the Department provides renewing applicants with an electronic form that is pre-populated with their answers from the previous year. Students also receive their Student Aid Reports electronically and can correct or update the information online. In addition, the Department maintains a two-way electronic channel for sharing financial aid data with all colleges and universities that participate in federal aid programs.

At the IRS, the majority of taxpayers now file their federal taxes online, with millions more shifting from paper to electronic forms each year.¹⁰ In addition to receiving so much income data electronically, the IRS offers a range of online services for tax preparers and other businesses that work closely with tax information. Just recently, the IRS began offering transcripts of tax return data in electronic form, instead of just by hard copy or fax.¹¹

The IRS routinely provides third parties, from mortgage companies to federal agencies, with detailed tax transcripts at the taxpayer’s request. These transcripts can include all the data from a taxpayer’s 1040 form (1040, 1040A, or 1040EZ), including the income and tax information required by the FAFSA. Commercial entities regularly use this tool to verify income information, as do the federal Small Business Administration loan programs and the Direct Student Loan program. Local governments in San Francisco and Denver have used simple applications incorporating an IRS transcript request to provide benefits to working poor families. See Appendix 1 for examples of tax transcript requests and uses.

The most common method for giving the IRS permission to send someone else your tax transcript is by filing IRS Form 4506-T (see Appendix 2). This one-page form asks for your name, address, Social Security number, and what years of data you need. Right in the middle it says: “If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party’s name, address, and telephone number.”¹² As noted above, transcripts are now available to third parties in an electronic format, which makes it much easier to extract, analyze, and transfer data elements such as those used to calculate financial aid.

From a technological standpoint, it is clearly feasible for the IRS to provide the Department with applicants’ tax data electronically, and for the Department to use this information to answer most of the income questions tied to federal student aid eligibility.

No Legal Barriers

When authorized by the aid applicant, there are no legal barriers preventing the Department of Education from receiving and using data directly from the IRS. As noted above, taxpayers routinely authorize the IRS to provide a wide variety of third parties with copies of their tax transcripts.

We retained a national law firm with deep expertise in both tax and higher education law, Holland + Knight LLP, to investigate the legal viability of this approach to FAFSA simplification. The attorneys conducted a thorough review of the federal tax code, the Higher Education Act, and relevant regulations and case law. Their legal opinion (included in its entirety in Appendix 3) is that a taxpayer’s tax transcript can be provided to the Department of Education as long as the taxpayer has made a valid written request.¹³

Since the FAFSA already collects nearly all of the information required for a valid request, it could easily incorporate a check-box giving the IRS permission to send the applicant’s most recent available tax data to the Department. This would simply give the Department direct access to the original version of data they currently collect second-hand from students and parents, and then have to get verified.

The consent involved is very similar to what students agree to by signing the current FAFSA. Applicants already commit to providing copies of their tax forms and other financial records if schools request verification, and they give the U.S. Secretary of Education “the authority to verify information reported on this application with the Internal Revenue Service and other federal agencies.”¹⁴

Terms to Know

Means-Tested Benefits: As of the 2006-07 academic year, receipt of certain means-tested benefits (SSI, TANF, WIC, Food Stamps, Free- and Reduced-Price Lunch) can replace the tax form requirement for an automatic zero EFC or simplified needs test.

Simplified Needs Test (SNT): A federal formula used to determine the EFC for families whose AGI is less than \$50,000, and who were (a) eligible to file a 1040A or 1040EZ IRS form or not required to file a federal income tax return or (b) has a household member who received a means-tested benefit. In this formula, a family’s assets are not included.

Student Aid Report (SAR): Two or more weeks after students submit a FAFSA, the federal processor sends them and the schools they listed on their FAFSA an SAR, which is an official document that includes their EFC.

Tax Transcript: An electronic or printed record of all of the items on a taxpayer’s federal income tax form and associated schedules for a particular year.

Verification: A process by which a financial aid office substantiates the data that a financial aid applicant has reported on the FAFSA. Additional information from the student, a spouse, and the parents is used to confirm previously submitted data.

Some definitions adapted from Peterson’s “Glossary of Terms as they Relate to Financial Aid for Undergraduate Study” (<http://www.petersons.com/resources/gloss.html>).

Fewer Questions for Students and Parents to Answer

When authorized by the aid applicant, there are no legal barriers preventing the Department of Education from receiving and using data directly from the IRS.

Providing the large quantity of detailed financial information required by the FAFSA is burdensome for all students and families. While high school counselors and college access programs can help, and private consultants market both legitimate and exploitative services to make the FAFSA process easier,¹⁵ most students and families end up fending for themselves. In addition to having to dig through and transcribe data from income records (if they can even get access to them), applicants must also conduct complex calculations or legalistic analyses to answer some of the most important questions.

Most of the income-related questions on the current FAFSA could be answered directly with IRS data, as well as nearly half of the questions on the additional required worksheets. A total of 31 questions—about two-thirds of all the currently required income and asset questions—could be removed from the FAFSA forms. This would benefit all applicants by eliminating much of the most difficult and error-prone work involved in applying for financial aid.

Income Questions

On the main form: Of the 28 main questions about income and assets on the current FAFSA, 22 can be answered with data drawn directly from applicants' tax transcripts (see Appendix 4). Three examples:

- Questions 35 asks: “What was your (and spouse’s) adjusted gross income for 2006? Adjusted gross income is on IRS Form 1040—line 37; 1040A—line 21; or 1040EZ—line 4.” This is repeated for parents in question 79.
- A more complex calculation is required by questions 38 and 39 for students and questions 82 and 83 for parents: “How much did you (and spouse)/your parents earn from working (wages, salaries, tips, combat pay, etc.) in 2006? Answer this question whether or not you/your parents filed a tax return. This information may be on your/their W-2 forms, or on IRS Form 1040—lines 7 + 12 + 18 + Box 14 of IRS Schedule K-1 (Form 1065); 1040A—line 7; or 1040EZ—line 1.”
- Question 34 (repeated as question 78 for parents) asks, “If you/your parents have filed or will file a 1040, were you/they eligible to file a 1040A or 1040EZ?” This is the most unnecessarily difficult question on the entire form. It is also one of the most important for lower income students, because the answer is central to determining whether they have to answer additional asset questions to qualify for federal aid, and whether they and their family will qualify for an “Automatic-Zero EFC” (see below for details). The majority of low-income tax filers use tax preparers like H&R Block and are likely to find this question especially daunting. Any family might reasonably need an accountant’s help to figure out the correct answer. Having access to tax transcript data would enable the Department to accurately answer this question for most applicants.

31 Unnecessary Questions

The highlighted sections below could be answered using tax data from the IRS and removed from the FAFSA form, creating a much easier application process for students and families. A total of 31 questions – about two-thirds of all the currently required income and asset questions – could be removed from the FAFSA forms.

After eliminating these sections, most of the remaining questions are easy for students and families to answer, such as their address, education level, social security numbers, and the colleges they are applying to. (See Appendix 4 for a full-size version.)

The filer may also have to answer up to six questions about assets. Many families with incomes under \$50,000 will not be required to answer these questions.

SECTION 1 - STUDENT INFORMATION

This section contains questions about the student's personal information, including their name, date of birth, and social security number. It also includes questions about the student's current and previous schools and their enrollment status.

SECTION 2 - PARENTAL INFORMATION

This section contains questions about the parents' personal information, including their names, dates of birth, and social security numbers. It also includes questions about the parents' marital status and whether they are the biological or adoptive parents of the student.

SECTION 3 - PARENTAL INFORMATION

This section contains questions about the parents' income and tax filing status. It includes questions about the parents' adjusted gross income, tax filing status, and whether they are claiming the student as a dependent.

SECTION 4 - PARENTAL INFORMATION

This section contains questions about the parents' income and tax filing status, including questions about the parents' adjusted gross income, tax filing status, and whether they are claiming the student as a dependent. This section is highlighted in orange.

SECTION 5 - STUDENT FINANCES

This section contains questions about the student's income and tax filing status, including questions about the student's adjusted gross income, tax filing status, and whether they are claiming the student as a dependent. This section is highlighted in orange.

SECTION 6 - STUDENT FINANCES

This section contains questions about the student's income and tax filing status, including questions about the student's adjusted gross income, tax filing status, and whether they are claiming the student as a dependent. This section is highlighted in orange.

FAFSA WORKSHEETS - INCOME TAX INFO

This section contains worksheets for providing income tax information, including questions about the student's income, tax filing status, and whether they are claiming the student as a dependent. This section is highlighted in orange.

{ Parent income tax paid }

{ Parent data from worksheets A, B & C }

{ Student data from worksheets A, B & C }

{ Student income, tax filing status & income tax paid }

{ Education tax credits }

{ Untaxed income, IRA deductions & payments }

{ EITC and child tax credits }

{ Parent income & tax filing status }

The FAFSA's instructions for answering this question explain: "In general, a person is eligible to file a 1040A or 1040EZ if he or she makes less than \$100,000, does not itemize deductions, does not receive income from his or her own business or farm, and does not receive alimony. A person is not eligible to file a 1040A or 1040EZ if he or she makes \$100,000 or more, itemizes deductions, receives income from his or her own business or farm, is self-employed, receives alimony, or is required to file Schedule D for capital gains. If you filed a 1040 only to claim Hope or Lifetime Learning credits, and you would have otherwise been eligible for a 1040A or 1040EZ, you should answer 'Yes' to this question."

In fact, however, a complete explanation would have to be even longer. The helpful web site FinAid.com includes an explanation and table for figuring out the answer to this question. (See page 11).

On the required worksheets: To complete the FAFSA, applicants must also complete three additional worksheets (A, B, and C) with a total of 20 questions (see Appendix 4). Nine of these questions refer applicants to their IRS records for the answers. All students must answer these questions with their own income data, and dependent students must repeat the exercise with the same information about their parents' income. So, for dependent students and their parents, 18 out of 40 questions could be answered from their tax records and eliminated from the worksheet.

- Seven different worksheet questions ask specifically for one or more pieces of data from IRS 1040 forms.
- Two additional questions refer to lines on other IRS forms, such as an obscure credit for federal tax on special fuels taken by nonfarmers only.

Asset Questions

The FAFSA form also includes three questions about students' assets, and the same three questions about parents' assets, that cannot be answered by using tax data (see Appendix 4). They ask for bank balances and the net worth of investments and businesses at the time the FAFSA is filed. These questions are among the most intimidating on the entire FAFSA, because they can cause applicants to assume that they have to spend every penny of their savings before they can qualify for aid which is never the case. In reality, for most students with family incomes under \$50,000, assets have no effect on federal aid.¹⁶

Simplified Needs Test Chart

In certain circumstances the Federal Need Analysis Methodology uses a simplified needs test to calculate the Expected Family Contribution (EFC). This simplified formula ignores assets, thereby increasing eligibility for financial aid. An applicant qualifies for the simplified needs test if the parents have an adjusted gross income of less than \$50,000 and every family member was eligible to file an IRS Form 1040A or 1040EZ (or wasn't required to file a Federal income tax return). (Please note that starting in 2004, the AGI threshold for IRS Form 1040A and IRS Form 1040EZ changed from \$50,000 to \$100,000. Nevertheless, a threshold of \$50,000 is still used for the simplified needs test.)

Thus to determine whether the applicant is eligible for the simplified needs test, we need to determine whether a tax filer was required to file a Form 1040 instead of a Form 1040A or 1040EZ. A tax filer was required to file a Form 1040 if line 42, Taxable Income, is greater than \$100,000, or if amounts other than zero appear on the following lines:

These instructions from FinAid.com show how difficult it is to answer FAFSA questions 34 and 78. IRS data could automatically provide the answers for most applicants.

SECTION	LINE NO.	DESCRIPTION	
INCOME	10	Taxable refunds or credits of local or state taxes	
	11	Alimony received	
	12	Business income	
	13	Capital gain or loss (ignore if Schedule D not required)	
	14	Other gains or losses not reported on line 13 (Form 4797)	
	17	Rent, real estate, royalties, partnerships, S corporations, trusts, etc. (Schedule E)	
	18	Farm income	
	21	Other income (e.g., Net Operating Loss carryforward, etc.)	
	ADJUSTMENTS	23	Archer MSA deduction (Form 8853)
		24	Certain business expenses (reservists, artists & government officials)
		25	Health Savings Account deduction
26		Moving expenses	
27		Half of self-employment tax	
28		Self-employed health insurance deduction	
29		Self-Employed SEP, SIMPLE and qualified plans	
30		Penalty on early withdrawal of savings	
31a		Alimony paid	
35		Domestic Production Activities Deduction	
TAXES AND CREDITS	40	If itemized deductions from Schedule A were used	
	42	If taxable income is more than \$100,000	
	45	Alternative Minimum Tax	
	47	Foreign tax credit	
	54	Other tax credits (Forms 8396, 8859)	
	55	Other tax credits (Forms 3800, 8801, etc.)	
	OTHER TAXES	58	Self-employment tax
59		Social Security/Medicare tax on tips	
60		Tax on IRAs and other retirement plans	
62		Household employment taxes	
PAYMENTS	67	Excess social security and RRTA tax withheld	
	69	Amount paid with Form 4868 (extension request)	
	70	Other payments from Form 2439 or Form 4136 or Form 8885	

Since the IRS is requiring families that take the Tuition and Fees Deduction in 2006 to file IRS Form 1040, such families are not eligible for simplified needs, even though they would have been potentially eligible to file IRS Form 1040A in 2005 and before.

