

The College Place

# 2024-2025 FAFSA: What's Changing?

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#INVESTINYOUROPPORTUNITIES

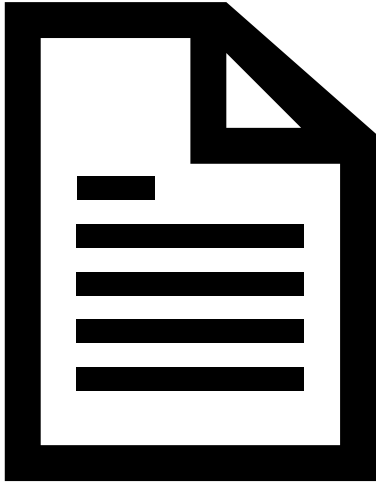


ECMC

# Today's Agenda

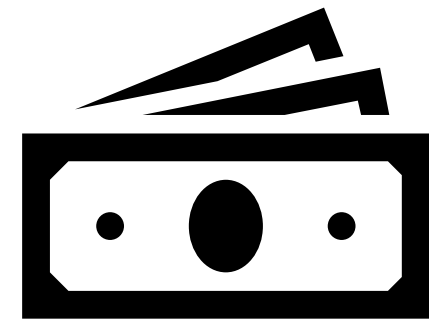
- FAFSA Simplification and FUTURE Acts
- Timeline of 2024-2025 FAFSA updates
- Relevant changes to the application
- Shift in FAFSA focus for '24-25
- Tips for planning for fall 2023





**The FAFSA Simplification Act of 2020** was a complete overhaul of the Free Application for Federal Student Aid (FAFSA) beginning with the 2024-2025 FAFSA season, including reducing # of questions from 108 to 36.

**The FUTURE Act of 2019** allows the IRS to share data with Federal Student Aid (FSA) to improve the function and flow of the FAFSA, IDR plans and the TPD discharge program.



