

# FAFSA Simplification

Better FAFSA, Better Future

**Office of Student Aid**



# FAFSA Simplification Overview:

2024-2025 - Changes are drastic!

- Reduces the number of questions from 108 to about 36
- Automatic transfer of IRS data to the FAFSA –DRT
- Expected Family Contribution (EFC) changes to Student Aid Index (SAI)
- Reduced likelihood of verification because fewer questions and more data transferred

# Agenda

- What has happened?
- What is happening now?
- What will happen in the future?
- Important information.

# What has happened?

- June 17, 2021
  - Repeal of Selective Service registration, drug-related conviction, and Subsidized Usage Loan Limit Restriction (SULA) eligibility limitations
- October 1, 2022
  - Selective Service registration status and drug conviction-related questions removed from FAFSA

# What is happening now?

- July 1, 2023
  - Professional Judgement Provisions
    - Special Circumstances vs. Unusual Circumstances
  - What has changed?
    - Institutions cannot maintain a policy of denying all professional judgement requests
    - Institutions must disclose publicly that students may pursue adjustment based on special or unusual circumstances
    - Institutions may use a dependency override determination made by another institution
    - Notify students requesting an adjustment for unusual circumstances of the school's process, requirements, and reasonable timeline for review

# What is happening now?

- July 1, 2023
  - Determination process for unaccompanied homeless youth and former foster youth, orphans, wards of the court, and students with unusual circumstances
    - Must review all requests as quickly as possible, no later than 60 days
    - Updates to acceptable documentation that a school may request
  - Pell Grant Lifetime Eligibility Used (LEU) restored
  - Provisional independent student status
  - Pell Grant eligibility restoration for incarcerated students

# What is happening now?

- July 1, 2023
  - Cost of Attendance (COA) Components
  - What has changed?
    - Room and board is now *food and housing (living expenses)*
    - Living expenses must break out costs associated with specific housing and food situations and require standards within certain categories
    - License, certification, or first professional credential are not restricted to a one-time allowance
    - Additional expenses added to COA of confined or incarcerated individuals
    - Institutions must include a list of all COA elements on any portion of the website that describes tuition and fees

# What will happen in the future?

- July 1, 2024
  - Simplified FAFSA 2024-2025<sup>1</sup>
    - Less than half of the questions on the original FAFSA
    - Removal of housing question<sup>2</sup>
  - Income data transfer from the Internal Revenue Service (IRS) to the Department of Education (ED)<sup>1,3</sup>
    - Determine eligibility for Federal financial aid
    - Determine eligibility for income-driven repayment plans
    - Monitoring and reinstating loans that were discharged based on total and permanent disability discharges

1. [NASFAA Deep Dive](#)
2. [NASFAA Letter to ED](#)
3. [2022 FSA Virtual Conference](#)



# What will happen in the future?

- July 1, 2024
  - Student Aid Index (SAI) will replace Expected Family Contribution (EFC)<sup>1</sup>
    - SAI is used to determine eligibility for Title IV aid, except for maximum & minimum Pell Grant awards
    - SAI will be used to determine eligibility for middle range Pell Grant awards
  - SAI can be as low as -1500<sup>1</sup>
  - Pell Grant provisions<sup>2</sup>
    - Pell Grant proration
    - Removal of half-time status requirement for year-round Pell

1. [NASFAA Q&A on Changes to Federal Student Aid Policy](#)

2. [Changes to Federal Methodology and the Pell Grant Program, 2021+](#)

# Important information.

- All 2024-2025 FAFSA applicants **MUST** complete a **NEW** FAFSA – data from previous years will **NOT** be migrated forward.
- 2024-2025 FAFSA release date is scheduled for December. FAFSA typically opens on October 1<sup>st</sup>. Timing for awarding may be delayed.
- We are encouraging students to apply after January 1<sup>st</sup>.
- Future FAFSA forms should resume with scheduled October 1<sup>st</sup> opening date.

# Conclusion

- Streamlined application process
- Expanded federal aid eligibility
- Reduce barriers
- Better user experience

**Thank you!**



# Resources

- NASFAA Timeline of Effective Dates
  - [https://www.nasfaa.org/uploads/documents/Timeline\\_Effective\\_Dates\\_CAA\\_2021-22.pdf](https://www.nasfaa.org/uploads/documents/Timeline_Effective_Dates_CAA_2021-22.pdf)
- Dear Colleague Letter GEN-22-15
  - <https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2022-11-04/fafsar-simplification-act-changes-implementation-2023-24>
- NASFAA Deep Dive: Changes to Federal Methodology, Other Student Aid Changes From Spending Bill
  - [https://www.nasfaa.org/news-item/24269/NASFAA\\_Deep-Dive\\_Changes\\_to\\_Federal\\_Methodology\\_Other\\_Student\\_Aid\\_Changes\\_From\\_Spending\\_Bill](https://www.nasfaa.org/news-item/24269/NASFAA_Deep-Dive_Changes_to_Federal_Methodology_Other_Student_Aid_Changes_From_Spending_Bill)
- NASFAA Letter to the Department of Education
  - [https://www.nasfaa.org/uploads/documents/NASFAA\\_ED\\_Letter\\_on\\_Housing\\_Question\\_March\\_2023.pdf](https://www.nasfaa.org/uploads/documents/NASFAA_ED_Letter_on_Housing_Question_March_2023.pdf)
- 2022 Virtual FSA Training Conference – Breakout Session #9 – FAFSA Simplification: Use of Federal Tax Information (FTI)
  - <https://fsaconferences.ed.gov/conferences/library/2022/ppts/2022FSAConfSessionBO9.pdf>
- NASFAA Q&A on Changes to Federal Student Aid Policy Included in Consolidated Appropriates Act, 2021
  - [https://www.nasfaa.org/qa/consolidated\\_approps\\_21](https://www.nasfaa.org/qa/consolidated_approps_21)
- Changes to Federal Methodology and the Pell Grant Program, 2021+
  - [https://www.nasfaa.org/uploads/documents/Legislative\\_Changes\\_to\\_Federal\\_Methodology\\_Pell\\_Program\\_2021.pdf](https://www.nasfaa.org/uploads/documents/Legislative_Changes_to_Federal_Methodology_Pell_Program_2021.pdf)
- Financial Aid Toolkit, FAFSA Simplification: A Better FAFSA Means a Better Future for Borrowers
  - <https://financialaidtoolkit.ed.gov/tk/announcement-detail.jsp?id=better-fafsa-better-future>