(viii) An applicant who transfers to
the institution, had previously com-
pleted the verification process at the
institution from which he or she trans-
ferred, and applies for assistance on the
same application used at the previous
institution, if the current institution
obtains a letter from the previous in-
stitution stating that it has verified
the applicant’s information, the trans-
action number of the verified applica-
tion, and, if relevant, the provision
used in §668.59 for not recalculating the
applicant’s EFC.

(3) An institution need not require an
applicant to document a spouse’s infor-
mation or provide a spouse’s signature
if—
(i) The spouse is deceased;
(ii) The spouse is mentally or phys-
ically incapacitated;
(iii) The spouse is residing in a coun-
try other than the United States and
cannot be contacted by normal means
of communication; or
(iv) The spouse cannot be located be-
cause his or her address is unknown
and cannot be obtained by the appli-
cant.

(Approved by the Office of Management and
Budget under Control Number 1840–0570)

(3) §668.55 Updating information.

(a)(1) Unless the provisions of para-
graph (a)(2) or (a)(3) of this section
apply, an applicant is required to up-
date—
(i) The number of family members in
the applicant’s household and the num-
ber of those household members at-
tending postsecondary educational in-
stitutions, in accordance with provi-
sions of paragraph (b) of this section;
and

(ii) His or her dependency status in
accordance with the provisions of para-
graph (d) of this section.

(2) An institution need not require an
applicant to verify the information
contained in his or her application for
assistance in an award year if—
(i) The applicant previously sub-
mitted an application for assistance for
that award year;

(ii) The applicant updated and
verified the information contained in
that application; and

(iii) No change in the information to
be updated has taken place since the
last update.

(3) If, as a result of a change in the
applicant’s marital status, the number
of family members in the applicant’s
household, the number of those house-
hold members attending postsecondary
education institutions, or the appli-
cant’s dependency status changes, the
applicant shall not update those fac-
tors or that status.

(b) If the number of family members
in the applicant’s household or the
number of those household members
attending postsecondary educational
institutions changes for a reason other
than a change in the applicant’s mar-
ital status, an applicant who is se-
lected for verification shall update the
information contained in his or her ap-
plication regarding those factors so
that the information is correct as of
the day the applicant verifies the infor-
mation.

(c) If an applicant has received Fed-
eral Pell Grant, ACG, National SMART
Grant, campus-based, Federal Stafford
Loan, or Federal Direct Stafford/Ford
Loan program assistance for an award
year, and the applicant subsequently
submits another application for assist-
ance under any of those programs for
that award year, and the applicant is
required to update household size and
number attending postsecondary edu-
cational institutions on the subsequent
application, the institution—

(1) Is required to take that newly up-
dated information into account when
awarding for that award year further
Federal Pell Grant, ACG, National
SMART Grant, or campus-based, as-
sistance or certifying a Federal Staf-
ford Loan application, or originating a
Direct Subsidized Loan; and

(2) Is not required to adjust the Fed-
eral Pell Grant, ACG, National SMART
Grant, or campus-based assistance pre-
viously awarded to the applicant for
that award year, or any previously cer-
tified Federal Stafford Loan applica-
tion or previously originated Direct
Subsidized Loan for that award year,
§ 668.56 Items to be verified.

(a) Except as provided in paragraphs (b), (c), (d), and (e) of this section, an institution shall require an applicant selected for verification under § 668.54(a)(2) or (3) to submit acceptable documentation described in § 668.57 that will verify or update the following information used to determine the applicant’s EFC:

1. Adjusted gross income (AGI) for the base year if base year data was used in determining eligibility, or income earned from work, for a non-tax filer.

2. U.S. income tax paid for the base year if base year data was used in determining eligibility.

3. (i) For an applicant who is a dependent student, the aggregate number of family members in the household or households of the applicant’s parents.

   (A) The applicant’s parent is single, divorced, separated, or widowed and the aggregate number of family members is greater than two; or

   (B) The applicant’s parents are married to each other and not separated and the aggregate number of family members is greater than three.

   (ii) For an applicant who is an independent student, the number of family members in the household of the applicant if—

       (A) The applicant is single, divorced, separated, or widowed and the number of family members is greater than one; or

       (B) The applicant is married and not separated and the number of family members is greater than two.

4. The number of family members in the household who are enrolled as at least half-time students in postsecondary educational institutions if that number is greater than one.

5. The following untaxed income and benefits for the base year if base year data was used in determining eligibility—

   (i) Social Security benefits if the institution has reason to believe that those benefits were received and were not reported or were incorrectly reported;

   (ii) Child support if the institution has reason to believe that child support was received;

   (iii) U.S. income tax deduction for a payment made to an individual retirement account (IRA) or Keogh account;

   (iv) Interest on tax-free bond;

   (v) Foreign income excluded from U.S. income taxation if the institution has reason to believe that foreign income was received;

   (vi) The earned income credit taken on the applicant’s tax return; and

   (vii) All other untaxed income subject to U.S. income tax reporting requirements in the base year which is included on the tax return form, excluding information contained on schedules appended to such forms.

(b) If an applicant selected for verification submits an SAR or output document to the institution or the institution receives the applicant’s ISIR within 90 days of the date the applicant signed his or her application, or if an applicant is selected for verification under § 668.54(a)(2), the institution need not require the applicant to verify—

1. The number of family members in the household; or