# Why Is the FAFSA Changing?

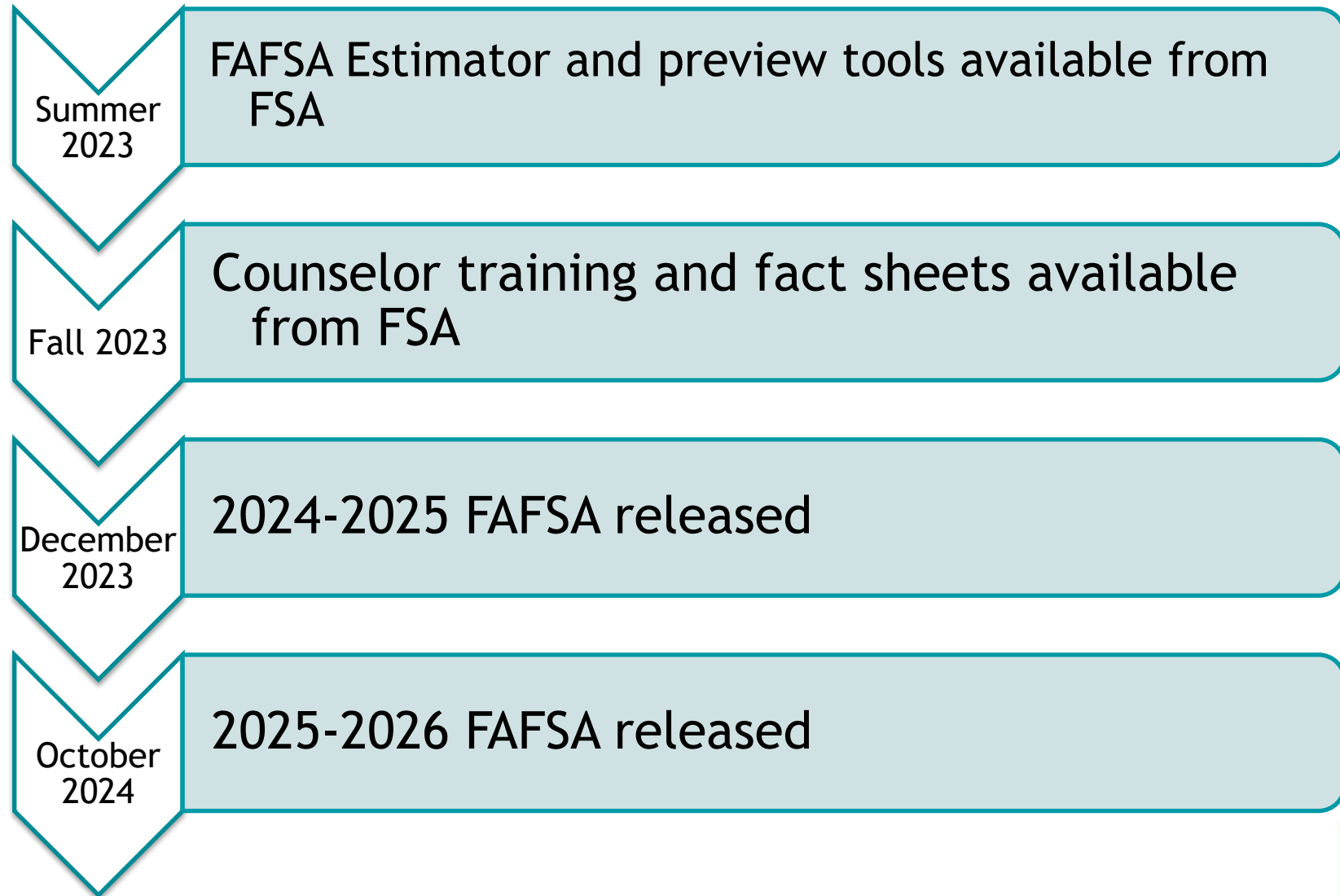
More streamlined  
application process

Expand eligibility for  
federal financial aid

Reduce barriers for  
certain populations

Better user experience  
for the FAFSA form

# Timeline: 2024-2025 FAFSA Updates



## Changes to the 2024-2025 FAFSA

### Current FAFSA

- What it was

### New FAFSA

- What it is now

Category:  
Why the  
change  
was made

**Note:** The information provided in this presentation is accurate as of May, 2023. Due to the evolving nature of the new FAFSA rollout, this information is tentative and may change in the future.

## Current FAFSA

- **Expected Family Contribution (EFC)** is calculated by information submitted on the FAFSA
- The lowest EFC is **\$0**
- When two or more students from one family are enrolled, **EFC is divided among them**

## New FAFSA

- **Student Aid Index (SAI)** is the new term for the FAFSA calculation
- The lowest SAI is **-\$1500**
- **SAI will not be divided** among families with two or more students enrolled

**Vocabulary:**  
Some terms are replaced with new and more clear language

## Current FAFSA

- Colleges include “**Room and Board**” in the cost of attendance (COA)

## New FAFSA

- Colleges will now use “**Food and Housing**” to calculate COA
- COA must include 21 meals per week

**Vocabulary:**  
Some terms are replaced with new and more clear language.



## Current FAFSA

- Students report their **household size**, including parents, dependent siblings and others supported by parents for dependent students

## New FAFSA

- **Family size** will be imported from tax information via the IRS
- If family size differs from IRS transfer, this section can be edited.

**Vocabulary:**  
Some terms are replaced with new and more clear language

## Current FAFSA

- Students receive a **Student Aid Report (SAR)** after submitting a completed FAFSA
- Their SAR provides an estimated EFC.

## New FAFSA

- Students will receive a **FAFSA Summary Submission**
- This document will be updated **3-4 days** after submission with their SAI after SSA verification.