If none of the above conditions apply, the tax filer was eligible to file a Form 1040A or 1040EZ but chose to file a 1040 for other reasons. (For example, some tax preparers file a Form 1040 even if the taxpayer is eligible to file a Form 1040A or 1040EZ.) In this case, the tax filer should be treated as if he or she filed a Form 1040A or 1040EZ for the purpose of determining eligibility for the Simplified Needs Test.

Note: Since 1999-2000, taxpayers who itemize deductions on Schedule A of Form 1040 are now considered to be required to file a 1040 and hence ineligible for the Simplified Needs Test.

Note: If the parent takes a Form 8814 election, whereby they elect to include interest and dividend income from a child under age 18 (age 14 in 2005 and before) on the parent's income tax return, they cannot file an IRS Form 1040A or 1040EZ. This makes them ineligible for the Simplified Needs Test.

Source: FinAid! *The Smart Student Guide to Financial Aid*, "Simplified Needs Test Chart." <http://www.finaid.org/educators/needs.phtml> (accessed February 20, 2007).

There are two situations in which asset information is irrelevant for determining federal aid eligibility. In many cases, the income data provided on tax records could be used to screen applicants. Those who qualified would then know that they could ignore the additional asset questions.

- The “Simplified Needs Test” applies to most students and families with incomes below \$50,000. For eligible applicants, asset information is simply not included in the formula used to calculate how much they are expected to pay out of their own pockets. This amount is called the “Expected Family Contribution” (EFC).
- The “Automatic-Zero EFC” applies to most students and families with incomes below \$20,000. It skips the whole process of calculating the EFC and automatically assigns it a value of zero. These applicants have such low incomes that they are not expected to be able to pay anything out of pocket.

This table ¹⁷ describes the criteria applicants must meet to qualify for the Simplified Needs Test or the Automatic-Zero EFC.

Simplified Needs Test Income of less than \$50,000 (either AGI or earned income)	Automatic-Zero EFC Income of less than \$20,000 (either AGI or earned income)
AND	
Not required to file the long-form 1040 (eligible to file a 1040A or 1040EZ, or do not need to file)	
OR	
Receipt of a means-tested benefit by any family member (SSI, food stamps, free and reduced lunch, TANF, WIC)	
Independent students' eligibility is not affected by whether they have a spouse or other dependents.	Independent students only qualify if they have non-spouse dependents.
For dependent students, the income and tax-form requirements apply only to their parents.	

For most applicants, whether or not they need to answer the asset questions could be determined based on information already in their tax records. This would significantly benefit the lower income students and families who qualify for the Simplified Needs Test or Automatic-Zero EFC.¹⁸

Some states, such as California, rely on both the asset and income information on the FAFSA to determine eligibility for their own financial aid programs. This is one of the reasons that the Department of Education does not make skipping the asset questions a clear option.¹⁹ Still, the online FAFSA already sorts applicants by state and knows when the asset information is required. In addition, supporting materials could provide much clearer guidance to applicants both about how the asset data is used and when it is not necessary.

Increased Efficiency, Accuracy and Security

In addition to making the FAFSA easier and more accessible for students and families, drawing income data directly from the IRS will lead to significant improvements in the financial aid application and disbursement process as a whole. The system will have more accurate information for determining aid eligibility, and far fewer pieces of sensitive data would have to be gathered, verified, and stored along the way. Because information provided directly by the IRS does not require additional verification by colleges and universities, this approach will substantially reduce administrative burdens on aid applicants, colleges and universities, taxpayers, state aid programs, and the Department of Education.

Currently, after students and families spend substantial time and effort to apply for financial aid, the Department of Education requires colleges to verify the accuracy of FAFSAs submitted by a significant portion of aid applicants. The verification process involves having students and families provide hard copies of their tax returns, as well as some additional documentation, to the school or schools that request it.

The verification process is complex and can vary from student to student as well as from campus to campus, but the baseline requirements are set at the federal level. The Department flags some FAFSAs for colleges to verify, and schools are also obliged to verify any additional applications that they believe include discrepancies or possible inaccuracies. While the Department allows schools to limit the number of federally flagged FAFSAs they verify to 30 percent of the school's applicants, many campuses verify more. On some campuses, 100 percent of aid applications are verified. This not only further burdens applicants, but also creates administrative and security issues for colleges.

Efficiency

The costs of verification are high for both students and schools. Students have to gather and copy original documents that can be difficult and costly to track down, or that their parents may be reluctant or unable to provide. In some cases they can give schools a tax transcript or signed statement instead, but that still involves significant additional work on their part. Students who are unable to provide the required documents by the deadline, which is usually a few weeks into the school year, are cut off from federal aid (including work-study jobs) and have to give back any grant or Perkins loan money they received before being selected for verification.²⁰ In many cases this money has already been spent on books or other necessities and cannot be easily converted back to cash. The resulting financial pressure can lead students to drop out of school, or to work so many hours that they are unable to keep up with their classes.

An audit by the U.S. Department of Education's Inspector General calls the verification process "labor intensive and costly for schools."

For schools, verifying FAFSA data is a major and expensive administrative burden. An audit by the U.S. Department of Education’s Inspector General calls the verification process “labor intensive and costly for schools.”²¹ According to an analysis by the federal Advisory Committee on Student Financial Assistance, “[I]t would cost about \$90 to verify an application for student financial aid. With today’s application volume, verification is estimated to cost at least \$432 million per year. This estimate does not include the costs where a single application is verified by more than one school.”²²

As a result of their findings, both the Inspector General and the Advisory Committee proposed a form of “database match” to increase efficiency and accuracy. This would involve having the IRS verify income data after it is submitted by students on the FAFSA, so that the schools would no longer have to collect tax forms and do it themselves. While this approach would certainly help streamline the verification process, it would do nothing to simplify the front-end application process for students and families. They would still have to dig through their tax documents and transfer various pieces of data from form to form.

However, if the income data in the FAFSA originated from the IRS, the efficiency of the both the application and the verification process would be greatly improved for all parties involved. As illustrated below, seven of the 11 data elements required to meet the minimum federal verification requirements would already be verified.²³

Items that would no longer need to be verified by college financial aid staff:

- Adjusted gross income (AGI)
- U.S. taxes paid
- IRA/Keogh deductions
- Foreign income exclusion
- Earned income credit
- Interest on tax-free bonds
- All other untaxed income included on the U.S. income tax return, excluding information on the schedules

Items that would still need to be verified:

- Household size
- Number in college
- Social Security benefits
- Child support

Accuracy

The current FAFSA process is full of opportunities for error and misunderstanding. It requires students and families to dig through, make calculations with, and transcribe numbers from various pieces of paper to the FAFSA worksheets and form. Then there is the verification process, which involves comparing paper copies of tax documents with whatever applicants entered on their FAFSA.

Using original IRS data would eliminate some of the most common and high-stakes errors applicants make in filling out the current FAFSA, such as reporting their income and the amount of taxes they paid.²⁴ This would significantly increase the accuracy of aid determination and disbursement, ensuring that eligibility and aid levels are based on income data that has already been verified. It would also reduce the potential for fraud and abuse, since income information would no longer be vulnerable to deliberate misrepresentations, at least as defined by differences between what was reported to the IRS and what was stated on the FAFSA.

Security

Going to the source at the start would also reduce the security risks that are built into the current verification process. Most importantly, colleges and universities would no longer need to gather applicants' signed tax forms and hold them for three years. To cope with the huge volume of documents involved in verifying FAFSA data, schools sometimes resort to using student workers to handle highly sensitive information. Even if the information is scanned and stored electronically, the originals must be disposed of, and the electronic versions must be safely stored.

At the federal level, the Department of Education must already find secure ways to store the income information and other data that aid applicants provide on the FAFSA. Receiving that same information from a different source would in no way alter the Department's basic obligation to protect students' and parents' privacy. Like other federal agencies, the Department is required to "establish appropriate administrative, technical, and physical safeguards to insure the security and confidentiality of records and to protect against any anticipated threats or hazards to their security or integrity which could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom information is maintained."²⁵

Using original IRS data would eliminate some of the most common and high-stakes errors applicants make in filling out the current FAFSA, such as reporting their income and the amount of taxes they paid.

Other Issues

Many experts believe that the family incomes of dependent students fluctuate much less from year to year than the incomes of independent students.

The benefits of this practical approach to simplification are clear and substantial. But as with any changes to an existing system, there are details that need to be worked through.

One issue is how best to assist low-income applicants who do not, and are not required to, file a tax return. This is not as large a population as it once was, because many families below the tax filing threshold file anyway to claim a refund or the federal Earned Income Tax Credit. For those who do not file, the simplification process may require further exploration. While the IRS does have other income information that could be used to help determine aid eligibility, including earnings data from W-2 and 1099 forms, the timing and adequacy of that data needs to be tested.

Most people who do not have to file will qualify for an Automatic-Zero EFC.²⁶ At a minimum, the Department of Education could make better use of the IRS “Verification of Nonfiling” for applicants with very low incomes who state that they were not required to file taxes. This form of IRS transcript could be used to indicate that an applicant does not need to provide income or asset information to qualify for aid.

A second issue is the timing of the aid application process. Right now, the various deadlines involved in applying for college, applying for aid, and filing taxes create a great deal of complexity and confusion for students and families. High school seniors who applied to four-year colleges last fall (for the upcoming 2007-8 school year) were prohibited from applying for financial aid until January 1. Then they are told to rush to get it done, sometimes by early March, because of state and institutional financial aid deadlines.²⁷ Meanwhile, the tax return data needed for the FAFSA is generally not finalized until April. Because students are strongly encouraged to apply for aid early so they do not miss out on limited state and institutional aid, many resort to estimating their 2006 tax information (often by using their 2005 information), then going back and updating it after they and their parents have actually filed their tax returns.²⁸

If the Department of Education uses the most recent year of tax data that is available from the IRS when the FAFSA is filed—generally the earlier year—much of this complexity will be eliminated. It will allow high school seniors to apply for aid at the same time that they apply to colleges, or even to get essential information about their expected family contribution before they decide where to apply. In addition, flexibility on the timing of income data will help the Department develop systems for providing early aid estimates to families with children in middle

school and high school. Such information could increase lower income families' confidence in their ability to afford a college education, especially since many assume they will not be eligible for aid.

Using information from any one year to predict future income is inherently imperfect. The odds of a significant change in earnings or household composition are no greater in any one year than the next: layoffs, raises, divorces, and deaths can happen at any time. Many experts believe that the family incomes of dependent students fluctuate much less from year to year than the incomes of independent students. However, the financial aid process already acknowledges that student circumstances may change in the times between when they file taxes, submit the FAFSA, and arrive at school. It remains to be seen whether allowing the use of earlier tax data will result in more requests for adjustments after FAFSAs are completed. However, by dramatically reducing the amount of time that college financial aid offices have to devote to verification, it will certainly free up resources for responding to any changes that result.

Recommendations

We recommend that the Treasury and Education Departments immediately begin developing a plan for sharing FAFSA-required income data with aid applicants' consent. This plan should focus on simplifying the process for students and parents, and doing it in the most efficient and secure way possible. The resulting plan and process should:

Definitively reduce complexity and confusion for aid applicants.

The most straightforward approach would be to allow applicants to bypass all of the income questions that can be automatically answered with IRS data. The result will be a significantly shorter and easier FAFSA, nearly all of which can be filled in without calculations or references to other documents. The Department, states, and colleges will still get the income information they need to determine aid eligibility and amounts, and students and parents will not have to figure out which questions they still have to answer themselves.

To ensure that any proposed changes actually make the FAFSA simpler and more accessible for students and families, college access experts and practitioners should be consulted throughout the development and field testing process.

Make it easy for students and parents to authorize the IRS to share the relevant data with the Department of Education. This could be as simple as a check-box at the top of the FAFSA or incorporated into the Personal Identification Number (PIN) application process, or a revision to the current consent language. It could also be an option on the IRS forms 1040, 1040A, and 1040EZ.

Allow students to apply for aid at least as early as October of their senior year in high school. This will make it possible for students to begin the aid application process at the same time that they are applying to four-year colleges.

Use the most recent available year of tax data. To best simplify the FAFSA process, improve the timing of aid information, and ease the implementation of this reform, the Department of Education needs the flexibility to use the most recent year of tax data available from the IRS when a FAFSA is submitted. In some cases, these records will be for one year earlier than is currently used in the financial aid process. A wide range of experts, including financial aid administrators and college access providers, support this approach, which would also help the Department develop systems for providing early estimates of financial aid to families with children in middle school and high school.

Improve the notification process for changes in circumstances.

A simplified FAFSA process should include an easy and efficient way for applicants to tell the Department and colleges if there has been a significant change in their financial circumstances that is not reflected on their FAFSA. Under the current system, there is no simple way to provide such notice, which exacerbates the complexity of the process for applicants and administrative burdens for colleges.

