



4000-01-U

DEPARTMENT OF EDUCATION

[Docket ID ED-2017-FSA-0105]

Privacy Act of 1974; System of Records

AGENCY: Federal Student Aid, Department of Education.

ACTION: Notice of a Modified System of Records.

SUMMARY: In accordance with the Privacy Act of 1974, as amended (Privacy Act), the U.S. Department of Education (Department) modifies the system of records entitled "Federal Student Aid Application File" (18-11-01).

The Federal Student Aid Application File system of records contains information provided by applicants for title IV of the Higher Education Act of 1965, as amended, (HEA) program assistance, which is collected from the Free Application for Federal Student Aid (FAFSA). Among other purposes described in this notice, the information collected is maintained in order to: determine an applicant's eligibility for the Federal student financial assistance programs authorized by title IV of the HEA; make a loan, grant, or scholarship; and verify the identity of the applicant.

DATES: Submit your comments on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

This modified system of records will become applicable upon publication in the *Federal Register* on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Modified routine uses (1)(a), (1)(e), (1)(m), (3), (5), (8), (11), (12), (14) and new routine uses (15) and (16) listed under "ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND PURPOSES OF SUCH USES" will become applicable on [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], unless the modified system of records notice needs to be changed as a result of public comment. The Department will publish any significant changes resulting from public comment.

ADDRESSES: Submit your comments through the Federal eRulemaking Portal or via postal mail, commercial delivery, or hand delivery. We will not accept comments submitted by fax or by email or those submitted after the comment period. To ensure that we do not receive duplicate copies, please submit your comments only once. In addition, please include the Docket ID at the top of your comments.

- Federal eRulemaking Portal: Go to [www.regulations.gov](http://www.regulations.gov) to submit your comments electronically. Information on using Regulations.gov, including instructions for accessing agency documents, submitting comments, and viewing the docket, is available on the site

under the "help" tab.

- Postal Mail, Commercial Delivery, or Hand Delivery:

If you mail or deliver your comments about this modified system of records, address them to: Director, Systems Integration Division, Systems Operations and Aid Delivery Management Services, Federal Student Aid, U.S. Department of Education, 830 First Street, NE., room 41F1, Union Center Plaza (UCP), Washington, DC 20202-5144.

Privacy Note: The Department's policy is to make all comments received from members of the public available for public viewing in their entirety on the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov). Therefore, commenters should be careful to include in their comments only information that they wish to make publicly available.

Assistance to Individuals with Disabilities in Reviewing the Rulemaking Record: On request, we will provide an appropriate accommodation or auxiliary aid to an individual with a disability who needs assistance to review the comments or other documents in the public rulemaking record for this notice. If you want to schedule an appointment for this type of accommodation or auxiliary aid, please contact the person listed under FOR FURTHER INFORMATION CONTACT.

FOR FURTHER INFORMATION CONTACT: Director Lisa DiCarlo,  
Application Processing Division, Customer Experience Group,  
Federal Student Aid, U.S. Department of Education, 500 West  
Madison Street, Room 1432/14th Floor, Chicago, IL 60616.  
Telephone: (312) 730-1600.

If you use a telecommunications device for the deaf  
(TDD) or text telephone (TTY), you may call the Federal  
Relay Service (FRS), at 1-800-877-8339.

SUPPLEMENTARY INFORMATION:

The Department is updating the section of the notice  
entitled "SECURITY CLASSIFICATION" by changing the  
classification from "none" to "unclassified." The  
Department is updating the section of the notice entitled  
"SYSTEM LOCATION" by revising two locations and adding five  
locations. The Department is updating the address of the  
"SYSTEM MANAGER(S)" to reflect a change in location. The  
Department is updating the section of the notice entitled  
"AUTHORITY FOR MAINTENANCE OF THE SYSTEM", to include  
additional authority to collect Social Security numbers  
(SSNs) for use in this system.

The Department is updating the section of the notice  
entitled "CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM"  
to remove the reference to secondary school students about  
whom secondary schools, local educational agencies, and

other local and State agencies had previously submitted information to the Department in order for the Department to provide these entities with the students' FAFSA completion filing status.

The Department is updating the section of the notice entitled "CATEGORIES OF RECORDS IN THE SYSTEM" to delete the Institutional Student Information Record (ISIR) Analysis (IA) Tools functionality and a description of the records post-secondary institutions were able to create with the IA Tools, because the IA Tools have been discontinued. The Department is also adding the Person Authentication System (PAS) to the Department systems that provide applicant information to this system of records.

The Department is updating the section of the notice entitled "RECORD SOURCE CATEGORIES" to reflect changes due to the new mobile application. "MyStudentAid" is a mobile application used by students and their parents to submit their post-secondary applications for title IV student financial aid grants and loans as part of the FAFSA process. This is an alternative to completing the FAFSA application on paper or on the FAFSA.gov website. This application populates the Central Processing System (CPS) with the applicant's information. The Department is also modifying this section to clarify that information in the

system may also be obtained from other persons or entities from which data is obtained under routine uses set forth in the notice.

