

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

Comments received from:
 The National Consumer Law Center

<i>Issue/Location on Form</i>	<i>Comment/Proposed Language</i>	<i>ED Response</i>	<i>Rationale</i>
<p>Section 2</p>	<p>Sections to be completed by the borrower need to be clear and obvious.</p> <p>The proposed version of the form removes the box in which borrowers were given a place in indicate their income. The box visually directed the borrower’s attention to the area to be completed and presented the information in a way that borrowers could easily complete. However, the proposed form buries the area for the borrower to complete in inches of text.</p> <p>Aside from the visual aspect of the box, the headings on the box conveyed the information requested much more efficiently and effectively than the proposed form. The check boxes allowed less sophisticated borrowers to easily identify the kind of information the form is attempting to identify and their appropriate response. This is unclear in the proposed form.</p> <p>We urge the Department to return to the box format with clear headings and check boxes for the payment frequency.</p>	<p>ACCEPT</p>	<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> <p>The Department has also restored the check boxes for borrowers to indicate the frequency with which they receive the income that they are reporting.</p>
<p>Section 2</p>	<p>Instructions must use plain language that most borrowers can read and understand.</p> <p>The proposed instructions in Section 2 are confusing. For example, instruction 1 states that the borrowers should “include the amount of income or pay... that is reflected on the documentation that you provide.” Many documents include several amounts. For example, most pay stubs will state the employee’s current payment amount as well as a total amount</p>	<p>ACCEPT IN PART</p>	<p>The Department has further broken up the large blocks of dense texts and endeavored to make instructions clear and explicit.</p> <p>Instructions regarding the reporting of income and the documentation required will read as follows:</p> <p>Provide the following information about the taxable income you are currently receiving after you have determined (by reading Section 5) that you should complete this form. Taxable income includes</p>

	<p>for the year. To that end, we recommend that instruction 1 of Section 2 be amended to read:</p> <p>For the field “Amount of Taxable Income”, include the amount of your income or pay per pay period, less any...</p> <p>Instruction 2, regarding frequency, is equally confusing. Few people identify their pay frequency by the number of pay checks per year. Most people would indicate that they are paid weekly, every other week, twice a month, monthly, or once a year. The instructions should reflect that common language.</p>		<p>income from employment, unemployment income, dividend income, interest income, tips, and alimony. Do not report untaxed income such as Supplemental Security Income, child support, or federal or state public assistance. 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.</p> <p>Provide one piece of documentation of each source of taxable income, such a pay stub, bank statement, or a social security earnings statement (see Section 7). Copies of the original documentation are acceptable. Documentation must be dated within 90 days of the date you signed this form. 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>
Section 2	<p>Placement of instructions not to report untaxed income.</p> <p>The instruction for borrowers not to report untaxed income needs to be more prominent on the form. When counseling borrowers on completing the Alternate Documentation of Income form, we find that a very common mistake is for borrowers to list their Supplemental Security Income or state public benefits in the income field. Placing this instruction more prominently and closer to the fields to be completed will help to reduce this error.</p>	ACCEPT	
Section 3	Request the spouse’s information at the top of the form with the borrower’s information;	ACCEPT IN PART	<p>The section related to spousal information has been separated into two sections. The check boxes related to whether the Department will need spousal information and spousal identifying information is now Section 2, immediately following Section 1 (borrower identification).</p> <p>Section 3 is now exclusively about income information, including spousal information (if required).</p>
Section 3	Include the current version of the instructions in Section 3; and	ACCEPT IN PART	Because Section 3 is now exclusively about income information, the fields related to spousal income information are sufficiently covered by the instructions to Section 3.
Section 3	Return to the box format with clear headings and check boxes	ACCEPT IN	The Department agrees that the fields for reporting income were

	for the payment frequency.	PART	<p>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).</p> <p>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.</p>
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