Accommodate applicants who did not have to file taxes because of their low incomes. The Department and the IRS should explore ways of using other sources of IRS data, such as the “Verification of Nonfiling” transcript and W-2 and 1099 forms, to further simplify the process for these applicants, who are likely eligible for an Automatic-Zero EFC.

Maintain data security. The IRS and the Department of Education must already maintain high levels of data security, and both agencies also have systems in place for gathering, storing, and transferring sensitive income information. The process for drawing FAFSA data from the source should meet or exceed current security standards.

Identify related simplification opportunities for future consideration. These opportunities could include looking to other data sources that would allow additional questions to be eliminated (e.g., the Social Security Administration for Supplemental Security Income amounts), and making key non-financial FAFSA elements, such as the definition of “household,” consistent with the IRS definitions.

Most of the necessary adjustments to the aid application and verification process can be made administratively. However, if there are any procedural obstacles at the statutory level, Congress should act quickly to remove them. Using tax data to simplify the FAFSA is both practical and feasible. It is time to simplify the FAFSA by going to the source.

Endnotes

- ¹ King, Jacqueline. 2006. *Missed Opportunities: New Information on Students Who Do Not Apply for Financial Aid*. Washington, DC: American Council on Education.
- ² Ibid. Financial aid application rates are flat for the lowest income dependent students (income less than \$20,000) and declining for the lowest income independent students (income less than \$10,000).
- ³ The Advisory Committee on Student Financial Assistance conservatively estimates that in this decade, 1.4 to 2.4 million college-qualified high school graduates will *not* complete a bachelor's degree because of financial constraints. See *Mortgaging Our Future: How Financial Barriers to College Undercut America's Global Competitiveness*, Advisory Committee on Student Financial Assistance, 2006.
- ⁴ Dynarski, Susan M. and Judith E. Scott-Clayton. 2006. *The Cost of Complexity in Federal Student Aid: Lessons from Optimal Tax Theory and Behavioral Economics*. Cambridge: Harvard University John F. Kennedy School of Government Faculty Working Paper Series, Number RWP06-013.
- ⁵ Personal communication, February 27, 2007.
- ⁶ Personal communication, February 23, 2007.
- ⁷ United States Department of Education. September 26, 2006. "Secretary Spellings' Prepared Remarks at the National Press Club: An Action Plan for Higher Education." <http://www.ed.gov/news/speeches/2006/09/09262006.html> (accessed February 21, 2007). Photo credited to the U.S. Department of Education in Lederman, Doug; "Lifeline to Low-Income Students;" *Inside Higher Ed*, February 21, 2007. <http://www.insidehighered.com/news/2007/02/20/fafsa> (accessed February 21, 2007)
- ⁸ See Chitty, Haley; "The Complexities of Simplification: Easing the burden on families is easier suggested than done;" *University Business*, December 2006. <http://www.universitybusiness.com/viewarticle.aspx?articleid=632&pf=1> (accessed March 1, 2007). Also Dynarski, Susan M. and Judith E. Scott-Clayton; *College Grants on a Postcard: A Proposal for Simple and Predictable Student Aid*; The Brookings Institution, 2007. <http://www.brookings.edu/views/papers/200702dynarski-scott-clayton.htm> (accessed February 26, 2007).
- ⁹ Calculations by The Institute for College Access & Success using data reported by the Advisory Committee on Student Financial Assistance; "Summary of FAFSA Processing Statistics; January 1, 2006 – July 6, 2006 (6-month report)."
- ¹⁰ Internal Revenue Service. 2007. *2007 IRS E-File 7FS-2007-8*. <http://www.irs.gov/newsroom/article/0,,id=165651,00.html> (accessed February 20, 2007).
- ¹¹ In October 2006, the IRS began making electronic tax transcripts available to registered third parties through its Income Verification Express Service (IVES). See http://www.irs.gov/irb/2006-42_IRB/ar13.html (accessed February 3, 2007).
- ¹² Internal Revenue Service. 2006. *IRS Form 4506-T: Request for Transcript of Tax Return*. <http://www.irs.gov/pub/irs-pdf/f4506t.pdf> (accessed February 20, 2007). This form is reproduced in Appendix 2.
- ¹³ "Opinion on the Legal Requirements for Disclosure of Tax Transcript Data from the IRS to the Department of Education at the Taxpayer's Request." Holland + Knight LLP. Submitted to The Institute for College Access & Success on February 6, 2007. (Reproduced in Appendix 3). <http://ticas.org>
- ¹⁴ United States Department of Education. 2005. *Free Application for Federal Student Aid, 2006-2007*. Washington, DC: U.S. Department of Education.
- ¹⁵ For example, FAFSA.com offers to help students complete their financial aid application for \$79.99. Business is solicited by playing on student fears of financial aid complexity, implying that the FAFSA is too onerous for students to complete without help: "You must navigate through between 43 and 54 screens and have either PIN numbers to retrieve previous year information and/or electronically sign your FAFSA or have a printer configured and working... Representative Howard 'Buck' McKeon (R-CA), who introduced bill H.R. 2956 to simplify the financial aid process said: 'The unnecessarily complex forms and intricate formula can be confusing to even the most well-prepared participants. Imagine what an impossible hurdle these forms must present to those with language barriers or cultural or socioeconomic differences.'" <http://www.fafsa.com> (accessed February 20, 2007). See also FAFSAfilers.com, which charges \$49.95 to "review your data for errors and submit your FAFSA to the U.S. Department of Education." <http://fafsafilers.com> (accessed February 21, 2007).

- ¹⁶ “The law provides a ‘simplified EFC’ calculation for a student who meets certain income and tax-filing requirements. If the applicant is eligible based on the information on the FAFSA, the CPS will automatically exclude assets from the EFC calculation. However, some states and schools require this information for their own aid programs.” United States Department of Education. 2006. *Application and Verification Guide, 2006-2007 Federal Student Aid Handbook*. Washington, DC: U.S. Department of Education. <http://ifap.ed.gov/sfahandbooks/0607AppVeriGuide.html> (accessed February 3, 2007).
- ¹⁷ United States Department of Education. 2006. *Application and Verification Guide, 2006-2007 Federal Student Aid Handbook*. Washington, DC: U.S. Department of Education. <http://ifap.ed.gov/sfahandbooks/0607AppVeriGuide.html> (accessed February 3, 2007). With update from United States Department of Education. 2006. DCL ID: GEN-06-10, Subject: Implementing Provisions of the HERA for the 2006-2007 Award Year. http://www.nhheaf.org/pdfs/Compliance/HERA_0607_62006.pdf (accessed November 21, 2006).
- ¹⁸ Tax records do not indicate whether someone received means-tested benefits, but they can confirm that someone who earned too little to file federal taxes did not file.
- ¹⁹ For example, in “Completing the 2006-07 FAFSA,” the U.S. Department of Education’s official guide for aid applicants, the section on income and asset questions begins: “Questions 32-47 (All applicants must complete),” and there is no mention of circumstances in which that information is not required (p.26). United States Department of Education. 2005. *Completing the 2006-07 FAFSA*. Washington, DC: U.S. Department of Education. http://studentaid.ed.gov/students/publications/completing_fafsa/2006_2007/index.html (accessed February 16, 2007).
- ²⁰ Schools are also required to return any Stafford loan funds that have not been delivered or disbursed. Source: U.S. Department of Education. *Application and Verification Guide, 2006-2007 Federal Student Aid Handbook*.
- ²¹ United States Department of Education. 2002. *Audit of the Effectiveness of the Department’s Student Financial Aid Application Verification Process*. <http://www.ed.gov/about/offices/list/oig/auditreports/a06a0020.pdf> (accessed February 20, 2007).
- ²² Advisory Committee on Student Financial Assistance. 2005. *The Student Aid Gauntlet: Making Access to College Simple and Certain*.
- ²³ United States Department of Education. 2005. *Application and Verification Guide, 2006-2007 Federal Student Aid Handbook*. Washington, DC: U.S. Department of Education.
- ²⁴ FinAid! *The Smart Student Guide to Financial Aid*, “Common Errors on Financial Aid Applications.” <http://www.finaid.org/fafsa/errors.phtml> (accessed February 20, 2007).
- ²⁵ U.S. Code, Title 5, Section 552a. <http://uscode.house.gov/> (accessed February 20, 2007).
- ²⁶ For academic year 2007-2008, state financial aid application deadlines, which typically rely on the FAFSA but may require additional forms, start as early as March 1, 2007 and run as late as June 30, 2008. See the U.S. Department of Education’s list of state deadlines at http://www.fafsa.ed.gov/before003a.htm#state_deadlines. Individual colleges and universities set their own deadlines for receiving financial aid applications, which may or may not coincide with state or federal deadlines.
- ²⁷ Internal Revenue Service. 2006. *Publication 17 (2006), Your Federal Income Tax*. <http://www.irs.gov/publications/p17/index.html> (accessed February 28, 2007).
- ²⁸ “Students and parents should fill out their tax forms and then the FAFSA as early as possible in 2007. Those who are unable to complete tax forms early should estimate amounts as accurately as possible and fill out the FAFSA accordingly, correcting the information with actual amounts once the tax forms are complete.” United States Department of Education. 2006. *Counselors and Mentors Handbook on Federal Student Aid 2007-08*. <http://www.ifap.ed.gov/chandbooks/attachments/0708CHBk.pdf> (accessed February 9, 2007).



OPTIONAL APPLICATION SURVEY

- The information you provide will help the City to serve you better.
- You are not required to fill out this survey in order to receive the Working Families Credit.
- Your answers will not affect your eligibility for the credit.

Last Name	First Name	Last four digits of your Social Security Number	Date of Birth		

1. How did you have your federal taxes prepared?

This Year	Last Year	
<input type="checkbox"/>	<input type="checkbox"/>	Did not file taxes
<input type="checkbox"/>	<input type="checkbox"/>	Went to H&R Block, Jackson Hewitt, or Liberty Tax
<input type="checkbox"/>	<input type="checkbox"/>	Went to another paid/commercial tax preparation service
<input type="checkbox"/>	<input type="checkbox"/>	Went to a free tax preparation site or to the IRS
<input type="checkbox"/>	<input type="checkbox"/>	Did my own taxes or friend or family did them for me for free
<input type="checkbox"/>	<input type="checkbox"/>	Other _____

2. How did you hear about the Working Families Credit? (check all that apply)

<input type="checkbox"/> Friend or family member	<input type="checkbox"/> Radio	<input type="checkbox"/> Flyer or poster
<input type="checkbox"/> Billboard or MUNI	<input type="checkbox"/> Claimed last year	<input type="checkbox"/> At tax preparation office
<input type="checkbox"/> TV	<input type="checkbox"/> Newspaper	<input type="checkbox"/> Other: _____

3. Most applicants can expect a Working Families Credit of \$100 to \$300, subject to available funding. How do you plan to use your Credit? If you received the Credit last year, how did you use it? (check all that apply)

Planned Use (for this year)	Actual Use (if received last year)	
<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____	Pay off debt/late bills
<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____	Save it
<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____	Spend it on items such as car, education, business, or moving
<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____	Spend it on items such as food, rent or clothes
<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____	Spend it on items such as furniture or appliances
<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____	Spend it on items such as events, trips, or treat for family
<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____	Not sure
<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____	Other: _____

4. What is your ethnicity?

African-American
 Chinese
 Hispanic/Latino
 Caucasian/White
 Other: _____

5. Who in your household has health insurance, whether private or from Medicare or Medi-Cal?

Neither me nor my children
 Just my children
 Just me
 Both my children and me

6. What is the highest degree you have completed?

<input type="checkbox"/> Less than High School diploma	<input type="checkbox"/> Some college	<input type="checkbox"/> Bachelor Degree
<input type="checkbox"/> High School Diploma or GED	<input type="checkbox"/> Associate Degree	<input type="checkbox"/> Graduate Degree

7a. Do you currently (check all that apply):

<input type="checkbox"/> Have a checking account	<input type="checkbox"/> Have a savings account	<input type="checkbox"/> Have an ATM/debit card
<input type="checkbox"/> Have a credit card	<input type="checkbox"/> Use direct deposit	

7b. In the last 12 months have you (check all that apply):

<input type="checkbox"/> Been behind on your phone, gas or electric bills	<input type="checkbox"/> Taken a loan or had help from family or friends
<input type="checkbox"/> Purchased a lottery ticket at least once a week	<input type="checkbox"/> Used a check casher <input type="checkbox"/> Taken a payday loan

8. How much savings do you have? How much debt do you have?

	\$0	\$1-\$250	\$251-\$500	\$501-\$1,000	\$1,001-\$2,500	\$2,501-\$5,000	\$5,001-\$10,000	\$10,001+
Total Savings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mortgage Debt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
All other Debt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. What was your household income in 2005?

Less than \$10,000
 \$10,000 - \$14,999
 \$15,000 - \$24,999
 \$25,000 - \$34,999
 \$35,000 or more

DETACH HERE



City and County of San Francisco

APPLICATION FOR SAN FRANCISCO WORKING FAMILIES CREDIT

A Program of the City and County of San Francisco
Sponsored by H&R Block

AM I ELIGIBLE?

Complete this checklist to determine your eligibility for the credit.