The Department is substantially revising the section of the notice entitled "ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND PURPOSES OF SUCH USES" to reflect changes in program operations. The Department is modifying routine use (1) entitled "Program Disclosures" to remove the purposes of verifying an applicant's spousal information and informing an applicant's spouse of information about the spouse from routine use disclosures (a) and (m). In routine use (1)(a) the change clarifies that the Department will not use this routine use to disclose information from this system of records for the purpose of verifying the identity of the applicant's spouse. In routine use (1)(m) the change clarifies that the Department will not use this routine use to disclose information from this system of records to an applicant's spouse for the purpose of informing the spouse of information about the spouse in an application for title IV, HEA funds.

The Department is modifying routine use (1)(e) to remove language indicating that the Department may disclose records to financial institutions participating in the

Federal Family Education Loan (FFEL) Programs in order to facilitate assessments of title IV, HEA program compliance since new loans were not originated under FFEL after 2010.

The Department is deleting routine use (1)(p) because the Department is no longer disclosing the FAFSA filing status of a student to a Local Educational Agency (LEA), secondary school where the student is or was enrolled, or other State, local, or private entity designated by the Secretary, but rather is permitting State agencies to re-disclose the FAFSA filing status of a student under specified conditions.

The Department is deleting the former routine use (2) entitled "Disclosure for Use by Other Law Enforcement Agencies" because the component of FSA that maintains the system is not a law enforcement agency and, therefore, is renumbering the former routine use (3) entitled "Enforcement Disclosure" to the current routine use (2). The subsequent 12 routine use disclosures are, therefore, renumbered by a reduction factor of one in the current notice.

The Department is modifying routine use (3) entitled "Litigation and Alternative Dispute Resolution (ADR) Disclosure" to insert the word "person" in place of the word "individual" in subsection (c) in order to reduce

public confusion that may have resulted from the Department's prior use of the word "individual," given that the word "individual" is defined in the Privacy Act and the Department did not intend to incorporate the Privacy Act definition of this word.

The Department is modifying routine use (5) entitled "Contracting Disclosure" and routine use (11) entitled "Research Disclosure" to remove language that referenced safeguards required under the Privacy Act because this language was not clear and also limited the Department to making disclosures to contractors acting within the scope of subsection (m) of the Privacy Act. The Department's revised language clarifies that contractors and researchers to whom disclosures are made under these routine uses are required to agree to safeguards to protect the security and confidentiality of the records in the system and permits the Department to disclose records to contractors beyond the scope of subsection (m) of the Privacy Act. The Department also is modifying routine use (5) to clarify that an agreement with the contractor will be reached as part of the contract, rather than before entering into the contract.

The Department is modifying routine use (8) entitled "Employee Grievance, Complaint, or Conduct Disclosure" to

include records of present or former employees and to allow disclosure to any party to a grievance, complaint, or action and to the party's counsel. These changes standardize the language in this routine use with the language used in the Department's other systems of records notices.

The Department is updating routine use (12) formerly entitled "Disclosure to the OMB for Federal Credit Reform Act (CRA) Support" to add the Congressional Budget Office to the entities which may be provided with access to the Department's records relating to the development of more accurate data on historical performance of direct loan and loan guarantee programs and to improve estimates of costs of these programs.

Pursuant to the requirements in Office of Management and Budget (OMB) M-17-12, the Department is modifying routine use (14) entitled "Disclosure in the Course of Responding to a Breach of Data" and adding routine use (15) entitled "Disclosure in Assisting another Agency in Responding to a Breach of Data."

The Department is adding routine use (16) entitled "Disclosure of Information to State and Federal Agencies" to permit disclosure of records for the purposes of identifying, preventing, or recouping improper payments, as

authorized pursuant to the Improper Payments Elimination and Recovery Improvement Act of 2012, Pub. L. 112-248, as amended, and to permit the Department to comply with the requirements of 31 U.S.C. 3720B.

The Department is updating the section of the notice entitled "POLICIES AND PRACTICES FOR STORAGE OF RECORDS" to more fully address the medium in which the records are stored in this system and to make other updates, including a change to the record storage location for paper applications.

The Department is updating the section of the notice entitled "POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS" to explain that the applicable Department records schedule is being amended, pending approval by the National Archives and Records Administration (NARA).

The Department is revising the section of the notice entitled "ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS" to update the computer system safeguards used to protect the system from tampering.

The Department is modifying the sections of the notice entitled "RECORD ACCESS PROCEDURES", "CONTESTING RECORD PROCEDURES", and "NOTIFICATION PROCEDURES" to reflect the current process of requesting access, contesting, and notification of records.

Finally the Department is adding a new section entitled "HISTORY" to the notice to follow the required template in OMB Circular No. A-108.

Accessible Format: Individuals with disabilities can obtain this document in an accessible format (e.g., braille, large print, audiotape, or compact disc) on request to the person listed under FOR FURTHER INFORMATION CONTACT.

