



FAFSA Simplification

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Agenda

- 2024-25 FAFSA and Department of Education FAFSA Simplification Resources
- Need Analysis and Application Processing Highlights
- NASFAA Resources

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2024-25 FAFSA and Department of Education FAFSA Simplification Resources

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2024-25 FAFSA Concepts

Applicant experience changes from current form

- Roles and contributors (e.g., Student, Parent, Spouse)
 - Parent Wizard
- Communications/invitations/workflows
- Consent/approval
- FSA ID login requirement
- Grouping/numbering of FAFSA data elements
- Question order based on key decision points

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FSA ID Process & The 2024-25 FAFSA

- Every student and contributor will need to create an FSA ID to complete the 2024-25 FAFSA online
 - FSA IDs will still take around 3 days to be verified and created
 - Schools should be encouraging students to create them well in advance of FAFSA filing
- FSA is still working on a process to allow individuals without SSNs to create an FSA ID

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FAFSA Federal Tax Information (FTI) Approval

- An applicant and contributor (if applicable) must provide approval once each year
- If no approval, no Title IV aid eligibility

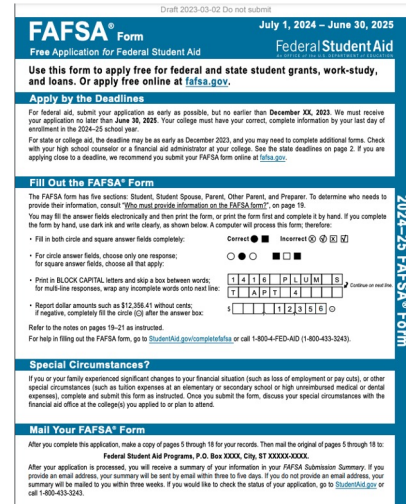
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Draft 2024-25 FAFSA

- First draft: March 2023
 - New look and significant reorganization
 - Contains several new questions required by the FAFSA Simplification Act
- Second draft: September 15, 2023



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Second Draft FAFSA: Notable Changes

- Language changes
 - Other Parent is now Parent Spouse or Partner
 - Consent to Retrieve/Disclose FTI is now FTI Consent and Approval
- More reorganization
- NASFAA wins
 - Clarification that schools can't see gender and race/ethnicity answers
 - Better options for identifying first-generation status

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2024-2025 FAFSA Prototype

- FSA has announced the release of the 2024-25 FAFSA prototype
 - This illustrates what the online FAFSA experience will look like but will not be a fully functional demo site
- Electronic announcement with more detailed information (e.g., accessing the prototype), 9/29/23

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Outstanding FAFSA Issues

- 2024-2025 online FAFSA Release Date
 - Still anticipated December 2023
- FSAID process for individuals without SSNs
 - Still expected before FAFSA release date
 - Possible FSA webinar on 11/2

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2024-25 FAFSA Specifications Guide

- All FAFSA-related processing information and guidance now in a single, multi-volume guide
- Replaces the following stand-alone documents:
 - Summary of Changes for the Application Processing System
 - EDE Technical Reference
 - Application Processing System Specifications for Software Developers
 - The ISIR Guide
 - SAR Comment Codes and Text
 - CPS Test System User Guide

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2024-25 Draft Student Aid Index and Pell Grant Eligibility Guide

Resources Include:

- 2024-25 Draft SAI and Pell Grant Eligibility Guide
- 2024-25 Draft SAI and Pell Grant Eligibility Guide Supplement - EFC to SAI Crosswalk
- 2024-25 Draft SAI and Pell Grant Eligibility Guide Supplement - EFC to SAI Scenarios
- 2024-25 Draft SAI and Pell Grant Eligibility Guide Supplement - Eligibility for Max or Min Pell Grant Resource
- 2024-25 Draft SAI and Pell Grant Eligibility Guide Supplement - Pell Formulas and Enrollment Intensity

Final versions of the guide and its supplements will be published prior to the start of the 2024-25 processing cycle.

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Key Terms, Definitions, and Systems Related to FAFSA Simplification and FUTURE Acts

- GEN-23-11: August 4, 2023
 - DCL
 - Attached Q&A
- Includes new information, clarifications, and operational guidance

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Need Analysis and Application Processing Highlights

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Verification 2024-25

- [September 19, 2023 Federal Register](#) contains data elements and documentation requirements
- Dear Colleague Letter [GEN-23-12](#) contains additional information and suggested verification text
- Upcoming NASFAA webinar: [Verification: 2024-25 \(Extended Edition\)](#)
 - Rescheduled to December 12, 2023, at 2:00 PM ET (2 hours)

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Parent of Record (Primary Parent) 2024-25

For dependent students with divorced or separated parents:

1. Income and assets are reported for parent who provides **most financial support over 12 months prior to filing FAFSA** even if student does not live with that parent or lives with the other parent;
2. If neither parent provided support in 12-month period in #1, parent of record is parent who provided greater support during most recent year student received financial support from a parent; and then
3. If equal support is given; parent of record is one with the higher income or assets

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Parent of Record (Primary Parent) 2024-25

- Parent student lived with most in past 12 months is no longer a criterion
- If one parent pays child support to the other parent, and that support amounts to more than half of student's support that parent is parent of record
- Parent of record is self-reported by the parent, and unless there is conflicting information, there is no requirement to verify or otherwise confirm which parent provides greater portion of support

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Family Size 2024-25

- Family size replaces “household size”
- Uses IRS definition of dependents on tax return
- Federal tax information (FTI) is transferred directly from IRS to FAFSA via FUTURE Act Direct Data Exchange (FADDX)
- FAFSA contributor (student and/or parent) is given opportunity to manually update family size if it has changed since filing the tax return

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Number in College 2024-25

- Number in college question still reported on FAFSA but will no longer be used in SAI calculation
 - Statute still requires it to be listed on FAFSA
- In special circumstances beyond just having another family member in college, financial aid administrator (FAA) may use professional judgment (PJ) to adjust other data items related to COA or SAI to account for costs associated with additional family members in college

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Untaxed Income 2024-25

Only untaxed income reported on FAFSA:

- Untaxed portions of Individual Retirement Account/Arrangement distributions (withdrawals)
- Untaxed portions of pension and annuity distributions (withdrawals)
- IRA deductions and payments to self-employed SEP, SIMPLE, and qualified plans
- Tax-exempt interest
- Foreign Earned Income Exclusion (“foreign income exempt from federal taxation”)

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Removed Untaxed Income Items 2024-25

- Untaxed payments to tax-deferred pension and retirement saving plans represented by codes D, E, F, G, H, and S in Box 12 of IRS Form W-2
- Housing, food, and living allowances paid to members of the military, clergy, others
- Veterans' benefits
- Worker's compensation
- General category of "other untaxed income"
- General category of cash support or "money received by or paid on behalf of the student"

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Emergency Financial Assistance 2024-25

- Other financial assistance (OFA, formerly EFA) excludes emergency financial assistance provided to student for **unexpected** expenses that are **component of student's COA**
 - Includes any grant or loan paid to student for unexpected expenses
- School alone determines whether unexpected expense is associated with a COA component
- See ED's [FAFSA Simplification Questions and Answers OFA-Q5/A5](#)

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NASFAA Resources

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Comment Codes Crosswalk

- Comment Codes for 2024-25 will undergo significant renumbering from the previous year.
- In response to member concerns about needing to update financial aid systems and communications NASFAA has begun work to develop a crosswalk.
- We expect to have this resource available in October.

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AskRegs Articles

AskRegs articles that concern topics that span multiple award years are marked by the aid year that they pertain to if that award year has different

Who Is the Parent Of Record On the FAFSA Starting In 2024-25?

Add To Favorites

Award Year: 2024-25

KA-36530

Helpfulness Rating  ★★★★★

3,304 page views

This guidance is specific to the 2024-25 award year and later.

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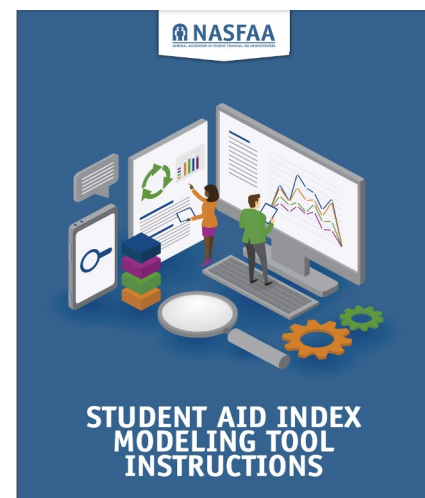


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NASFAA's SAI Modeling Tool

- Updated September 20th for 2023-24 data input
- Estimated SAI vs EFC
- Estimated Pell Grant Amount
- Assistance for under resourced schools:
 - www.nasfaa.org/sai_modeling_tool_assistance

Open to the public (NEW):
www.nasfaa.org/sai_modeling_tool



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NASFAA's FAFSA Simplification Webcenter

- SAI formula/Pell eligibility flowchart
- Charts summarizing changes
- Implementation Timeline
- School checklist
- Community resource library: communication samples
- **Updated** Monograph: Developing the Cost of Attendance, Practical Information for Student Aid Professionals
- **Updated** Monograph: Professional Judgment in Eligibility Determination and Need Analysis

www.nasfaa.org/fafsa_simplification

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Questions?

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