1. I am claiming the federal Earned Income Tax Credit. Yes No
2. I claimed at least one dependent child on my federal tax filing who is either: A) under age 19; B) under age 24 and a full-time student; or C) permanently and totally disabled Yes No
3. I am a current San Francisco resident and I was a San Francisco resident at the time of my federal tax filing. Yes No

If you answered YES to all statements, complete both sides of this form.

If you answered NO to any statement, STOP. You cannot apply for the credit.

*Final eligibility will be determined by the City and County of San Francisco, with information provided by the Internal Revenue Service.

LAST NAME: (PLEASE print in CAPITAL letters)

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FIRST NAME: (PLEASE print in CAPITAL letters)

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MI

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SOCIAL SECURITY NUMBER:

--	--	--	--

SPOUSE'S LAST NAME: (If filing taxes jointly)

--	--	--	--

SPOUSE'S FIRST NAME:

--	--	--	--

SPOUSE'S SOCIAL SECURITY NUMBER:

--	--	--	--

PHONE NUMBER: (Optional)

(
---	--	--	--

ADDRESS:

--	--	--	--

CITY:

--	--	--	--

STATE:

--

ZIP:

--	--	--	--

You may receive your credit in the form of a **check, a debit card or by direct deposit** to your bank account. Please choose from the following options (see instructions for details):

- I would like to receive a check I would like to use direct deposit I would like to receive a debit card

For Direct Deposit:

Bank Routing Number:

--	--	--	--

Account Number:

--	--	--	--

For direct deposit, please attach a cancelled check from the account listed above.

- Check here if you **do not** want to receive information from the City about other programs that help working families.
 Check here if you **do not** wish to be contacted to help evaluate the success of this program.

Certification

- To the best of my knowledge the information provided on this application is true and correct. I understand that the Treasurer's Office will verify the information using my tax transcript from the Internal Revenue Service.
- I know that Working Families Credit benefits may be denied if any information on this application is found to be untrue or is left off the application.
- I understand that receipt of the credit is subject to availability of funds.

Applicant's Signature _____

Date

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PLEASE COMPLETE THE 4506-T FORM ON THE REVERSE SIDE.

Do not attach any original tax documents or copies

41



12/28

Direct Loans

William D. Ford Federal Direct Loan Program

William D. Ford Federal Direct Loan Program Income Contingent Repayment Plan Consent to Disclosure of Tax Information

OMB No. 1845-0017
Form Approved
Exp. Date 3/31/2009

I (We) authorize the Internal Revenue Service (IRS) to disclose certain tax return information (for the tax years listed below) which includes my (our) name(s), address(es), Social Security Number(s), filing status, tax year, and Adjusted Gross income(s). This information will be disclosed to the U.S. Department of Education (ED) and the William D. Ford Federal Direct Loan (Direct Loan) Program contractors and subcontractors for the sole purpose of determining the appropriate income contingent repayment amount on the Direct Loan Program loan(s) that is subject to income contingent repayment. ED's Direct Loan Program contractors and subcontractors may change. You may obtain the names of the current Direct Loan Program contractors and subcontractors by writing to ED at the address shown at the bottom of this page.

Request for Tax Years: 2004, 2005, 2006, 2007, and 2008.

See the back of this form for instructions.

(1) Borrower's (Taxpayer's) Name Printed *as it appears on tax returns*

(2) Borrower's (Taxpayer's) Social Security Number

(3) Borrower's (Taxpayer's) Signature
Signature is valid for 60 days – see instructions on the back of the form.

_____|_____|_____|_____|_____|_____| (MM-DD-YYYY)
Date form was signed

PLEASE NOTE: If you are married, your spouse is required to complete the following:

(4) Spouse's (Taxpayer's) Name Printed *as it appears on tax returns*

(5) Spouse's (Taxpayer's) Social Security Number

(6) Spouse's (Taxpayer's) Signature
Signature is valid for 60 days – see instructions on the back of the form.

_____|_____|_____|_____|_____|_____| (MM-DD-YYYY)
Date form was signed

Return this form to: **U.S. Department of Education
Consolidation Department
Loan Origination Center
P.O. Box 242800
Louisville, KY 40224-2800**

information on the front of this form. Please complete the form using the following instructions:

- Item 1. Print (or type) your name as it appears on your tax returns.
- Item 2. Print (or type) your Social Security Number.
- Item 3. Sign and date the form in blue or black ink only. Report the date as month-day-year (MM-DD-YYYY).

Items 4-5 must be completed if you are married.

- Item 4. If you are married, print (or type) your spouse's name as it appears on tax returns.
- Item 5. If you completed Item 4, print (or type) your spouse's Social Security Number.
- Item 6. If you completed Items 4 and 5, have your spouse sign and date the form in blue or black ink only. Report the date as month-day-year (MM-DD-YYYY).

is form to the U.S. Department of Education (ED) at the address shown on the front. **DO NOT SEND THIS FORM TO THE INTERNAL REVENUE SERVICE (IRS).** Once your application to participate in the Income Contingent Repayment Plan has been approved, ED will forward this form to the IRS. **The IRS will not accept this form if more than 60 days have passed since you and/or your spouse signed the form, it is important that you complete the form to ED promptly.**

Right to Revoke Tax Information Authorization: You and/or your spouse may revoke the Consent to Disclosure of Tax Information at any time. To revoke it, send a copy of the original authorization with the word "REVOKE" across the top directly to the address given below. The revocation must be signed by the taxpayer(s) who signed the original Consent to Disclosure of Tax Information. If you and/or your spouse do not have a copy of the original form, a statement of revocation is acceptable. The statement must indicate that the authority to disclose tax information to the Direct Loan Program is revoked, and must be signed by the taxpayer(s) who signed the original authorization form.

If you and/or your spouse revoke(s) the Consent to Disclosure of Tax Information, you and/or your spouse become(s) ineligible for income contingent repayment, and you and/or your spouse must contact the Direct Loan Servicing Center to select another repayment option. If you and/or your spouse fail(s) to contact the Direct Loan Servicing Center, ED will assign you and/or your spouse to the Standard Repayment Plan.

Mail Address: Direct Loan Servicing Center
P.O. Box 5609
Greenville, TX 75403-5609

PRIVACY ACT NOTICE

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

Authority for collecting the requested information from and about you is §451 *et seq.* of the Higher Education Act (HEA) of 1965, as amended (20 U.S.C. §451 *et seq.*) and the authorities for collecting and using your Social Security Number (SSN) are §484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) and 31 U.S.C. §3111. Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

Principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the Direct Loan Program, to permit the servicing of your loan(s), and, if it is necessary, to locate you and to collect and report on your loan(s) if your loan(s) become delinquent or in default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

Information in your file may be disclosed, on a case by case basis or under a computer matching program, to third parties as authorized under routine uses in appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to federal, state, or local agencies, to parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loan(s), to enforce the terms of the loan(s), to investigate possible fraud and to verify compliance with federal student financial aid program provisions, or to locate you if you become delinquent in your loan payments or if you default. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to state agencies. To provide financial aid history information, disclosures may be made to financial institutions. To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions efficiently to submit student enrollment information, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving student grievance complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to implement Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

Work Reduction Notice: According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0017. The time required to complete this information collection is estimated to average 0.2 hours (12 minutes) per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, DC 20202-4651. **If you have any questions or concerns regarding the status of your individual submission of this form, write directly to:**

U.S. Department of Education
Consolidation Department
Loan Origination Center
P.O. Box 242800
Louisville, KY 40224-2800

Form **4506-T**

Request for Transcript of Tax Return



(Rev. April 2006)

Department of the Treasury
Internal Revenue Service

- ▶ Do not sign this form unless all applicable lines have been completed. Read the instructions on page 2.
- ▶ Request may be rejected if the form is incomplete, illegible, or any required line was blank at the time of signature.

Tip: Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can also call 1-800-829-1040 to order a transcript. If you need a copy of your return, use Form 4506, Request for Copy of Tax Return. There is a fee to get a copy of your return.

1a Name shown on tax return. If a joint return, enter the name shown first.	1b First social security number on tax return or employer identification number (see instructions)
2a If a joint return, enter spouse's name shown on tax return	2b Second social security number if joint tax return
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code	
4 Previous address shown on the last return filed if different from line 3	
5 If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.	

Caution: If a third party requires you to complete Form 4506-T, do not sign Form 4506-T if lines 6 and 9 are blank.

6 **Transcript requested.** Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ▶ _____

- a **Return Transcript**, which includes most of the line items of a tax return as filed with the IRS. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120H, Form 1120L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days
- b **Account Transcript**, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 30 calendar days
- c **Record of Account**, which is a combination of line item information and later adjustments to the account. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days

7 **Verification of Nonfiling**, which is proof from the IRS that you **did not** file a return for the year. Most requests will be processed within 10 business days

8 **Form W-2, Form 1099 series, Form 1096 series, or Form 5496 series transcript.** The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2003, filed in 2004, will not be available from the IRS until 2005. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days

Caution: If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

9 **Year or period requested.** Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately.

_____ / _____ / _____
 _____ / _____ / _____
 _____ / _____ / _____
 _____ / _____ / _____

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, either husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer.

Sign Here	Signature (see instructions)	Date	Telephone number of taxpayer on line 1a or 2a () - - - -
	Title (if line 1a above is a corporation, partnership, estate, or trust)		
	Spouse's signature	Date	

General Instructions

Purpose of form. Use Form 4506-T to request tax return information. You can also designate a third party to receive the information. See line 5.

Tip. Use Form 4506, Request for Copy of Tax Return, to request copies of tax returns.

Where to file. Mail or fax Form 4506-T to the address below for the state you lived in when that return was filed. There are two address charts: one for individual transcripts (Form 1040 series and Form W-2) and one for all other transcripts.

Note. If you are requesting more than one transcript or other product and the chart below shows two different service centers, mail your request to the service center based on the address of your most recent return.

Chart for individual transcripts (Form 1040 series and Form W-2)

If you filed an individual return and lived in:	Mail or fax to the "Internal Revenue Service" at:
District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont	RAIVS Team Stop 679 Andover, MA 05501 978-247-9255
Alabama, Delaware, Florida, Georgia, North Carolina, Rhode Island, South Carolina, Virginia	RAIVS Team P.O. Box 47-421 Stop 91 Doraville, GA 30362 678-530-5326
Arkansas, Kansas, Kentucky, Louisiana, Mississippi, Oklahoma, Tennessee, Texas, West Virginia	RAIVS Team Stop 6716 AUSC Austin, TX 73301 512-460-2272
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nebraska, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington, Wyoming	RAIVS Team Stop 38101 Fresno, CA 93888 559-253-4990
Connecticut, Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, North Dakota, Ohio, Wisconsin	RAIVS Team Stop 6705-B41 Kansas City, MO 64999 816-823-7667
New Jersey, Pennsylvania, a foreign country, or A.P.O. or F.P.O. address	RAIVS Team DP 135SE Philadelphia, PA 19255-0695 215-516-2931

Chart for all other transcripts

If you lived in or your business was in:	Mail or fax to the "Internal Revenue Service" at:
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming	RAIVS Team P.O. Box 9941 Mail Stop 6734 Ogden, UT 84400 801-620-6922
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, Wisconsin	RAIVS Team P.O. Box 145500 Stop 2800 F Cincinnati, OH 45250 859-669-3592
A foreign country, or A.P.O. or F.P.O. address	RAIVS Team DP 135SE Philadelphia, PA 19255-0695 215-516-2931

Line 1b. Enter your employer identification number (EIN) if your request relates to a business return. Otherwise, enter the first social security number (SSN) shown on the return. For example, if you are requesting Form 1040 that includes Schedule C (Form 1040), enter your SSN.

Line 6. Enter only one tax form number per request.

Signature and date. Form 4506-T must be signed and dated by the taxpayer listed on line 1a or 2a. If you completed line 5 requesting the information be sent to a third party, the IRS must receive Form 4506-T within 60 days of the date signed by the taxpayer or it will be rejected.

Individuals. Transcripts of jointly filed tax returns may be furnished to either spouse. Only one signature is required. Sign Form 4506-T exactly as your name appeared on the original return. If you changed your name, also sign your current name.

Corporations. Generally, Form 4506-T can be signed by: (1) an officer having legal authority to bind the corporation, (2) any person designated by the board of directors or other governing body, or (3) any officer or employee on written request by any principal officer and attested to by the secretary or other officer.

Partnerships. Generally, Form 4506-T can be signed by any person who was a member of the partnership during any part of the tax period requested on line 9.

All others. See Internal Revenue Code section 6103(e) if the taxpayer has died, is insolvent, is a dissolved corporation, or if a trustee, guardian, executor, receiver, or administrator is acting for the taxpayer.

Documentation. For entities other than individuals, you must attach the authorization document. For example, this could be the letter from the principal officer authorizing an employee of the corporation or the Letters Testamentary authorizing an individual to act for an estate.

Privacy Act and Paperwork Reduction Act Notice.

We ask for the information on this form to establish your right to gain access to the requested tax information under the Internal Revenue Code. We need this information to properly identify the tax information and respond to your request. Sections 6103 and 6109 require you to provide this information, including your SSN or EIN. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506-T will vary depending on individual circumstances. The estimated average time is: **Learning about the law or the form**, 10 min.; **Preparing the form**, 12 min.; and **Copying, assembling, and sending the form to the IRS**, 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506-T simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. Do not send the form to this address. Instead, see *Where to file* on this page.