Electronic Access to This Document: The official version of this document is the document published in the *Federal Register*. You may access the official edition of the *Federal Register* and the Code of Federal Regulations at [www.govinfo.gov](http://www.govinfo.gov). At this site you can view this document, as well as all other documents of this Department published in the *Federal Register*, in text or Portable Document Format (PDF). To use PDF you must have Adobe Acrobat Reader, which is available free at the site.

You may also access documents of the Department published in the *Federal Register* by using the article search feature at [www.federalregister.gov](http://www.federalregister.gov). Specifically,

through the advanced search feature at this site, you can limit your search to documents published by the Department.

Dated: October 24, 2019.

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Mark A. Brown,  
*Chief Operating Officer,*  
*Federal Student Aid.*

For the reasons discussed in the preamble, the Chief Operating Officer, Federal Student Aid of the U.S. Department of Education (Department) publishes a notice of a modified system of records to read as follows:

SYSTEM NAME AND NUMBER:

Federal Student Aid Application File (18-11-01).

SECURITY CLASSIFICATION:

Unclassified.

SYSTEM LOCATION:

Conduent 1084 South Laurel Road, Building 3, London, KY 40744. This site is the location where paper Free Application for Federal Student Aid (FAFSA) applications and related paper documents are stored until sent to the Federal Records Center for long-term storage and disposal.

General Dynamics Information Technology (GDIT), 2450 Oakdale Boulevard, Coralville, IA 52241. This location hosts CPS/Student Aid Internet Gateway (SAIG) help desk agents and Participation Management staff who provide technical assistance to postsecondary title IV institutions.

GDIT Image and Data Capture (IDC) Center, 1084 South Laurel Road, London, KY 40744. The IDC scans paper financial aid documents and correspondence, key-enters the

data, and electronically transmits the data and related images to the CPS for processing.

GDIT Data Center, 9651 Hornbaker Road, Manassas, VA 20109. This site hosts some of the hardware and software components of the CPS system.

GDIT Customer Interaction Center (CPS/SAIG), 3833 Greenway Drive, Lawrence, KS 55046. CPS/SAIG is the help desk that provides customer service to postsecondary title IV institutions using the CPS and SAIG websites.

NGDC, 250 Burlington Drive, Clarksville, VA 23927. NGDC hosts the infrastructure that supports CPS applications.

Freedom Graphic Systems (FGS), 780 McClure Road, Aurora, IL 60502. This facility handles print and mail operations.

SYSTEM MANAGER(S):

Director, Application Processing Division, Customer Experience Group, Federal Student Aid, U.S. Department of Education, 500 West Madison Street, Room 1432/14th Floor, Chicago, IL 60616.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

Title IV of the Higher Education Act of 1965, as amended (HEA) (20 U.S.C. 1070 et seq.). The collection of Social Security numbers (SSNs) of users of this system is

also authorized by 31 U.S.C. 7701 and Executive Order 9397, as amended by Executive Order 13478 (November 18, 2008).

PURPOSE(S) OF THE SYSTEM:

The information contained in this system is maintained for the purposes of: (1) assisting with the determination, correction, processing, tracking, and reporting of program eligibility and benefits for the Federal student financial assistance programs authorized by title IV of the HEA; (2) making a loan, grant, or scholarship; (3) verifying the identity of the applicant, and the parent(s) of a dependent applicant, and the accuracy of the information in this system; (4) reporting the results of the need analysis, Federal Pell Grant eligibility determination, and the results of duly authorized matching programs between the Department and other Federal agencies to applicants, postsecondary institutions, third-party servicers, State agencies designated by the applicant, and other Departmental and investigative components for use in operating and evaluating the title IV, HEA programs and in the imposition of criminal, civil, or administrative sanctions; (5) enforcing the terms and conditions of a title IV, HEA loan or grant; (6) servicing and collecting a delinquent title IV, HEA loan or grant; (7) initiating enforcement action against an individual involved in

program fraud, abuse, or noncompliance; (8) locating a debtor; (9) maintaining a record of the data supplied by those requesting title IV, HEA program assistance; (10) ensuring compliance with and enforcing title IV, HEA programmatic requirements; (11) acting as a repository and source for information necessary to fulfill the requirements of title IV of the HEA; (12) evaluating title IV, HEA program effectiveness; (13) enabling institutions of higher education (IHEs) designated by the applicant to review and analyze the financial aid data of their applicant population; (14) assisting students with the completion of the application for the Federal student financial assistance programs authorized by title IV of the HEA; (15) determining the eligibility of applicants for the award of State postsecondary education assistance and for the award of aid by eligible IHE or other entities designated by the Secretary and administering those awards; and (16) promoting and encouraging application for title IV, HEA program assistance, State assistance, and aid awarded by the IHE or other entities designated by the Secretary.

#### CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

The Federal Student Aid Application File contains records on students who apply for Federal student financial

assistance programs authorized by title IV of the HEA.

This system also contains information on the parent(s) of a dependent applicant and the spouse of a married applicant.

