



BETTER FAFSA BETTER FUTURE

Quick Reference Guide

Terminology

OLD	NEW
Award Letter	Aid Offer/ Aid Notification
Room & Board	Food & Housing
EFC	Student Aid Index (SAI)
Parent 1 & 2	Parent/Other Parent
Household Size	Family Size
Simplified Needs Assessment	Applicant Exempt from Asset Reporting
IRS Data Retrieval	Direct Data Exchange
Dependency Questions	Student Personal Circumstances
SAR	FAFSA Submission Summary
<ul style="list-style-type: none"> Parents, Student and Spouse are now considered contributors as they are contributing tax information. Situations potentially leading to a Dependency Override are considered <i>Unusual Circumstances</i>. Situations potentially leading to a Professional Judgement are considered <i>Special Circumstances</i>. 	

FSA ID Creation

- Must create up to 2 weeks prior
- Must verify with phone number AND email
- Cannot log in with demographic information, must have an FSA ID
- Parents with no SSN can still create an FSA ID using ITIN or a knowledge-based identity verification software through TransUnion.
- Undocumented parents will need an FSA ID. Parent information is kept secure, and only used for determining the student's eligibility for financial aid.
- Some cases will require both parents to create an FSA ID. (Anyone contributing separate tax information will need an FSA ID.)

Timeline & Process

- Delayed for 2024-25, opening projected for December 2023
- There will be an onboarding process with the initial log in to help contributors understand the process.
- Student completes their portion and invites parent(s) to contribute or parents can begin and invite the student.
- Parents log in via invitation email or studentaid.gov dashboard.
- Last contributor to complete their portion will have the opportunity to submit.

SAI & Eligibility

- SAI replaces EFC
- Can be as low as -1500
- Non-tax filers will be automatic -1500
- Pell eligibility can be determined using 2022 Federal Poverty Charts, AGI & family size OR SAI, whichever is more favorable for student.
- Projected that 60% of all FAFSA filers will be Pell eligible, while 40% of those students will receive maximum Pell.
- Projected that 13% of previously Pell eligible students will lose their Pell eligible status, but institutional methodology can return those students to eligibility.



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Consent & Parents

- Must file under parent who provides MOST financial support (Parent Wizard will assist)
- Student starts the FAFSA and invites the parent to participate or parent can start and invite student to contribute.
- Parents are considered to be contributors when their information is required on the FAFSA.
- Anyone (parent, student or spouse) who has a separate tax form is an additional contributor and must provide consent.
- Consent makes it possible for the Direct Data Exchange to share IRS tax information with the FAFSA.

Additional Considerations

- Studentaid.gov will host a student and parent dashboard with real-time status updates and notification.
- If a FAFSA is set to Spanish, the invitation email sent to other contributors will be in Spanish as well.
- Victims of identify theft will have opportunity to manually enter tax information.
- If a FAFSA is started and no other necessary contributors log in to participate within 45 days, the form will be deleted.
- The FAFSA Submission Summary will indicate if a student has been selected for verification, among other notifications.
- There are no early estimates on verification rates, but there will likely be fewer students selected for verification.

Calculation

- SAI will not be divided by the number of students in college.
- FSA has provided an increase in income protection allowance to make up for loss of sibling discount.
- Pell eligibility can be determined using Federal Poverty Chart or SAI.
- The Pell determination that is most favorable for the student must be used.

Assets

- There will be no asset questions for families who:
 - are eligible for max Pell (non-filers)
 - make less than \$60,000 and have no Schedule C
 - Filed a Schedule C, but it is less than \$10,000
 - Federal benefits recipient under means-tested benefit program.
- If required to report assets (make more than \$60,000 a year), families will be required to report value of farms and businesses **regardless of number of employees or whether the family lives on the farm.**
- FSA has guidance coming about how to calculate net value of businesses and farms.
- When reporting 529 & educational savings plans, the parent now only includes savings from which the student filing the FAFSA benefits
- Child support received is now listed as an asset, and parent should report total support received in the last full calendar year.