Toll Free No. : 877-477-4506

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OUR SOLUTIONS

Solutions

- ◊ 1003 AppScan
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- ◊ Additional Tools

FREE TRIAL OFFER

REQUEST ONLINE DEMO

DOWNLOAD CENTER

IRSRecords - IRS Income Verification (4506-T Processing)

IRSRecords is the fastest way to verify a borrower's income information via the IRS 4506 Form. Using a high caliber connection and automated processes IRSRecords delivers to you high quality tax information for individual and corporate taxpayers in record time.

[Download a IRSRecords Brochure](#)

IRSRecords Advantages:

- ◊ 99.9 percent of results in 1 business day
- ◊ Comprehensive reports in PDF easy-read format
- ◊ Online order submission and archiving
- ◊ Improved processing methods that minimize IRS rejections
- ◊ "HACKER FREE" result archiving environment
- ◊ Volume Discounts Available
- ◊ Automation Capabilities through XML

Verification of Filing (VOF) via 4506-T

Enables lenders to verify if a borrower has filed its taxes with out receiving income information. This functionality is useful for No Income, No Assets loans and other programs where income cannot be disclosed.

VOF Advantages:

- ◊ Effective tool for Stated Income/No Income Verification Loans
- ◊ Verification of past four years
- ◊ Results delivered in 24 hours
- ◊ Indicates if borrower filed schedule C and E (Profit/Loss)
- ◊ Volume Discounts Available

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[Click here to view Flash version of Verification Bureau](#)

Form 4506-T

Request for Transcript of Tax Return

(Rev. April 2006)

Department of the Treasury
Internal Revenue Service

- ▶ Do not sign this form unless all applicable lines have been completed.
Read the instructions on page 2.
- ▶ Request may be rejected if the form is incomplete, illegible, or any required line was blank at the time of signature.

OMB No. 1545-1872

Tip: Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can also call 1-800-829-1040 to order a transcript. If you need a copy of your return, use Form 4506, Request for Copy of Tax Return. There is a fee to get a copy of your return.

1a Name shown on tax return. If a joint return, enter the name shown first.	1b First social security number on tax return or employer identification number (see instructions)
2a If a joint return, enter spouse's name shown on tax return	2b Second social security number if joint tax return
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code	
4 Previous address shown on the last return filed if different from line 3	

5 If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.

Caution: If a third party requires you to complete Form 4506-T, do not sign Form 4506-T if lines 6 and 9 are blank.

6 **Transcript requested.** Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ▶ _____

- a **Return Transcript**, which includes most of the line items of a tax return as filed with the IRS. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120H, Form 1120L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days
- b **Account Transcript**, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 30 calendar days
- c **Record of Account**, which is a combination of line item information and later adjustments to the account. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days

7 **Verification of Nonfiling**, which is proof from the IRS that you **did not** file a return for the year. Most requests will be processed within 10 business days

8 **Form W-2, Form 1099 series, Form 1098 series, or Form 5408 series transcript.** The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2003, filed in 2004, will not be available from the IRS until 2005. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days

Caution: If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

9 **Year or period requested.** Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately.

____/____/____ ____/____/____ ____/____/____ ____/____/____

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, **either** husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer.

		Telephone number of taxpayer on line 1a or 2a ()
Sign Here	Signature (see instructions)	Date
	Title (if line 1a above is a corporation, partnership, estate, or trust)	
	Spouse's signature	Date

General Instructions

Purpose of form. Use Form 4506-T to request tax return information. You can also designate a third party to receive the information. See line 5.

Tip. Use Form 4506, Request for Copy of Tax Return, to request copies of tax returns.

Where to file. Mail or fax Form 4506-T to the address below for the state you lived in when that return was filed. There are two address charts: one for individual transcripts (Form 1040 series and Form N-2) and one for all other transcripts.

Note. If you are requesting more than one transcript or other product and the chart below shows two different service centers, mail your request to the service center based on the address of your most recent return.

Chart for individual transcripts (Form 1040 series and Form W-2)

If you filed an individual return and lived in:	Mail or fax to the "Internal Revenue Service" at:
District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont	RA/VS Team Stop 679 Andover, MA 05501 978-247-9255
Alabama, Delaware, Florida, Georgia, North Carolina, Rhode Island, South Carolina, Virginia	RA/VS Team P.O. Box 47-421 Stop 91 Doraville, GA 30362 678-530-5326
Arkansas, Kansas, Kentucky, Louisiana, Mississippi, Oklahoma, Tennessee, Texas, West Virginia	RA/VS Team Stop 6716 AUSC Austin, TX 73301 512-460-2272
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nebraska, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington, Wyoming	RA/VS Team Stop 38101 Fresno, CA 93888 559-253-4990
Connecticut, Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, North Dakota, Ohio, Wisconsin	RA/VS Team Stop 5705-B41 Kansas City, MO 64999 816-823-7667
New Jersey, Pennsylvania, or A foreign country, or A.P.O. or F.P.O. address	RA/VS Team DP 135SE Philadelphia, PA 19255-0695 215-516-2931

Chart for all other transcripts

If you lived in or your business was in:	Mail or fax to the "Internal Revenue Service" at:
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming	RA/VS Team P.O. Box 9941 Mail Stop 6734 Ogden, UT 84409 801-620-6322
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	RA/VS Team P.O. Box 145500 Stop 2800 F Cincinnati, OH 45250 859-669-3592
A foreign country, or A.P.O. or F.P.O. address	RA/VS Team DP 135SE Philadelphia, PA 19255-0695 215-516-2931

Line 1b. Enter your employer identification number (EIN) if your request relates to a business return. Otherwise, enter the first social security number (SSN) shown on the return. For example, if you are requesting Form 1040 that includes Schedule C (Form 1040), enter your SSN.

Line 5. Enter only one tax form number per request.

Signature and date. Form 4506-T must be signed and dated by the taxpayer listed on line 1a or 2a. If you completed line 5 requesting the information be sent to a third party, the IRS must receive Form 4506-T within 60 days of the date signed by the taxpayer or it will be rejected.

Individuals. Transcripts of jointly filed tax returns may be furnished to either spouse. Only one signature is required. Sign Form 4506-T exactly as your name appeared on the original return. If you changed your name, also sign your current name.

Corporations. Generally, Form 4506-T can be signed by: (1) an officer having legal authority to bind the corporation, (2) any person designated by the board of directors or other governing body, or (3) any officer or employee on written request by any principal officer and attested to by the secretary or other officer.

Partnerships. Generally, Form 4506-T can be signed by any person who was a member of the partnership during any part of the tax period requested on line 9.

All others. See Internal Revenue Code section 6103(e) if the taxpayer has died, is insolvent, is a dissolved corporation, or if a trustee, guardian, executor, receiver, or administrator is acting for the taxpayer.

Documentation. For entities other than individuals, you must attach the authorization document. For example, this could be the letter from the principal officer authorizing an employee of the corporation or the Letters Testamentary authorizing an individual to act for an estate.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to establish your right to gain access to the requested tax information under the Internal Revenue Code. We need this information to properly identify the tax information and respond to your request. Sections 6103 and 6109 require you to provide this information, including your SSN or EIN. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506-T will vary depending on individual circumstances. The estimated average time is: **Learning about the law or the form, 10 min.; Preparing the form, 12 min.; and Copying, assembling, and sending the form to the IRS, 20 min.**

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506-T simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. Do not send the form to this address. Instead, see *Where to file* on this page.

Holland+Knight

Tel 617 523 2700
Fax 617 523 6850

Holland & Knight LLP
10 St. James Avenue
Boston, MA 02116-3889
www.hklaw.com

February 6, 2007

The Institute for College Access and Success
c/o Robert Shireman, President
2150 Shattuck Avenue, Suite 800
Berkeley, CA 94704

Re: Opinion on Legal Requirements for Disclosure of Tax Transcript Data
from the IRS to the Department of Education at the Taxpayer's Request

Dear Mr. Shireman:

We understand that The Institute for College Access and Success (the "Institute") has made a proposal whereby federal student aid applicants would provide written consent for the Internal Revenue Service ("IRS") to share data from their tax transcripts with the United States Department of Education (the "Department") for the purpose of determining whether the applicants qualify for financial aid. The Institute has engaged Holland & Knight LLP to render a legal opinion as to whether the federal income tax laws or the Higher Education Act (the "HEA") prohibit the release of such information to the Department, its outside contractors or independent agents.

After reviewing the relevant statutes, regulations and case law, we have determined that under certain circumstances the federal income tax laws and the HEA permit the IRS to release tax transcript information to the Department pursuant to an applicant's valid written request, as further detailed and qualified below. **This opinion is not to be relied upon by any other party.**

I. STATEMENT OF FACTS

A. The Institute

The Institute's primary mission is to make higher education more available and affordable for people of all backgrounds. The Institute was organized on June 8, 2004, as a public charity under the laws of the State of California. It operates as a not-for-profit, charitable, and educational organization, exempt under Section 501(a) and described in Section 501(c)(3) of the Internal Revenue Code (the "Code").

Atlanta • Bethesda • Boston • Chicago • Fort Lauderdale • Jacksonville • Lakeland • Los Angeles
Miami • New York • Northern Virginia • Orlando • Portland • San Francisco
Tallahassee • Tampa • Washington, D.C. • West Palm Beach
Beijing • Caracas* • Helsinki* • Mexico City • Tel Aviv* • Tokyo • *Representative Office

The Institute for College Access and Success
February 6, 2007
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B. The Institute's Proposal

According to the Institute, the goal of its financial aid simplification proposal is to lower a significant barrier between aid-eligible students and the resources that they need to attend and succeed in college. The Free Application for Federal Student Aid ("FAFSA") is lengthy, complicated and burdensome for all applicants. One indication of the barrier posed by the FAFSA is that an estimated 1.5 million U.S. college students who were eligible for a federal Pell grant did not apply for aid in 2004, and the American Council on Education has shown that this trend is on the rise.

The Institute proposes to simplify the financial aid application process for students and families by using data that the government already has. Most of the income information used to calculate aid eligibility comes from applicants' federal tax records. For example, 22 of the 28 main income and asset questions on the FAFSA instruct applicants to refer to specific lines on their IRS Form 1040. The proposed alternative is for students and parents to give the IRS permission to release the relevant data directly to the U.S. Department of Education. The data would then be processed electronically to determine aid eligibility.

The Institute maintains that this proposal would make the application process much simpler and more accessible for all users, while increasing the accuracy, efficiency and security of the financial aid process as a whole. Currently, colleges and universities as well as the Department must expend significant resources on verifying the income data students and families provide. This involves gathering even more information from applicants, including their original tax records, which schools have to process and store. Using IRS data from the start would eliminate much of this burdensome and duplicative process, and reduce opportunities for sensitive data to fall into the wrong hands.

The specific aspect of the Institute's proposal addressed in this document involves student aid applicants giving the IRS permission to share their tax transcript data with the Department as part of their financial aid application. Students would execute some form of tax disclosure authorization that is ultimately sent to and accepted by the IRS. The financial aid applicant would name the Department (or an outside contractor or independent agent of the Department) as the applicant's designated recipient of tax transcript information (sometimes referred to as the "tax designee"). The Department (or its outside contractors or independent agents) would then be permitted to obtain data directly from the applicant's tax transcripts. Upon receiving the data, the Department could determine the applicant's eligibility for federal grants and loans.

II. STATEMENT OF LAW

The general rule under Section 6103(a) of the Code is that "returns and return information shall be confidential" and "no officer or employee of the United States... shall disclose any return or return information" except as authorized under Section 6103. This nondisclosure rule protects taxpayers against the improper disclosure of certain "tax return" and

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"return information." Section 6103(b)(1) of the Code defines a tax return as "any tax or information return, declaration of estimated tax, or claim for refund" made or provided by any person including supporting schedules, amendments, attachments, and lists supplemental to such return."

The term "return information" is even broader. Section 6103(b)(2) of the Code defines return information as "a taxpayer's identity, the nature, source, or amount of his income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, overassessments, or tax payments." In essence, all information obtainable from a tax return that can be associated with, or otherwise identifiable with a taxpayer, directly or indirectly, constitutes return information.

The general rule of nondisclosure and confidentiality has several narrow but important exceptions. One of these exceptions is found in Section 6103(c) of the Code. Section 6103(c) allows the disclosure of a taxpayer's return or return information to such person or persons as the taxpayer may designate in a request for or consent to such disclosure, or to any other person at the taxpayer's request to the extent necessary to comply with a request for information made by the taxpayer to such other person. The disclosures are subject to the requirements and conditions prescribed in the Regulations.

The requirements and conditions prescribed for a written disclosure request are set out in Section 301.6103(c)-1(b) of the Regulations. Sections 301.6103(c)-1(b)(1) and (2) require that the request include the taxable year or years covered by the return or return information, and be received by the IRS within 60 days of the request being signed and dated by the taxpayer. In addition, the request must include the name, mailing address, and taxpayer identification number, the person or persons to whom disclosure is to be made, the type of return or return information to be disclosed, and other sufficient facts to enable the IRS to determine the nature and extent of the information requested.