CATEGORIES OF RECORDS IN THE SYSTEM:

This system of records contains information provided by applicants for title IV, HEA program assistance, on the FAFSA, including, but not limited to, the applicant's name, address, SSN, date of birth, telephone number, driver's license number, email address, citizenship status, marital status, legal residence, status as a veteran, educational status, and financial data. This system also contains information provided about the parent(s) of a dependent applicant, including, but not limited to, the parent's highest level of schooling completed, marital status, SSN, last name and first initial, date of birth, email address, number in household supported by the parent, and income and asset information. For an applicant who is married, this system of records also contains spousal income and asset information.

The system determines an applicant's expected family contribution (EFC). The EFC is used by IHEs to determine the student's eligibility for Federal and institutional program assistance, and by States to determine the student's eligibility for State grants. The Department

notifies the applicant of the results of his or her application via the Student Aid Report (SAR). The Department provides the IHEs identified on the applicant's FAFSA with the Institutional Student Information Record (ISIR), which indicates whether there are discrepant or insufficient data, school adjustments, or CPS assumptions that affect processing of the FAFSA. Other information in the system includes, but is not limited to: Secondary EFC (an EFC calculated from the full EFC formula and is printed in the financial aid administrator's (FAA) Information section of the ISIR), dependency status, Federal Pell Grant Eligibility, duplicate SSN (an indicator that is set to alert ISIR recipients that two applications were processed with the same SSN), selection for verification, Simplified Needs Test (SNT) or Automatic Zero EFC (used for extremely low family income), CPS processing comments, reject codes (explanation for applicant's FAFSA not computing EFC), assumptions made with regard to the student's data due to incomplete or inconsistent FAFSA data, FAA adjustments including dependency status overrides, and CPS record processing information (application receipt date, transaction number, transaction process date, SAR Serial Number, Compute Number, Data Release Number (DRN; a four-digit number assigned to each application), National

Student Loan Database System (NSLDS) match results, a bar code, and transaction source).

Information from other Department systems, such as NSLDS, the Common Origination and Disbursement (COD) System, and the SAIG Participation Management System, is added to this system of records. The Appendix contains a more detailed description of the data added to this system of records as a result of the exchanges of data with other Department systems and the Department's matching programs with other Federal agencies.

RECORD SOURCE CATEGORIES:

Information in this system is obtained from applicants and the parents of dependent applicants for title IV, HEA program assistance, on the paper FAFSA, FAFSA on the Web, FAFSA by phone, mobile application, and the authorized employees or representatives of authorized entities as follows: postsecondary educational institutions, institutional third-party servicers, Federal Family Education Loan (FFEL) Program lenders, FFEL Program guaranty agencies, Federal loan servicers, State grant agencies, other federal agencies, research agencies, and from other persons or entities from which data is obtained under the routine uses set forth below.

Postsecondary institutions designated by the applicant or third-party servicers designated by the postsecondary institution may correct the records in this system as a result of documentation provided by the applicant or by a dependent applicant's parents, such as Federal income return(s) (Internal Revenue Service (IRS) Form 1040, IRS Form 1040A, or IRS Form 1040EZ), Social Security card(s), and Department of Homeland Security I-551 Resident Alien cards.

This system contains information added during CPS processing and information received from other Department systems, including the NSLDS, the COD System, and the SAIG Participation Management System. For more information about the information received from these other Department systems, see the Appendix.

The results of matching programs with the following Federal agencies are also added to the student's record during CPS processing: the Social Security Administration (SSA), the Department of Veterans Affairs (VA), the Selective Service System (SSS), the Department of Homeland Security (DHS), the Department of Justice (DOJ), and the Department of Defense (DoD). For more information about the information received from these matching programs, see the Appendix.

Information in this system also may be obtained from other persons or entities from which data is obtained under routine uses set forth below.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USES AND PURPOSES OF SUCH USES:

The Department may disclose information contained in a record in this system of records under the routine uses listed in this system of records without the consent of the individual if the disclosure is compatible with the purposes for which the record was collected. These disclosures may be made on a case-by-case basis or pursuant to a matching agreement that meets the requirements of the Privacy Act of 1974, as amended (Privacy Act). Section 483(a)(3)(E) of the HEA allows information collected via the electronic version of the FAFSA to be used only for the application, award, and administration of aid awarded under title IV of the HEA, by States, by eligible institutions, or by such entities as the Secretary may designate.

(1) *Program Disclosures.*

(a) To verify the identity of the applicant and the parent(s) of a dependent applicant; to determine the accuracy of the information contained in the record; to support compliance with title IV, HEA statutory and

regulatory requirements; and to assist with the determination, correction, processing, tracking, and reporting of program eligibility and benefits, the Department may disclose records to guaranty agencies and financial institutions participating in the FFEL Programs, IHEs, third party servicers, and Federal and State agencies;

(b) To provide an applicant's financial aid history, including information about the applicant's title IV, HEA loan defaults and title IV, HEA grant program overpayments, the Department may disclose records to IHEs, guaranty and State agencies, financial institutions participating in the FFEL Programs, and third party servicers;

(c) To facilitate receiving and correcting application data, processing Federal Pell Grants and Direct Loans, and reporting Federal Perkins Loan Program expenditures to the Department's processing and reporting systems, the Department may disclose records to IHEs, State agencies, and third party servicers;

