

US Department of Education
 Response to Comments – 30-day Comment Period
 Alternative Documentation of Income Form

Comments received from:
 The Institute for College Access and Success

	<i>Issue/Location on Form</i>	<i>Comment/Proposed Language</i>	<i>ED Response</i>	<i>Rationale</i>
1	General Comment	<p>Adjust the layout of elements to make this form easier for borrowers to understand and complete. This revised form makes it more difficult for borrowers to identify where they need to report their income and whether they need to submit income information for their spouse. Simple layout changes, such as reinstating the table format for entering income information and more clearly separating the items in Section 4, would help borrowers better navigate this form and accurately report their income. Adding even a small amount of white space after each section would also make this form easier to read and follow.</p>	ACCEPT	<p>The Department agrees that the proposed form lacked visual cues that would assist borrowers in determining where information actually needed to be reported. To accommodate, the Department has now numbered items, and added “comb” fields for income, which are frequently used on the Free Application for Federal Student Aid (FAFSA), to make it clearer where borrowers will be required to complete questions or provide information.</p> <p>The Department also slightly restructured the form. Section 1 remains as it was. Section 2 is now only about spousal identification, including the check boxes that will help borrowers determine whether the Department requires spousal income information. Section 3 now relates to income information of the borrower and (if necessary) the spouse.</p>
2	General Comment	<p>Place a reference to the instructions (Section 5) more prominently at the top of the first page. It would be most helpful to place the instructions themselves at the top of the form, as we previously recommended. However, if the instructions remain on the second page, there should at least be a clear and prominent reference to those instructions at the top of the form. We appreciate the cross-reference to Section 5 in the first paragraph of Section 2, but borrowers should be instructed to determine whether it is appropriate or necessary to fill out this form above or in Section 1.</p>	ACCEPT	<p>The Department has placed a prominent reference to Section 5 in Section 1.</p>
3	General Comment	<p>Use plain language that most borrowers can read and understand. Although some of the large blocks of text have been broken up in this revised form, more needs to be done to simplify the language and make the form easier to follow. See</p>	ACCEPT	<p>The Department has further broken up the large blocks of dense texts and endeavored to make instructions clear and explicit.</p>

		our specific recommendations below for more details.		
4	Section 1	Compress or reorganize the contact information fields so that they take up less vertical space, making it easier to add separation and white space in other parts of the form.	REJECT	Many servicers use windowed envelopes to prepopulate the borrower's name and address that necessitate section one being laid out in such a manner.
5	Sections 2 and 3	Restore the table format for entering income information. In the revised form, the table has been replaced by two lines that are buried in inches of text. The table visually directed the borrower's attention to the fields for entering income information and made it easier to fill out that information.	ACCEPT IN PART	The Department agrees that the fields for reporting income were difficult to locate in the prior draft of the form. To assist borrowers in locating these fields, the Department has added "comb" fields, which are frequently used on the Free Application for Federal Student Aid (FAFSA).
6	Sections 2 and 3	Restore the check-boxes for "Frequency of Payment." In the revised form, it is not obvious whether borrowers should report the number of times they are paid each year or use a descriptor like "weekly." The check-boxes are a much more self-explanatory way to report this information.	ACCEPT	The Department agrees that check boxes are a clearer way of requesting this information. The check boxes will include: (1) Weekly, (2) Every Two Weeks, (3) Twice Per Month, (4) Monthly, and (5) Annually.
7	Sections 2 and 3	Reword "Amount of Taxable Income" to "Amount of Taxable Income per Pay Period" to make it clear that borrowers should not enter their total annual income if they are paid multiple times a year. Some pay stubs include the total paid per pay period as well as the cumulative total paid that year.	ACCEPT IN PART	The Department agrees that the fields for reporting income were ambiguous as to whether the amount to be reported was an annual amount or an amount per pay period. In lieu of restructuring the name of the field, the Department has added instructions to the top of Section 3; specifically, in the last sentence in the first paragraph, as follows: "Example: for Items 8 and 11, as appropriate, if you are submitting a pay stub that indicates that your gross pay for the pay period is \$800.99, report \$800 in Item 8."
8	Sections 2 and 3	Consider adding back the second row that allowed borrowers to report more than one source of income. Some borrowers may work more than one job or otherwise receive multiple sources of income. This would require the field for employer or source of income to be added back to the table as well.	REJECT	While the Department understands that some borrowers work multiple jobs and must therefore send documentation of income from multiple sources, it does not follow that the form must cover every contingency. Because the majority of borrowers have once source of income, the Department will retain the general approach reflected in the previous draft versions of the forms.

				<p>Instructions have been placed at the top of Section 3 (in paragraph 2) to help borrower understand how to proceed in this situation:</p> <p>“If you have multiple sources of income, provide documentation of your income from each source, but only report your primary source of income in Items 8 and 11, as appropriate.”</p>
9	Section 2	<p>Reorganize the instructions in this section into two paragraphs: one paragraph describing the types of income to report and one paragraph describing how to attach supporting documentation of income. It is confusing how the list of types of income to report is separated by many blocks of text from the list of types of income to <i>not</i> report. The instructions on the types of income to report (and not report) should appear at the top of this section, before the space where borrowers enter their income information.</p>	ACCEPT	
10	Section 2	<p>Reword “Income includes income from employment, unemployment income, dividend income, interest income, tips, and alimony” to “This taxable income includes income from employment, unemployment income, dividend income, interest income, tips, and alimony.” This change would more clearly differentiate the taxable income borrowers are required to report and the untaxed income that borrowers should not report on this form.</p>	ACCEPT	
11	Section 2	<p>Clarify whether there is a minimum dollar threshold for the types of taxable income to report. The revised form includes the language, “Do not report small sources of income, such as interest from a savings account.” Without a numerical threshold, this note contradicts the instruction to include interest income.</p>	REJECT	<p>The Department does not have a threshold for ignoring income. Instructions that had been previously instructed borrowers to not report <i>de minimis</i> sources of income have been removed.</p>
12	Section 2	<p>Clarify how many forms of documentation are required per source of income. The instructions still do not explicitly state that only one form of documentation is required per source of income.</p>	ACCEPT	<p>The Department has made this instruction explicit:</p> <p>“Provide one piece of documentation of each source of taxable income, such as a pay stub, bank statement, or a social security earnings statement.”</p>