If a taxpayer makes a written disclosure request that includes all of the required information discussed above, then the IRS should, subject to the limitations discussed herein, disclose the taxpayer's return information, to the extent necessary to honor the request, to the taxpayer's designee pursuant to Section 301.6103(c)-1(b).

The actual form of the written disclosure request is not prescribed in the Regulations. Consequently and, as a practical matter, the IRS will exercise its discretion in determining the "proper" form that an applicant may use.

Under Section 301.6103(c)-1(e)(3), permissible designees include individuals, trusts, estates, corporations, partnerships, Federal, State, local and foreign government agencies, or subunits of such agencies, or the general public. The term "Federal agency" is defined in Code Section 6103(b)(9) as an "agency within the meaning of section 551(1) of title 5, United States Code."

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Under 5 U.S. Code Section 551(1), the term "agency" means "each authority of the Government of the United States, whether or not it is within or subject to review by another agency...." Section 552(f)(1) states the term "agency," as defined in Section 551(1), "includes any executive department, military department, ... Government corporation, Government controlled corporation, or other establishment in the executive branch of the Government (including the Executive Office of the President), or any independent regulatory agency."

An "agency" may include outside contractors and independent agents. To determine whether an outside contractor or independent agent falls within the agency definition, there are two important considerations. First, do the outside contractors or independent agents have the authority to make decisions? See *Washington Research Project, Inc. v. Department of Health, Education, and Welfare*, 504 F.2d 238 (D.C. Cir. 1974). Second, did a Federal agency expressly delegate part of its authority to the outside contractors or independent agents? See *id.* If both of these considerations are satisfied, then the outside contractors or independent agents will be included in the definition of Federal agencies, and thus, will be permitted designees.

However, even if a disclosure request satisfies all of the requirements set out above, it may not always be allowed. Under Section 6103(c), the Secretary is given the broad authority to deny a valid disclosure request if such disclosure would seriously impair Federal "tax administration." The term "tax administration" under Section 6103(b)(4) is defined very broadly. First, it includes administration, management, conduct, direction, and supervision of the execution and application of the internal revenue laws or related statutes (or equivalent laws and statutes of a State) and tax conventions to which the United States is a party. Second, it includes the development and formulation of Federal tax policy relating to existing or proposed internal revenue laws, related statutes, and tax conventions. Third, it includes the assessment, collection, enforcement, litigation, publication, and statistical gathering functions under such laws, statutes, or conventions. Consequently, if the Secretary believes that the disclosure request would impair tax administration under any of the enumerated definitions under Section 6103(b)(4), then the request may be denied.

Pursuant to Section 484(q) of the HEA, 20 U.S.C. § 1091(q), the Secretary of Education is "authorized to confirm with the [IRS] the adjusted gross income, Federal income taxes paid, filing status, and exemptions reported by applicants (including parents) . . . on their Federal income tax returns for the purpose of verifying the information reported by applicants on student financial aid applications." The Secretary must notify the applicant that the IRS will be disclosing this information to the Department, and this notification is included in the FAFSA. See 20 U.S.C. § 1091(q)(2). This provision does not address the situation where an applicant expressly designates the Department to receive IRS data. We have found no other HEA provision authorizing or prohibiting the receipt of IRS data.

III. ANALYSIS

Our research confirms that the Code permits the disclosure of a taxpayer's tax transcript to the Department under certain specified conditions. Section 6103(a) of the Code renders all tax

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return and return information confidential with certain narrowly specified exceptions found in Sections 6103(c) – (o). The exception applicable here is found in Section 6103(c). This section and Section 301.6103(c)-1(b) of the Regulations permit the disclosure of a taxpayer's own return and return information to Federal government agencies when:

1. The taxpayer – in this case a student aid applicant -- makes a written request for disclosure;
2. The written request is signed and dated;
3. The written request includes the applicant's "taxpayer identity," or name, mailing address, taxpayer identification number, or any combination thereof;
4. The written request names a designee to whom such disclosure is to be made;
5. The written request includes the taxable year or years covered by the return or return information;
6. The written request includes the returns or return information to be disclosed; and
7. The written request is received by the IRS within 60 days of the applicant's signing and dating the request.

See Section 301.6103(c)-1(b).

If a valid request is made under the circumstances described above, Section 6103(c) and the Regulations thereunder expressly lift the confidentiality veil of Section 6103(a) to permit disclosure.

Further, nothing in the definition, or the application of the term "tax administration," prevents the Department from obtaining student aid applicant tax information. In fact, Federal government agencies are listed as "permitted designees" under Section 301.6103(c)-1(e)(3) of the Regulations. As such, we believe that the Department would be allowed access to the applicants' tax transcripts under the circumstances described above if the student aid applicant makes a proper request for such information under Section 6103(c) and the Regulations.

There are several additional considerations that need to be addressed relating to a valid disclosure authorization. First, it is common for the Department to engage outside contractors and independent agents to perform certain delegated tasks. Thus, one additional issue is whether those outside contractors or independent agents can become permitted designees under Section 6103 and thereby receive tax return information directly from the IRS.

We believe that the Department's outside contractors and independent agents may be permitted designees under Section 6103. The applicable provisions do not expressly prohibit outside contractors and independent agents working with government agencies from obtaining

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such information. This conclusion, however, rests largely on the actual authority provided by the Department to its outside contractors or independent agents. One important consideration is whether the outside contractors or independent agents will have the authority to make decisions for the Department. See *Washington Research Project, Inc. v. Department of Health, Education and Welfare*, 504 F.2d 238 (D.C. Cir. 1974). A second important consideration is whether the authority to determine if students meet aid requirements rests with the outside contractors or independent agents. See *id.* If both of these factors are present, the outside contractors or independent agents will be deemed the functional equivalent of the Department, satisfying the definition of a government agency, and thus being included as permitted designees. In these circumstances, the Department's outside contractors or independent agents would be allowed to receive and obtain the applicant's tax transcript information.

A second issue relates to the specificity required in a valid disclosure authorization. Neither the Code nor the Regulations address whether student aid applicants are required to designate the name of a specific Department representative or agent as their third party designee, or whether naming the Department alone will suffice for these purposes. Consequently, we believe that the Secretary of the Treasury, subject to Section 6103 and the Regulations, may use his or her discretion in determining the proper amount of specificity for a disclosure authorization.

Third, the only situation in which a permitted designee would not be able to obtain and review a student aid applicant's tax transcripts is when the Treasury Secretary has made a determination that such disclosure would seriously impair Federal tax administration. In that case, the taxpayer's disclosure request would be denied even though the Department or other party is a permitted designee under Section 6103.

Similarly, the HEA does not prohibit the Department from receiving IRS data when the taxpayer has expressly approved the disclosure. Although Section 484(q) authorizes disclosure of IRS data only to confirm certain information necessary to pursue repayment of certain student loans, it does not, by its terms, prohibit receipt of IRS data in other circumstances. In fact, Section 484(q) presumes that there is no express consent or designation from the taxpayer. Accordingly, it does not address situations where the taxpayer consents to the disclosure, nor does it address situations where the taxpayer is applying for student aid, as opposed to repaying it.

IV. OPINION

It is our opinion that, subject to the qualifying exceptions contained herein, there is nothing in Section 6103 of the Internal Revenue Code, Section 301.6103(c)-1(b) of the Regulations, the Higher Education Act, or the applicable Federal case law prohibiting the Department, its outside contractors or independent agents from obtaining and reviewing student aid applicants' tax return information, if a proper written disclosure request is submitted naming the Department as the designee under the circumstances described above and disclosure is not found to impair federal tax administration.

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The opinion stated herein represents our legal judgment as attorneys regarding the disclosure of tax information to third party designees. Please be advised that our opinion is not binding on the IRS or the Department. Therefore, even though we believe that the IRS and the Department would have no reasonable basis to challenge the legal conclusions set forth in this opinion, there can be no assurance that the IRS, the Department, or ultimately the courts, will agree with our opinion.

V. QUALIFICATIONS AND DISCLAIMERS

The legal analysis in this opinion is the work product of Holland & Knight LLP. However, the facts recited in this opinion were furnished to us by representatives of the Institute or obtained from the Institute's website located at www.ticas.org. We have not been asked, nor have we attempted, to verify through independent investigation any facts presented to us in connection with the preparation of our opinion, and we are assuming that all such facts are true, correct, and complete as of the date of this letter. We also assume that all relevant facts have been disclosed to us.

If (i) the relevant facts differ from those represented or stated to us, (ii) our assumptions prove incorrect, or (iii) the existing authorities upon which this opinion is based are modified by legislative, administrative, or judicial action, our conclusions may change and the Institute should not rely upon this opinion. In such event, Holland & Knight LLP does not assume any responsibility to provide a revised opinion or other advice unless expressly requested by the Institute and agreed to by Holland & Knight LLP.

We are furnishing this opinion to the Institute solely for the benefit of the Institute in connection with the issues described herein. **This opinion is not to be relied upon by any other party.**

Very truly yours,

HOLLAND & KNIGHT LLP

/s/ Holland & Knight LLP

4340905_v1

SECTION 1 – STUDENT INFORMATION

- Use of this Worksheet is optional. It should not be submitted to the U.S. Department of Education or to your school.
- Not all of the questions from FAFSA on the Web appear in this Worksheet, but questions are generally ordered as they appear online.
- Once you are online, you may be able to skip some questions based on your answers to earlier questions.

<p>Your Social Security Number (Q8)</p> <p>Your last name (Q1)</p> <p>Your state of legal residence (Q18)</p> <p>Your driver's license number (optional) (Q11)</p>	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 20px;"> </td> <td style="width: 20px;"> </td> <td style="width: 20px;">-</td> <td style="width: 20px;"> </td> <td style="width: 20px;">-</td> <td style="width: 20px;"> </td> <td style="width: 20px;"> </td> <td style="width: 20px;"> </td> <td style="width: 20px;"> </td> </tr> <tr> <td colspan="9" style="height: 20px;"> </td> </tr> <tr> <td colspan="9" style="height: 20px;"> </td> </tr> <tr> <td colspan="9" style="height: 20px;"> </td> </tr> </table>			-		-																															
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<p>Are you a U.S. citizen? (Q14)</p> <p>If you are neither a citizen nor an eligible noncitizen, you are not eligible for federal student aid. However, you should still complete the application, because you may be eligible for state or college aid.</p> <p>If you are in the U.S. on an F1 or F2 student visa, or a J1 or J2 exchange visitor visa, or a G series visa (pertaining to international organizations), you must answer "Neither citizen nor eligible noncitizen."</p>	<p><input type="checkbox"/> U.S. citizen (U.S. national)</p> <p><input type="checkbox"/> Eligible noncitizen Generally you are an eligible noncitizen if you are:</p> <ul style="list-style-type: none"> • A U.S. permanent resident with a Permanent Resident Card (I-551); • A conditional permanent resident (I-551C); or • The holder of an Arrival-Departure Record (I-94) from the Department of Homeland Security showing any of the following designations: "Refugee," "Asylum Granted," "Parolee" (I-94 confirms paroled for a minimum of one year and status has not expired), or "Cuban Haitian Entrant." <p><input type="checkbox"/> Neither citizen nor eligible noncitizen</p>																																				
<p>Your Alien Registration Number (Q15) If you are an eligible noncitizen, enter your eight- or nine-digit Alien Registration Number.</p>	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 20px;">A</td> <td style="width: 20px;"> </td> <td style="width: 20px;"> </td> <td style="width: 20px;"> </td> <td style="width: 20px;"> </td> <td style="width: 20px;"> </td> <td style="width: 20px;"> </td> <td style="width: 20px;"> </td> <td style="width: 20px;"> </td> </tr> </table>	A																																			
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<p>Your marital status as of today (Q16) "As of today" refers to the day that you sign your FAFSA.</p> <p>Month and year you were married, separated, divorced or widowed (Q17) (Example: Month and year: 05/1996)</p> <p>Did you become a legal resident of your state before January 1, 2002? (Q19)</p> <p>If "No," when did you become a legal resident of your state? (Q20) (Example: Month and year: 05/2003)</p>	<p><input type="checkbox"/> Single, divorced, or widowed</p> <p><input type="checkbox"/> Married/remarried <input type="checkbox"/> Separated</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 20px;">M</td> <td style="width: 20px;">M</td> <td style="width: 20px;">Y</td> <td style="width: 20px;">Y</td> <td style="width: 20px;">Y</td> <td style="width: 20px;">Y</td> </tr> </table> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 20px;">M</td> <td style="width: 20px;">M</td> <td style="width: 20px;">Y</td> <td style="width: 20px;">Y</td> <td style="width: 20px;">Y</td> <td style="width: 20px;">Y</td> </tr> </table>	M	M	Y	Y	Y	Y	M	M	Y	Y	Y	Y																								
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<p>Most male students must register with the Selective Service System to get federal aid. If you are a male between the ages of 18 and 25 and NOT already registered with Selective Service, answer "Yes" and Selective Service will register you. (Q22)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>																																				
<p>What degree or certificate will you be working on during the 2007-2008 school year? (Q23)</p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> 1st bachelor's degree <input type="checkbox"/> 2nd bachelor's degree <input type="checkbox"/> Associate degree—occupational/technical program <input type="checkbox"/> Associate degree—general education or transfer program <input type="checkbox"/> Certificate or diploma for completing an occupational, technical, or educational program of less than two years </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Certificate or diploma for completing an occupational, technical, or educational program of at least two years <input type="checkbox"/> Teaching credential—nondegree program <input type="checkbox"/> Graduate or professional degree <input type="checkbox"/> Other/undecided </td> </tr> </table>	<input type="checkbox"/> 1st bachelor's degree <input type="checkbox"/> 2nd bachelor's degree <input type="checkbox"/> Associate degree—occupational/technical program <input type="checkbox"/> Associate degree—general education or transfer program <input type="checkbox"/> Certificate or diploma for completing an occupational, technical, or educational program of less than two years	<input type="checkbox"/> Certificate or diploma for completing an occupational, technical, or educational program of at least two years <input type="checkbox"/> Teaching credential—nondegree program <input type="checkbox"/> Graduate or professional degree <input type="checkbox"/> Other/undecided																																		
<input type="checkbox"/> 1st bachelor's degree <input type="checkbox"/> 2nd bachelor's degree <input type="checkbox"/> Associate degree—occupational/technical program <input type="checkbox"/> Associate degree—general education or transfer program <input type="checkbox"/> Certificate or diploma for completing an occupational, technical, or educational program of less than two years	<input type="checkbox"/> Certificate or diploma for completing an occupational, technical, or educational program of at least two years <input type="checkbox"/> Teaching credential—nondegree program <input type="checkbox"/> Graduate or professional degree <input type="checkbox"/> Other/undecided																																				
<p>What will be your grade level when you begin the 2007-2008 school year? (Q24)</p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> 1st year/never attended college before <input type="checkbox"/> 1st year/attended college <input type="checkbox"/> 2nd year/sophomore <input type="checkbox"/> 3rd year/junior </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> 4th year/senior <input type="checkbox"/> 5th year/other undergraduate <input type="checkbox"/> 1st year graduate/professional <input type="checkbox"/> Continuing graduate/professional or beyond </td> </tr> </table>	<input type="checkbox"/> 1st year/never attended college before <input type="checkbox"/> 1st year/attended college <input type="checkbox"/> 2nd year/sophomore <input type="checkbox"/> 3rd year/junior	<input type="checkbox"/> 4th year/senior <input type="checkbox"/> 5th year/other undergraduate <input type="checkbox"/> 1st year graduate/professional <input type="checkbox"/> Continuing graduate/professional or beyond																																		
<input type="checkbox"/> 1st year/never attended college before <input type="checkbox"/> 1st year/attended college <input type="checkbox"/> 2nd year/sophomore <input type="checkbox"/> 3rd year/junior	<input type="checkbox"/> 4th year/senior <input type="checkbox"/> 5th year/other undergraduate <input type="checkbox"/> 1st year graduate/professional <input type="checkbox"/> Continuing graduate/professional or beyond																																				
<p>At the start of the 2007-2008 school year, what do you expect your enrollment status to be? (Q25) (Enrollment definitions refer to undergraduate study.)</p>	<p><input type="checkbox"/> Full time—at least 12 credit hours in a term or 24 clock hours per week</p> <p><input type="checkbox"/> 3/4 time—at least 9 credit hours in a term or 18 clock hours per week</p> <p><input type="checkbox"/> Half time—at least 6 credit hours in a term or 12 clock hours per week</p> <p><input type="checkbox"/> Less than half time—fewer than 6 credit hours in a term or less than 12 clock hours per week</p> <p><input type="checkbox"/> Not sure</p>																																				