(d) To assist loan holders with the collection and servicing of title IV, HEA loans, to support pre-claims/supplemental pre-claims assistance, to assist in locating borrowers, and to assist in locating students who

owe grant overpayments, the Department may disclose records to guaranty agencies and financial institutions participating in the FFEL Programs, IHEs, third-party servicers, and Federal, State, and local agencies;

(e) To facilitate assessments of title IV, HEA program compliance, the Department may disclose records to guaranty agencies and IHEs, third-party servicers, and Federal, State, and local agencies;

(f) To assist in locating holders of loan(s), the Department may disclose records to student borrowers, guaranty agencies and financial institutions participating in the FFEL Programs, IHEs, third-party servicers, and Federal, State, and local agencies;

(g) To assist in assessing the administration of title IV, HEA program funds by guaranty agencies, financial institutions, IHEs, and third-party servicers, the Department may disclose records to Federal and State agencies;

(h) To enforce the terms of a loan or grant or to assist in the collection of loan or grant overpayments, the Department may disclose records to guaranty agencies and financial institutions participating in the FFEL programs,

IHEs, third-party servicers, and Federal, State, and local agencies;

(i) To assist borrowers in repayment, the Department may disclose records to guaranty agencies and financial institutions participating in the FFEL program, IHEs, third-party servicers, and Federal, State, and local agencies;

(j) To initiate legal action against an individual involved in an illegal or unauthorized title IV, HEA program expenditure or activity, the Department may disclose records to guaranty agencies and financial institutions participating in the FFEL programs, IHEs, third-party servicers, and Federal, State, and local agencies;

(k) To initiate or support a limitation, suspension, or termination action, an emergency action, or a debarment or suspension action, the Department may disclose records to guaranty agencies and financial institutions participating in the FFEL programs, IHEs, third-party servicers, and Federal, State, and local agencies;

(l) To investigate complaints, update files, and correct errors, the Department may disclose records to guaranty agencies and financial institutions participating

in the FFEL programs, IHEs, third-party servicers, and Federal, State, and local agencies;

(m) To inform the parent(s) of a dependent applicant of information about the parent(s) in an application for title IV, HEA funds, the Department may disclose records to the parent(s);

(n) To disclose to the parent(s) of a dependent applicant applying for a PLUS loan (to be used on behalf of a student), to identify the student as the correct beneficiary of the PLUS loan funds, and to allow the processing of the PLUS loan application and promissory note, the Department may disclose records to the parent(s) applying for the PLUS loan;

(o) To expedite the student application process, the Department may disclose information from this system, upon request by a third party, provided that the third party provides the Department with the applicant's first and last name, SSN, date of birth, and DRN;

(p) To enable an applicant, should the applicant wish to do so, to obtain information from other Federal agencies' records that will assist the applicant in completing the FAFSA online, the Department may disclose information from this system of records to other Federal agencies, such as the IRS; and

(q) To determine an applicant's eligibility for the award of State postsecondary education assistance and for the award of aid by eligible IHEs or other entities designated by the Secretary and to administer those awards, the Department may disclose information from this system of records to State agencies, eligible IHEs, and other entities designated by the Secretary.

(2) *Enforcement Disclosure.* If information in the system of records, either alone or in connection with other information, indicates a violation or potential violation of any applicable statutory, regulatory, or legally binding requirement, the Department may disclose records to an entity charged with investigating or prosecuting those violations or potential violations.

(3) *Litigation and Alternative Dispute Resolution (ADR) Disclosure.*

(a) *Introduction.* In the event that one of the parties listed in sub-paragraphs (i) through (v) is involved in litigation or ADR, or has an interest in litigation or ADR, the Department may disclose certain records to the parties described in paragraphs (b), (c), and (d) of this routine use under the conditions specified in those paragraphs:

(i) The Department or any of its components;

(ii) Any Department employee in his or her official capacity;

(iii) Any Department employee in his or her individual capacity where the Department of Justice (DOJ) agrees to or has been requested to provide or arrange for representation of the employee;

(iv) Any Department employee in his or her individual capacity where the Department has agreed to represent the employee; and

(v) The United States, where the Department determines that the litigation is likely to affect the Department or any of its components.

(b) *Disclosure to the DOJ.* If the Department determines that disclosure of certain records to the DOJ is relevant and necessary to litigation or ADR, the Department may disclose those records as a routine use to the DOJ.

(c) *Adjudicative Disclosure.* If the Department determines that disclosure of certain records to an adjudicative body before which the Department is authorized to appear or to a person or entity designated by the Department or otherwise empowered to resolve or mediate disputes is relevant and necessary to litigation or ADR, the Department may disclose those records as a routine use to the adjudicative body, person, or entity.

(d) *Disclosure to Parties, Counsel, Representatives, and Witnesses.* If the Department determines that disclosure of certain records is relevant and necessary to litigation or ADR, the Department may disclose those records as a routine use to the party, counsel, representative, or witness.