13	Section 2	Clarify the instructions for reporting more than one source of income and move those instructions above the space where borrowers enter their income information. In the revised form, it is not clear that borrowers should submit information on additional sources of income on a separate sheet of paper. Additionally, the instruction should add “to the” to the phrase “provide documentation of that income in addition [to the] information reported above.”	ACCEPT IN PART	Instructions have been placed at the top of Section 3 (in paragraph 2) to help borrower understand how to proceed in this situation: “If you have multiple sources of income , provide documentation of your income from each source, but only report your primary source of income in Items 8 and 11, as appropriate.”
14	Section 2	Restore the instruction that “Copies of the original documentation are acceptable.” In the revised form, it is not clear whether borrowers have to submit original documentation. It is far less burdensome on borrowers to be able to submit copies of their income documentation.	ACCEPT	
	Section 3	Separate the check-boxes determining whether borrowers have to fill out this section from the spouse identification and income lines. This section in the revised form is very visually confusing.	ACCEPT	
	Section 3	Reword the instructions in the header of Section 3 to “Only complete if you are married and check one or more of the boxes below.” The check-boxes are not mutually exclusive.	ACCEPT IN PART	In light of the Department having numbered each item that requires a response, the header now instructs borrowers to complete the section on spousal information if they “check box 2, 3, or 4, below.” In addition, at the top of that section (after the header), the Department has placed the following language to avoid borrower being confused by check boxes that are not mutually exclusive: “Check all boxes in this section that apply to you and your spouse.”
	Section 3	Add a reference to the instructions in Section 2 for reporting income information and submitting documentation. We recommend the following language, “If you are required to complete this section, refer to Section 2 for instructions on the income information and documentation to provide.”	ACCEPT IN PART	As a lead-in to questions on spousal income information, the Department placed language that it thinks will be easier to understand in light of the fact that it has numbered each item: “ If you are married and checked box 2, 3, or 4 in Section 2, you must provide documentation of your spouse’s income and complete items 11, 12, and 13; otherwise, skip to Section 4.”
	Section 4	Reword “(1) if I do not provide this information to the Department I will either not be allowed to repay my loan(s) under the ICR or IBR plan or my monthly payment amount will	REJECT	While the Department agrees that the proposed language would be easier to understand, the proposed language does not reflect what occurs to borrowers who apply or reapply for the ICR or IBR plan,

		be recalculated and no longer based on my income” to “(1) if I do not provide this information to the Department, my monthly payment amount will not be based on my income.” This language would much be easier for borrowers to understand.		but who do not provide documentation. For ICR, borrowers who do not provide income documentation are not allowed to pay on ICR. Similarly, ICR borrowers who fail to provide income documentation are removed from the ICR plan (which is different from what occurs under the IBR plan).
	Section 4	Delete “appropriate” from the second sentence, “determining my appropriate repayment amount under the ICR Plan or IBR Plan.”	ACCEPT	
	Section 4	Add “(If required)” to “Spouse’s Signature” and “Date of Spouse’s Signature” to make it more clear that not all married borrowers have to have their spouses sign this form.	ACCEPT	
	Section 5	Increase the font size for this header to be consistent with the other section headers.	ACCEPT	
	Section 5	Reword the “You may complete...” and “You are not required to complete...” sections to be parallel to make it easier for borrowers to determine when it is appropriate to use this form. We suggest replacing the language in the current draft with the following: a. YOU MAY complete this form if you are repaying or are applying to repay your Direct Loans under the ICR or IBR Plan and: i. You filed federal taxes during the most recently completed tax year and your Adjusted Gross Income (AGI), as reported on your most recently filed federal tax return, <i>does not reasonably reflect your current income</i> , due to, for example, the loss or change in employment by you or your spouse. b. YOU ARE NOT REQUIRED to complete the form if you are repaying your Direct Loans under the ICR or IBR Plan and: i. You filed federal taxes during the most recently completed tax year and your Adjusted Gross Income (AGI), as reported on your most recently filed federal tax return, reasonably reflects your current income.	ACCEPT IN PART	The Department accepts the thrust of the comment, but will use slightly different language to prevent those who do not immediately file their taxes after the end of a calendar year from being confused as to whether they are required to submit alternative documentation of income. The Department has also switched to AGI in lieu of Adjusted Gross Income after the acronym was defined. See below: YOU MAY complete this form if you are repaying or are applying to repay your Direct Loans under the IBR or ICR Plan and: <ul style="list-style-type: none"> Your AGI, as reported on your most recently filed federal tax return, <i>does not reasonably reflect your current income</i>, due to, for example, the loss or change in employment by you or your spouse. YOU ARE NOT REQUIRED to complete this form if you are repaying your Direct Loans under the IBR or ICR Plan and: <ul style="list-style-type: none"> Your AGI, as reported on your most recently filed federal tax return, <i>reasonably reflects your current income</i>.

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