

## IRM PROCEDURAL UPDATE

**DATE: 05/29/2024**

**NUMBER: ts-21-0524-0697**

**SUBJECT: New Process for Students Applying for Financial Aid**

**AFFECTED IRM(s)/SUBSECTION(s): 21.2.1**

**CHANGE(s):**

**IRM 21.2.1.57(5) - Updated final bullet to preassessed for clarity. (SERP Feedback #19981).**

(5) OPA offers users the ability to:

- Agree to pay now.
- Arrange a short-term payment plan (up to 180 days starting January 2022) on balances less than \$100,000 in aggregate assessed tax, penalties, and interest.
- Arrange a streamlined monthly installment agreement for individuals who owe \$50,000 or less in aggregate assessed tax, penalties, and interest.
- Establish pre-assessed streamlined agreement on current tax year Form 1040 liability for a balance of up to \$50,000.
- Establish pre-assessed agreement for the individual shared responsibility payment.
- Establish a pending agreement if they cannot pay within 72 months or by the CSED and agree to send in financial information.
- Establish a preassessed agreement for a pending examination audit, Automated Underreporter (AUR) or Automated Substitute for Return (ASFR) case.

**IRM 21.2.1.61 - The Department of Education will no longer direct students or their parents to the IRS for copies of tax returns or transcripts. Removed all information regarding obsolete information for the Department of Education.**

(1) There is a new process for students applying for financial aid through the Department of Education (ED). In July 2023, The IRS implemented legislation mandating a direct data exchange with the Department of Education (ED) which provides all tax data necessary for ED to administer federal student aid programs, without any need for taxpayers to contact the IRS.

(2) The Department of Education (ED) will no longer direct students or their parents to the IRS to obtain copies of tax returns or tax transcripts, for the Income Driven Repayment of student loans or to complete the Free Application for Student Aid (FAFSA). Any inquiries from the public may be redirected to ED's Federal Student Aid Information Center (FSAIC) at 1-800-433-3243 or website at Federal Student Aid, or suggest they contact their school's financial aid office for assistance. IRS does not administer non-tax student aid programs for ED.