(4) *Freedom of Information Act (FOIA) and Privacy Act Advice Disclosure.* The Department may disclose records to the DOJ or to the Office of Management and Budget (OMB) if the Department determines that disclosure would help in determining whether records are required to be disclosed under the FOIA or the Privacy Act.

(5) *Contract Disclosure.* If the Department contracts with an entity to perform any function that requires disclosing records to the contractor's employees, the Department may disclose the records to those employees. As part of such a contract, the Department shall require the contractor to agree to establish and maintain safeguards to protect the security and confidentiality of the records in the system.

(6) *Congressional Member Disclosure.* The Department may disclose records to a Member of Congress in response to an inquiry from the Member made at the written request of the individual whose records are being disclosed. The

Member's right to the information is no greater than the right of the individual who requested it.

(7) *Employment, Benefit, and Contracting Disclosure.*

(a) *For Decisions by the Department.* The Department may disclose a record to a Federal, State, or local agency maintaining civil, criminal, or other relevant enforcement or other pertinent records, or to another public authority or professional organization, if necessary to obtain information relevant to a Department decision concerning the hiring or retention of an employee or other personnel action, the issuance of a security clearance, the letting of a contract, or the issuance of a license, grant, or other benefit.

(b) *For Decisions by Other Public Agencies and Professional Organizations.* The Department may disclose a record to a Federal, State, local, or other public authority or professional organization, in connection with the hiring or retention of an employee or other personnel action, the issuance of a security clearance, the reporting of an investigation of an employee, the letting of a contract, or the issuance of a license, grant, or other benefit, to the extent that the record is relevant and necessary to the receiving entity's decision on the matter.

(8) *Employee Grievance, Complaint, or Conduct Disclosure.* If a record is relevant and necessary to an employee grievance, complaint, or disciplinary action involving a present or former employee of the Department, the Department may disclose a record from this system of records in the course of investigation, fact-finding, or adjudication to any party to the grievance, complaint, or action; to the party's counsel or representative; to a witness; or to a designated fact-finder, mediator, or other person designated to resolve issues or decide the matter.

(9) *Labor Organization Disclosure.* The Department may disclose records from this system of records to an arbitrator to resolve disputes under a negotiated grievance procedure or to officials of labor organizations recognized under 5 U.S.C. chapter 71 when relevant and necessary to their duties of exclusive representation.

(10) *Disclosure to the DOJ.* The Department may disclose records to the DOJ to the extent necessary for obtaining DOJ advice on any matter relevant to an audit, inspection, or other inquiry related to the programs covered by this system.

(11) *Research Disclosure.* The Department may disclose records to a researcher if the Department determines that the individual or organization to which the

disclosure would be made is qualified to carry out specific research related to functions or purposes of this system of records. The Department may disclose records from this system of records to that researcher solely for the purpose of carrying out that research related to the functions or purposes of this system of records. The researcher shall be required to agree to establish and maintain safeguards to protect the security and confidentiality of the disclosed records.

(12) *Disclosure to the OMB and Congressional Budget Office (CBO) for Federal Credit Reform Act (FCRA) Support.* The Department may disclose records to OMB and CBO as necessary to fulfill FCRA requirements in accordance with 2 U.S.C. 661b.

(13) *Disclosure to Third Parties through Matching Programs.* Any information from this system of records, including personal information obtained from other agencies through matching programs, may be disclosed to any third party through a matching program in connection with an individual's application or participation in a title IV, HEA grant or loan program administered by the Department. Purposes of these disclosures may be to determine program eligibility and benefits, enforce the conditions and terms of a loan or grant, permit the servicing and collecting of

a loan or grant, counsel the individual in repayment efforts, investigate possible fraud, verify compliance with program regulations, locate a delinquent or defaulted debtor, or initiate legal action against an individual involved in program fraud or abuse.

(14) *Disclosure in the Course of Responding to Breach of Data.* The Department may disclose records to appropriate agencies, entities, and persons when (a) the Department suspects or has confirmed that there has been a breach of the system of records; (b) the Department has determined that as a result of the suspected or confirmed breach there is a risk of harm to individuals, the Department (including its information systems, program, and operation), the Federal Government, or national security; and (c) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with the Department's efforts to respond to the suspected or confirmed breach or to prevent, minimize, or remedy such harm.

(15) *Disclosure in Assisting another Agency in Responding to a Breach of Data.* The Department may disclose records from this system to another Federal agency or Federal entity, when the Department determines that information from this system of records is reasonably

necessary to assist the recipient agency or entity in (a) responding to a suspected or confirmed breach or (b) preventing, minimizing, or remedying the risk of harm to individuals, the recipient agency or entity (including its information systems, programs, and operations), the Federal Government, or national security, resulting from a suspected or confirmed breach.

(16) *Disclosure of Information to State and Federal Agencies.* The Department may disclose records from this system to (a) a Federal or State agency, its employees, agents (including contractors of its agents), or contractors, or (b) a fiscal or financial agent designated by the U.S. Department of the Treasury, including employees, agents, or contractors of such agent, for the purpose of identifying, preventing, or recouping improper payments to an applicant for, or recipient of, Federal funds.

