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Subject: Status of the FAFSA IRS Data Retrieval Tool

In a [March 10, 2017 Electronic Announcement](#), we informed the community that because of privacy and security concerns, the Internal Revenue Service (IRS) suspended use of the IRS Data Retrieval Tool (IRS DRT). The suspension of the IRS DRT applied to both FAFSA® filers and to Income Driven Repayment (IDR) applicants. The IRS concern is that, using personal information obtained illegally from other sources, including name, Social Security number, date of birth, address, and tax filing status, a malicious actor could create an FSA ID, begin completing a FAFSA or IDR application, use the IRS DRT to obtain taxpayer information, and then use that information for illegal purposes, including filing false tax returns in hope of receiving tax return refunds. The purpose of this Electronic Announcement is to provide the financial aid community with information on the status of the IRS DRT as it relates to FAFSA processing. Information about the status of the IRS DRT for IDR plan applicants will be provided in a forthcoming communication.

2018–19 FAFSA Cycle (Begins on October 1, 2017)

To address both privacy and security concerns related to the IRS DRT, the IRS and Federal Student Aid (FSA) have agreed to implement a solution that will reinstate the use of the IRS DRT beginning with the 2018–19 FAFSA cycle. However, this solution will limit the information that displays to the applicant in order to enhance the security and privacy of sensitive personal data transferred to the FAFSA from the IRS. This solution will encrypt the taxpayer's information and hide the information from the applicant's view on both the IRS DRT web page and on the FAFSA web pages. While students and parents will still be able to electronically transfer their IRS tax return information into the FAFSA, the information will not be visible to would-be malicious actors. Note that Institutional Student

Information Records (ISIRs) sent to institutions and to state grant agencies will include all of the tax return information that was transferred into the FAFSA using the IRS DRT.

We acknowledge that some FAFSA applicants may have concerns about not being able to see the information they are transferring from the IRS into the FAFSA, and that there will be other challenges to applicants and to institutions (e.g., confirming results and making corrections). However, we believe that this solution provides potentially the best balance between access to federal student aid and the privacy of personal information and to maintaining the integrity of our tax collection system. We take our legal obligations to ensure personal data is protected very seriously, as does the IRS. We will continue to work with the financial aid community to address these concerns about ease of use.

2016–17 and 2017–18 FAFSA Cycles

With respect to the use of the IRS DRT for FAFSA, and to best serve the largest number of applicants, we are focusing our time and resources on the development, testing, and implementation of changes to the tool in time for the 2018–19 FAFSA launch on October 1, 2017. Therefore, the IRS DRT will remain unavailable to 2016–17 and 2017–18 FAFSA filers. However, with support from the financial aid community, including the broad network of college access organizations, we continue to remind students and parents that they can still apply for financial aid without the IRS DRT, including telling them that they can manually enter their tax return information into the FAFSA.

We will provide a series of detailed communications about the 2018–19 solution and its impact on your important work in the coming weeks.

We thank the community in advance as we address the very important issue of providing access, simplification, accuracy, and burden reduction while also protecting the privacy of taxpayer information and the integrity of our tax system.