SECTION 1 (CONTINUED) – STUDENT INFORMATION

In addition to grants, indicate your interest in other types of student financial aid. (Q26)	<input type="checkbox"/> Work-study (aid earned through work) <input type="checkbox"/> Student loans (which you must pay back) <input type="checkbox"/> Both work-study and student loans <input type="checkbox"/> Neither <input type="checkbox"/> Don't know
Will you have your first bachelor's degree before July 1, 2007? (Q28)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Highest school your father completed (Q29) <small>Some states and schools offer aid based upon the level of schooling your parents have completed.</small>	<input type="checkbox"/> Middle school/Jr. High <input type="checkbox"/> High school <input type="checkbox"/> College or beyond <input type="checkbox"/> Other/unknown
Highest school your mother completed (Q30) <small>Some states and schools offer aid based upon the level of schooling your parents have completed.</small>	<input type="checkbox"/> Middle school/Jr. High <input type="checkbox"/> High school <input type="checkbox"/> College or beyond <input type="checkbox"/> Other/unknown
Have you been convicted for the possession or sale of illegal drugs for an offense that occurred while you were receiving federal student aid (grants, loans, and/or work-study)? (Q31) <small>A federal law suspends eligibility for some students with drug convictions. Count only federal or state convictions for the possession or sale of illegal drugs if the offense occurred during a period of enrollment for which you were receiving federal student aid (grants, loans, and/or work-study). Do not count convictions that have been removed from your record, or occurred before you turned age 18, unless you were tried as an adult.</small> <small>If you answer "Yes," you can use an interactive worksheet when completing the FAFSA online, or you can print a worksheet at www.fafsa.ed.gov/q31wksht78.pdf. Based on your answers to the worksheet questions, you can determine if the conviction affects your eligibility for federal student aid.</small>	<input type="checkbox"/> Yes <small>If you have a conviction for possessing or selling illegal drugs, you should submit your FAFSA anyway. You may be eligible for non-federal student aid from state or private sources.</small> <input type="checkbox"/> No

SECTION 2 – STUDENT DEPENDENCY STATUS

Were you born before January 1, 1984? (Q48)	<input type="checkbox"/> Yes <input type="checkbox"/> No
At the beginning of the 2007-2008 school year, will you be working on a master's or doctorate program (such as an MA, MBA, MD, JD, PhD, EdD, or graduate certificate, etc.)? (Q49)	<input type="checkbox"/> Yes <input type="checkbox"/> No
As of today, are you married? (Q50) (Answer "Yes" if you are separated but not divorced.) "As of today" refers to the day that you sign your FAFSA.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do you have children who receive more than half of their support from you? (Q51)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do you have dependents other than your children/spouse who live with you and who receive more than half of their support from you, now and through June 30, 2008? (Q52)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are (a) both of your parents deceased, or (b) are you (or were you until age 18) a ward/dependent of the court? (Q53)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are you currently serving on active duty in the U.S. Armed Forces for purposes other than training? (Q54)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are you a veteran of the U.S. Armed Forces? (Q55) <small>Answer "Yes" you are a veteran, if you (1) have engaged in active duty in the U.S. Armed Forces (Army, Navy, Air Force, Marines, or Coast Guard) or are a National Guard or Reserves enlistee who was called to active duty for purposes other than training, or were a cadet or midshipman at one of the service academies, and (2) were released under a condition other than dishonorable. Also answer "Yes" if you are not a veteran now but will be by June 30, 2008.</small> <small>Answer "No," you are not a veteran, if you (1) have never engaged in active duty in the U.S. Armed Forces, (2) are currently an ROTC student or a cadet or midshipman at a service academy, or (3) are a National Guard or Reserves enlistee activated only for training. Also answer "No" if you are currently serving in the U.S. Armed Forces and will continue to serve through June 30, 2008.</small>	<input type="checkbox"/> Yes <input type="checkbox"/> No

If you answered "YES" to ANY of the previous questions, you do not have to provide parental information. Skip to Section 4 on page 6.
 If you answered "NO" to ALL of the previous questions, then you must provide parental information. Complete Section 3 on the next page.

SECTION 3 – PARENTAL INFORMATION

- If you answered “NO” to all the questions in Section 2, you must complete this section even if you do not live with your parents. Refer to your parents’ IRS tax return when necessary.
- Answer the questions as of the date you will complete and sign your FAFSA.
- Grandparents, foster parents and legal guardians are not considered parents on this form unless they have legally adopted you.
- If both of your parents are living and married to each other, answer the questions about them.
- If your parent is widowed or single, answer the questions about that parent. If your widowed parent is remarried as of today, answer the questions about that parent and the person to whom your parent is married (your stepparent).
- If your parents are divorced or separated, answer the questions about the parent you lived with more during the past 12 months. If you did not live with one parent more than the other, give answers about the parent who provided more financial support during the past 12 months, or during the most recent year that you actually received support from a parent. If this parent is remarried as of today, answer the questions about that parent and the person to whom your parent is married (your stepparent).

What is your parents’ marital status as of today? (Q56)

“As of today” refers to the day that you sign your FAFSA.

- Married/remarried
- Single
- Divorced/separated
- Widowed

Month and year your parents were married, separated, divorced, or widowed (Q57) (Example: Month and year: 05/1996)

M	M	Y	Y	Y	Y
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In 2006, did you, your parents, or anyone in your parents’ household receive benefits from any of the federal benefit programs listed? (Q71-75) Mark all the programs that apply.

The federal benefit programs are listed in the answer column. Report benefits received for all of your parents’ household members. Include in your parents’ household: (1) your parents and yourself, even if you don’t live with your parents; (2) your parents’ other children if (a) your parents will provide more than half of their support from July 1, 2007, through June 30, 2008, or (b) the children could answer “No” to every question in Section 2 of this worksheet; and (3) other people only if they live with your parents, your parents provide more than half of their support, and your parents will continue to provide more than half of their support from July 1, 2007, through June 30, 2008.

- Supplemental Security Income
- Food Stamps
- Free or Reduced Price School Lunch
- Temporary Assistance for Needy Families (TANF)
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

Have your parents completed a 2006 IRS income tax return or other income tax return? (Q76)

- Already completed
- Will file
- Will not file

What income tax return did your parents file or will they file for 2006? (Q77)

- IRS-1040
- IRS-1040A, 1040EZ
- A foreign tax return
- A tax return with Puerto Rico, another U.S. territory or a freely associated state

If your parents have filed or will file a 1040, were they eligible to file a 1040A or 1040EZ? (Q78)

In general, a person is eligible to file a 1040A or 1040EZ if he or she makes less than \$100,000, does not itemize deductions, does not receive income from his or her business or farm, and does not receive alimony. A person is not eligible to file a 1040A or 1040EZ if he or she makes \$100,000 or more, itemizes deductions, receives income from his or her own business or farm, is self-employed, receives alimony, or is required to file Schedule D for capital gains. If you filed a 1040 only to claim Hope or Lifetime Learning tax credits, and would have otherwise been eligible for a 1040A or 1040EZ, you should answer “Yes.”

- Yes
- No
- Don’t know

What was your parents’ adjusted gross income for 2006? (Q79)

Adjusted gross income is on IRS Form 1040—line 37; 1040A—line 21; or 1040EZ—line 4.

\$

How much did your parents earn from working (wages, salaries, tips, combat pay, etc.) in 2006? (Q82-83) Answer this question whether or not your parents filed a tax return. This information may be on their W-2 forms, or on IRS Form 1040—lines 7+12+18+line 14 of IRS Schedule E-1 (Form 1065); 1040A—line 7; or 1040EZ—line 1.

Father/Stepfather \$

Mother/Stepmother \$

What is your parents’ e-mail address? (optional)

What is your father’s (or stepfather’s) Social Security Number? (Q58)

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What is your father’s (or stepfather’s) last name? (Q59)

SECTION 3 (CONTINUED) – PARENTAL INFORMATION

What is your father's (or stepfather's) date of birth? (Q61)

(Example: Month, day and year: 05/07/1960)

M	M	D	D	Y	Y	Y	Y
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What is your mother's (or stepmother's) Social Security Number? (Q62)

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What is your mother's (or stepmother's) last name? (Q63)

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What is your mother's (or stepmother's) date of birth? (Q65)

(Example: Month, day and year: 05/07/1960)

M	M	D	D	Y	Y	Y	Y
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What is your parents' state of legal residence? (Q68)

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Did your parents become legal residents of the state before January 1, 2002? (Q69)

 Yes
 No

If "No," give month and year legal residency began for the parent who has lived in the state the longest. (Q70) (Example: Month and year: 05/2003)

M	M	Y	Y	Y	Y
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What was the amount your parents paid in income tax for 2006? (Q80)

Income tax amount is on IRS Form 1040—line 57, 1040A—line 35, or 1040EZ—line 14.

\$									
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Enter your parents' exemptions for 2006. (Q81)

Exemptions are on IRS Form 1040—line 6d or 1040A—line 6d, or the 1040EZ, if a person checked either the "you" or "spouse" box on line 5, see EZ worksheet line 2 to determine the number of exemptions (53,200 equals one exemption). If a person didn't check either box on line 5, enter 0; if he or she is single, or 02 if he or she is married.

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How many people are in your parents' household? (Q66)

Include in your parents' household: (1) your parents and yourself, even if you don't live with your parents, (2) your parents' other children if (a) your parents will provide more than half of their support from July 1, 2007, through June 30, 2008, or (b) the children could answer "No" to every question in Section 2 of this worksheet, and (3) include other people only if they live with your parents, your parents provide more than half of their support, and your parents will continue to provide more than half of their support from July 1, 2007, through June 30, 2008.