DISCLOSURE TO CONSUMER REPORTING AGENCIES:

Disclosures pursuant to 5 U.S.C. 552a(b)(12): The Department may disclose the following information to a consumer reporting agency regarding a valid overdue claim of the Department: (1) the name, address, taxpayer identification number, and other information necessary to establish the identity of the individual responsible for

the claim; (2) the amount, status, and history of the claim; and (3) the program under which the claim arose. The Department may disclose the information specified in this paragraph under 5 U.S.C. 552a(b)(12) and the procedures contained in subsection 31 U.S.C. 3711(e). A consumer reporting agency to which these disclosures may be made is defined at 31 U.S.C. 3701(a)(3).

POLICIES AND PRACTICES FOR STORAGE OF RECORDS:

System records are paper-based and stored in locked rooms or electronic and stored on secured computer systems and in the cloud.

Paper applications are stored in standard Federal Records Center boxes in locked storage rooms at the contractor facility in London, Kentucky, and then moved to the Federal Records Center at the National Archives and Records Administration (NARA), where the records are stored until disposed.

Digitized paper applicant records, which include optically imaged documents, are stored on DADS (disks) in a virtual disk library, which is also electronic, in the computer facilities controlled by the Federal Student Aid Data Center.

POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS:

Records are indexed and retrieved by the applicant's SSN, name, and the academic year in which the applicant applied for title IV, HEA program assistance.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:

Department of Education Records Schedule No. 072 (DAA-0441-2013-0002), FSA Application, Origination, and Disbursement Records (ED 072) is being amended, pending approval by NARA. Applicable Department records will not be destroyed until applicable NARA-approved amendments to ED 072 are in effect.

ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS:

All users of the Federal Student Aid Application File system will have a unique user ID with a password. All physical access to the data housed at system locations is controlled and monitored by security personnel who check each individual entering the building for his or her employee or visitor badge. The computer system employed by the Department offers a high degree of resistance to tampering and circumvention with firewalls, encryption, and password protection. This security system limits data access to Department and contract staff on a "need-to-know" basis, and controls individual users' ability to access and alter records within the system. All interactions by users

of the Federal Student Aid Application File system are recorded.

RECORD ACCESS PROCEDURES:

If you wish to gain access to a record in this system, you must make a Privacy Act request through the U.S. Department of Education, FOIA Office at [https://www2.ed.gov/policy/gen/leg/foia/request\\_privacy.html](https://www2.ed.gov/policy/gen/leg/foia/request_privacy.html) by completing the applicable request forms. Requests by an individual for access to a record must meet the requirements of the Department's Privacy Act regulations at 34 CFR 5b.5, including proof of identity.

CONTESTING RECORD PROCEDURES:

If you wish to contest or change the content of a record about you in the system of records, provide the System Manager with your name, date of birth, SSN, and any other identifying information requested by the Department, while processing the request, to distinguish between individuals with the same name. Identify the specific items to be changed, and provide a justification for the change.

To contest the content of a FAFSA record for the current processing year (which begins on October 1 of the prior calendar year and continues for 21 months until June 30 of the following calendar year), send your request to

the FOIA Office listed in the Notification Procedures section.

Requests to amend a record must meet the requirements of the Department's Privacy Act regulations at 34 CFR 5b.7.

NOTIFICATION PROCEDURES:

If you wish to determine whether a record exists about you in the system of records, you must make a Privacy Act request through the U.S. Department of Education, FOIA Office at

[https://www2.ed.gov/policy/gen/leg/foia/request\\_privacy.htm](https://www2.ed.gov/policy/gen/leg/foia/request_privacy.html)

l by completing the applicable request forms. Requests for notification about whether the system of records contains information about an individual must meet the requirements of the Department's Privacy Act regulations at 34 CFR 5b.5, including proof of identity.

EXEMPTIONS PROMULGATED FOR THE SYSTEM:

None.

HISTORY:

The system of records was published in the *Federal Register* at 64 FR 30159-30161 (June 4, 1999), corrected by 64 FR 72384, 72407 (December 27, 1999), corrected by 65 FR 11294-11295 (March 2, 2000), corrected by 66 FR 18758 (April 11, 2001), altered by 74 FR 68802-68808 (December

29, 2009), and most recently altered by 76 FR 46774-46781  
(August 3, 2011).

Appendix to 18-11-01

ADDITIONAL INFORMATION ABOUT CATEGORIES OF RECORDS IN THE  
SYSTEM AND RECORD SOURCE CATEGORIES:

Data provided to the Department as a result of computer matching with other Federal agencies are added during CPS processing. The Department's present computer matches are with the SSA to verify the SSNs of applicants, and dependent applicants' parent(s), and to confirm the U.S. citizenship status of applicants as recorded in SSA records and date of death (if applicable) of applicants, and dependent applicants' parents, pursuant to sections 428B(f) (2), 483(a) (12), and 484(g) and (p) of the HEA (20 U.S.C. 1078-2(f) (2), 1090(a) (12), and 1091(g) and (p)); with the VA to verify the status of applicants who claim to be veterans, pursuant to section 480(c) and (d) (1) (D) of the HEA (20 U.S.C. 1087vv(c) and (d) (1) (D)); with the SSS to confirm the registration status of male applicants, pursuant to section 484(n) of the HEA (20 U.S.C. 1091(n)); with the DHS to confirm the immigration status of applicants for assistance as authorized by section 484(g) of the HEA (20 U.S.C. 1091(g)); with the DOJ to enforce any requirement imposed at the discretion of a court, pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, Public Law 100-690, as amended by section 1002(d) of the Crime

Control Act of 1990, Public Law 101-647 (21 U.S.C. 862), denying Federal benefits under the programs established by title IV of the HEA to any individual convicted of a State or Federal offense for the distribution or possession of a controlled substance; and with the DoD to identify dependents of U.S. military personnel who died in service in Iraq and Afghanistan after September 11, 2001, to determine if they are eligible for increased amounts of title IV, HEA program assistance, pursuant to sections 420R and 473(b) of the HEA (20 U.S.C. 1070h and 1087mm(b)).

During CPS processing, the Department's COD System sends information to this system for students who have received a Federal Pell Grant. The CPS uses this information for verification analysis and for end-of-year reporting. These data include, but are not limited to: Verification Selection and Status, Potential Over-award Project (POP) indicator, Institutional Cost of Attendance, Reporting and Attended Campus Pell ID and Enrollment Date, and Federal Pell Grant Program information (Scheduled Federal Pell Grant Award, Origination Award Amount, Total Accepted Disbursement Amount, Number of Disbursements Accepted, Percentage of Eligibility Used At This Attended Campus Institution, and Date of Last Activity from the Origination or Disbursement table).

The CPS also receives applicant data from the Department's NSLDS system each time an application is processed or corrected. This process assesses student aid eligibility, updates financial aid history, and ensures compliance with title IV, HEA regulations. Some of these data appear on the applicant's SAR and ISIR. Title IV, HEA award information is provided to NSLDS from several different sources. Federal Perkins Loan data and Federal Supplemental Educational Opportunity Grant (FSEOG) overpayment data are sent from postsecondary institutions or their third-party servicers; the Department's COD System provides Federal Pell Grant and Direct Loan data; and State and guaranty agencies provide data on FFEL loans received from lending institutions participating in the FFEL programs. Financial aid transcript data reported by NSLDS provides applicants, postsecondary institutions, and third-party servicers with information about the type(s), amount(s), dates, and overpayment status of prior and current title IV, HEA funds the applicant received. FFEL and William D. Ford Federal Direct Student Loan (DL) data reported by NSLDS include, but are not limited to: (1) Aggregate Loan Data, such as Subsidized, Unsubsidized; Combined Outstanding Principal Balances; Unallocated Consolidated Outstanding Principal Balances, Subsidized,

Unsubsidized; Combined Pending Disbursements, Subsidized, Unsubsidized; Combined Totals; and Unallocated Consolidated Totals; (2) Detailed Loan Data, such as Loan Sequence Number; Loan Type Code; Loan Change Flag; Loan Program Code; Current Status Code and Date; Outstanding Principal Balance and Date; Net Loan Amount; Loan Begin and End Dates; Amount and Date of Last Disbursement; Guaranty Agency Code; School Code; Contact Code; and Institution Type and Grade Level; and (3) system flags for Additional Unsubsidized Loan; Capitalized Interest; Defaulted Loan Change; Discharged Loan Change; Loan Satisfactory Repayment Change; Active Bankruptcy Change; Overpayments Change; Aggregate Loan Change; Defaulted Loan; Discharged Loan; Loan Satisfactory Repayment; Active Bankruptcy; Additional Loans; DL Master Promissory Note; DL PLUS Loan Master Promissory Note; Subsidized Loan Limit; and the Combined Loan Limit. Federal Perkins Loan data reported by NSLDS include, but are not limited to: Cumulative and Current Year Disbursement Amounts; flags for Perkins Loan Change; Defaulted Loan; Discharged Loan; Loan Satisfactory Repayment; Active Bankruptcy; Additional Loans; and Perkins Overpayment Flag and Contact (School or Region). Federal Pell Grant payment data reported include, but are not limited to: Pell Sequence Number; Pell Attended School

Code; Pell Transaction Number; Last Update Date; Scheduled Amount; Award Amount; Amount Paid to Date; Percent Scheduled Award Used; Pell Payment EFC; Flags for Pell Verification; and Pell Payment Change. Federal Teacher Education Assistance for College and Higher Education (TEACH) Grant Program data include, but are not limited to: TEACH Grant Overpayment Contact; TEACH Grant Overpayment Flag; TEACH Grant Loan Principal Balance; TEACH Grant Total; and Teach Grant Change Flag. Iraq and Afghanistan Service Grants data include, but are not limited to: Total Award Amount. The Department obtains and exchanges information that is included in this system of records from postsecondary institutions, third-party servicers, and State agencies. These eligible entities register with the SAIG system to participate in the information exchanges specified for their business processes.

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