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How many people in the question above will be college students in 2007-2008? (Q67)

Always count yourself. Do not include your parents. Include others only if they will attend college at least half time in 2007-2008 in a program that leads to a college degree or certificate.

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Parent FAFSA Worksheets A, B and C. Complete the Worksheets on page 8 to answer the questions below.

Your parents' amount from FAFSA Worksheet A (Q84)

\$									
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Your parents' amount from FAFSA Worksheet B (Q85)

\$									
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Your parents' amount from FAFSA Worksheet C (Q86)

\$									
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Parent Asset Information

- Investments include real estate (do not include the family home), trust funds, UGMA and UTMA accounts, money market funds, mutual funds, certificates of deposit, stocks, stock options, bonds, other securities, Coverdell savings accounts, 529 college savings plans, the refund value of 529 state prepaid tuition plans, installment and lead sale contracts (including mortgages held), commodities, etc. For more information about reporting educational savings plans call 1-800-4-FED-AID. Investment value means the current balance or market value of these investments as of today. Investment debt means only those debts that are related to the investments.
- Do not include the value of life insurance, retirement plans (pension funds, annuities, noneducation IRAs, Keogh plans, etc.) or cash, savings, and checking accounts already reported in Q43 and Q87.
- Business and/or investment farm value includes the market value of land, buildings, machinery, equipment, inventory, etc. Business and/or investment farm debt means only those debts for which the business or investment farm was used as collateral.

As of today, what is your parents' total current balance in cash, savings, and checking accounts? (Q87)

\$									
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As of today, what is the net worth of your parents' investments, including real estate (not their home)? (Q88) Net worth means current value minus debt.

\$									
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As of today, what is the net worth of your parents' current business and/or investment farms? (Q89) Do not include the value of a family farm that you (your spouse and/or your parents) live on and operate. Do not include the value of a small business that you (your spouse and/or your parents) own and control and that has 100 or fewer full-time or full-time equivalent employees.

\$									
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SECTION 4 – STUDENT FINANCES

- Answer the questions as of the date you will complete and sign your FAFSA.
- This section asks about your income. Refer to your IRS tax return when necessary.
- If you filed a foreign tax return, convert all figures to U.S. dollars, using the exchange rate. To view the daily exchange rates, go to www.federalreserve.gov/releases/h10/update.
- If you are married as of today, report your and your spouse's income, even if you were not married in 2006. Ignore references to spouse if you are single, divorced, separated or widowed.

<p>Have you completed a 2006 IRS income tax return or other income tax return? (Q32)</p>	<input type="checkbox"/> Already completed <input type="checkbox"/> Will file <input type="checkbox"/> Will not file				
<p>What income tax return did you file or will you file for 2006? (Q33)</p>	<input type="checkbox"/> IRS-1040 <input type="checkbox"/> IRS-1040A or 1040EZ <input type="checkbox"/> A foreign tax return <input type="checkbox"/> A tax return with Puerto Rico, another U.S. territory or a freely associated state				
<p>If you filed or will file a 1040, were you eligible to file a 1040A or 1040EZ? (Q34)</p> <p><i>In general, you are eligible to file a 1040A or 1040EZ if you make less than \$100,000, do not itemize deductions, do not receive income from your business or farm, and do not receive alimony. A person is not eligible to file a 1040A or 1040EZ if he or she makes \$100,000 or more, itemizes deductions, receives income from his or her own business or farm, is self-employed, receives alimony, or is required to file Schedule D for capital gains. If you filed a 1040 only to claim Hope or Lifetime Learning tax credits, and you would otherwise have been eligible for a 1040A or 1040EZ, you should answer "Yes."</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know				
<p>What was your (and your spouse's) adjusted gross income for 2006? (Q35)</p> <p>Adjusted gross income is on IRS Form 1040—line 37; 1040A—line 21; or 1040EZ—line 4.</p>	<input type="text" value="\$"/>				
<p>What was your (and your spouse's) income tax for 2006? (Q36)</p> <p>Income tax amount is on IRS Form 1040—line 57; 1040A—line 35; or 1040EZ—line 11.</p>	<input type="text" value="\$"/>				
<p>Enter your (and your spouse's) exemptions for 2006. (Q37)</p> <p>Exemptions are on IRS Form 1040—line 6d or 1040A—line 6d. On the 1040EZ, if a person checked either the "you" or "spouse" box on line 5, use EZ worksheet line E to determine the number of exemptions (\$3,200 equals one exemption). If a person didn't check either box on line 5, enter 01 if he or she is single, or 02 if he or she is married.</p>	<input type="text"/>				
<p>How much did you (and your spouse) earn from working (wages, salaries, tips, combat pay, etc.) in 2006? (Q38, 39)</p> <p>Answer this question whether or not you filed a tax return. This information may be on your W-2 forms or on IRS Form 1040—lines 7+12+18+Box 14 of IRS Schedule K-1 (Form 1065); 1040A—line 7; or 1040EZ—line 1.</p>	<table border="0"> <tr> <td>Student</td> <td><input type="text" value="\$"/></td> </tr> <tr> <td>Spouse</td> <td><input type="text" value="\$"/></td> </tr> </table>	Student	<input type="text" value="\$"/>	Spouse	<input type="text" value="\$"/>
Student	<input type="text" value="\$"/>				
Spouse	<input type="text" value="\$"/>				

- If you answered "YES" to ANY question in Section 2, answer the following questions.
- If you answer "NO" to all the questions in Section 2, skip these questions and go to "Student FAFSA Worksheets A, B and C."

How many people are in your household? (Q90)

Include in your household: (1) yourself (and your spouse, if you are married), (2) your children, if you will provide more than half of their support from July 1, 2007, through June 30, 2008, and (3) other people if they now live with you, you provide more than half of their support, and you will continue to provide more than half of their support from July 1, 2007, through June 30, 2008.

How many people in the question above will be college students in 2007-2008? (Q91)

Always count yourself. Include others only if they will attend college at least half time in 2007-2008 in a program that leads to a college degree or certificate.

In 2006, did you (or your spouse) or anyone in your household (from Q90) receive benefits from any of the federal benefit programs listed? (Q92-96)

Mark all the programs that apply.

The federal benefit programs are listed in the answer column. Report benefits received for all of your household members. Use the instructions in Q90 to identify who is included in your household.

-
- Supplemental Security Income
-
-
- Food Stamps
-
-
- Free or Reduced Price School Lunch
-
-
- Temporary Assistance for Needy Families (TANF)
-
-
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

SECTION 4 (CONTINUED) – STUDENT FINANCES

Student FAFSA Worksheets A, B and C. Complete the Worksheets on page 8 to answer the questions below.

Your amount from FAFSA Worksheet A (Q40)	\$
Your amount from FAFSA Worksheet B (Q41)	\$
Your amount from FAFSA Worksheet C (Q42)	\$

Student Asset and Veterans' Benefit Information (See page 5 for instructions on reporting assets.)

As of today, what is your (and your spouse's) total current balance of cash, savings and checking accounts? (Q43)	\$
As of today, what is the net worth of your (and your spouse's) investments, including real estate (not your home)? (Q44) Net worth means current value minus debt.	\$
As of today, what is the net worth of your (and your spouse's) current business and/or investment farms? (Q45) Do not include the value of a family farm that you (your spouse and/or your parents) live on and operate. Do not include the value of a small business that you (your spouse and/or your parents) own and control and that has 100 or fewer full-time or full-time equivalent employees.	\$
If you receive veterans' education benefits, for how many months from July 1, 2007, through June 30, 2008, will you receive these benefits? Use 01 to 12. (Q46)	
What is the amount of your monthly veterans' education benefits? (Q47)	\$

SECTION 5 – SCHOOLS TO RECEIVE INFORMATION

Federal School Codes If you do not know the school code, write the school's name. You will have a chance online to search for the school code.	1st school code (Q97.a)	2nd school code (Q97.c)	3rd school code (Q97.e)	4th school code (Q97.g)	5th school code (Q97.i)	6th school code (Q97.k)
For each school code, indicate the corresponding housing plan.	1st school code (Q97.b) <input type="checkbox"/> on campus <input type="checkbox"/> off campus <input type="checkbox"/> with parent	2nd school code (Q97.d) <input type="checkbox"/> on campus <input type="checkbox"/> off campus <input type="checkbox"/> with parent	3rd school code (Q97.f) <input type="checkbox"/> on campus <input type="checkbox"/> off campus <input type="checkbox"/> with parent	4th school code (Q97.h) <input type="checkbox"/> on campus <input type="checkbox"/> off campus <input type="checkbox"/> with parent	5th school code (Q97.j) <input type="checkbox"/> on campus <input type="checkbox"/> off campus <input type="checkbox"/> with parent	6th school code (Q97.l) <input type="checkbox"/> on campus <input type="checkbox"/> off campus <input type="checkbox"/> with parent

Go to www.fafsa.ed.gov and enter the information from this Worksheet.

Remember to apply for a PIN at www.pin.ed.gov.

Additional help is available online, or you can call 1-800-4-FED-AID.

TTY users (hearing impaired) may call 1-800-730-8913.

Visit www.studentaid.ed.gov for more information on federal student aid.

Talk with your school's financial aid office about other types of aid.

DO NOT MAIL THIS WORKSHEET.

FAFSA WORKSHEETS - CALENDAR YEAR 2006

These worksheets are solely for completing the FAFSA Worksheet questions, on page 7 for the student and, on page 5 for the student's parents.

FAFSA Worksheet A—Report Annual Amounts

Student/Spouse For Page 7		Parents For Page 5
\$	Earned income credits from IRS Form 1040—line 66a; 1040A—line 41a; or 1040EZ—line 8a	\$
\$	Additional child tax credit from IRS Form 1040—line 68 or 1040A—line 41	\$
\$	Welfare benefits, including Temporary Assistance for Needy Families (TANF). Do not include food stamps or subsidized housing.	\$
\$	Social Security benefits received, for all household members as reported in question 90 (or 66 for your parents), that were not taxed (such as SSI). Report benefits paid to parents in the Parents' column, and benefits paid directly to student (or spouse) in the Student/Spouse column.	\$
\$	Enter in question 40 on Page 7.	Enter in question 84 on Page 5.

FAFSA Worksheet B—Report Annual Amounts

Student/Spouse For Page 7		Parents For Page 5
\$	Payments to tax-deferred pension and savings plans (paid directly or withheld from earnings), including, but not limited to, amounts reported on the W-2 Form in Boxes 12a through 12d, codes D, E, F, G, H, and S.	\$
\$	IRA deductions and payments to self-employed SEP, SIMPLE, and Keogh and other qualified plans from IRS Form 1040—line 28 + line 32 or 1040A—line 17	\$
\$	Child support received for all children. Don't include foster care or adoption payments.	\$
\$	Tax-exempt interest income from IRS Form 1040—line 8b or 1040A—line 8b	\$
\$	Foreign income exclusion from IRS Form 2555—line 45 or 2555EZ—line 18	\$
\$	Untaxed portions of IRA distributions from IRS Form 1040—lines (15a minus 15b) or 1040A—lines (11a minus 11b). Exclude rollovers. If negative, enter a zero here.	\$
\$	Untaxed portions of pensions from IRS Form 1040—lines (16a minus 16b) or 1040A—lines (12a minus 12b). Exclude rollovers. If negative, enter a zero here.	\$
\$	Credit for federal tax on special fuels from IRS Form 4136—line 20 (nonfarmers only)	\$
\$	Housing, food and other living allowances paid to members of the military, clergy and others (including cash payments and cash value of benefits)	\$
\$	Veterans' noneducation benefits such as Disability, Death Pension, or Dependency & Indemnity Compensation (DIC), and/or VA Educational Work-Study allowances	\$
\$	Other untaxed income not reported elsewhere on Worksheets A and B, such as workers' compensation, untaxed portions of railroad retirement benefits, Black Lung Benefits, disability, etc. Tax filers only: report combat pay not included in adjusted gross income (Q35 and Q79). Don't include student aid, Workforce Investment Act educational benefits, combat pay if you are not a tax filer, or benefits from flexible spending arrangements (e.g., cafeteria plans).	\$
\$	Money received, or paid on your behalf (e.g., bills), not reported elsewhere on this form	XXXXXXXXXX
\$	Enter in question 41 on Page 7.	Enter in question 85 on Page 5.

FAFSA Worksheet C—Report Annual Amounts

Student/Spouse For Page 7		Parents For Page 5
\$	Education credits (Hope and Lifetime Learning tax credits) from IRS Form 1040—line 50 or 1040A—line 44	\$
\$	Child support paid because of divorce or separation or as a result of a legal requirement. Don't include support for children in your (or your parents') household, as reported in question 90 (or question 66 for your parents).	\$
\$	Taxable earnings from need-based employment programs, such as Federal Work-Study and need-based employment portions of fellowships and assistantships.	\$
\$	Student grant and scholarship aid reported to the IRS in your (or your parents') adjusted gross income. Includes AmeriCorps benefits (awards, living allowances, and interest accrual payments), as well as grant or scholarship portions of fellowships and assistantships.	\$
\$	Enter in question 42 on Page 7.	Enter in question 86 on Page 5.

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