**Vocabulary:**  
Some terms are replaced with new and more clear language

## Current FAFSA

- Students can share **unusual or special circumstances** with colleges to determine their dependency status

## New FAFSA

- Students will be able to share **personal circumstances**
- Special = changes in finances that may warrant EFC or COA changes
- Unusual = changes in student's condition that may warrant dependency status changes

**Vocabulary:**  
Some terms are replaced with new and more clear language

## Current FAFSA

- The fastest way to submit and update the FAFSA is online using an FSA ID
- Students may submit paper FAFSA without an FSA ID

## New FAFSA

- Both students and parents will be required\* to have an FSA ID
- The application “must” be submitted online, although paper FAFSA still available.

## FSA ID:

The username and password gives access to an online Federal Student Aid account.

## Current FAFSA

- It is possible to submit a FAFSA without an FSA ID, so it's possible to go through the process **without an email address**

## New FAFSA

- A **unique email address and phone number** are required for every person to obtain an FSA ID

## FSA ID:

The username and password gives access to an online FSA account



## Current FAFSA

- Parents who do not have an SSN are not able to create an FSA ID
- They sign the FAFSA by printing, signing and mailing signature page

## New FAFSA

- Parents w/o SSN will complete ID verification through Transunion to create FSA ID.
- More information about how this process will work is forthcoming.

## FSA ID:

The username and password gives access to an online FSA account

## Current FAFSA

- The form is available in English and Spanish

## New FAFSA

- The form, along with resources and translation services, will be available in the 11 most commonly spoken languages in the U.S.

**Language:**  
Many people who complete the FAFSA speak, read and write a language other than English

## Current FAFSA

- The parent with whom the student **lives with more than 50% of the time** is contributing parent or the “FAFSA parent”

## New FAFSA

- The person who **contributes the most financially** is the “FAFSA contributor”
- **This may be determined by the person who claims the student as a dependent on their taxes**
- Any child support received by this parent will not be included as income

**FAFSA Parent:**  
The parent responsible for completing the application may change for students whose parents are not married to each other

# FAFSA Contributors

- A FAFSA contributor is someone who must provide **their financial information** on a student's FAFSA.
- A contributor could be a spouse, natural/adopted parent or step-parent.
- Each contributor must have an **FSA ID** to complete the FAFSA online.
- When the student includes someone as a contributor, FSA will send an email to the contributor, **inviting them to complete their section of the FAFSA.**
- After contributor(s) complete their section of the FAFSA, **the student must sign and submit the FAFSA online.**

# FAFSA Contributors

- A dependent student's contributor is the person who **provides the student's financial support.**
- If a student's parents are married or living together, **both parents are contributors.**
- If a student lives with one parent, **the parent that provides the most financial support for the student is the contributor.**
  - If both parents provide equal support, **the parent with the greatest assets is the contributor.**
  - If this parent is married, **the step-parent is also a contributor.**



## Current FAFSA

- Students can identify up to 10 colleges per FAFSA submission
- If they want their information shared with more colleges, they must update their FAFSA after receiving the SAR

## New FAFSA

- Students can identify up to 20 colleges to share their FAFSA information
- Students can still update FAFSA to include more schools

**Colleges:**  
FSA shares FAFSA information with colleges where the student plans to apply

## Current FAFSA

- Using the **IRS Data Retrieval Tool (DRT)** is optional and reduces the likelihood of being selected for verification

## New FAFSA

- All tax information will be transferred directly from the IRS, reducing the number of students selected for verification
- Students and contributors must provide consent for IRS transfer in order to be considered for aid.

**IRS Data Retrieval:**  
Submitting tax information is required for the FAFSA

## Current FAFSA

- Pell eligibility is determined by EFC

## New FAFSA

- Pell eligibility will be determined by two ways:
  - Poverty tables will be used to determine eligibility for min and max Pell Grants
  - All other Pell Grant amounts will be awarded based on SAI
- This may mean that two different students with the same SAI will receive different Pell Grant amounts if family income and size places them at different points on the poverty table

**Pell Grant Eligibility:**  
The maximum Pell Grant will rise to \$7,395 for 2024-2025 academic year

**Pell Grant Eligibility Based on Financial Aid Status and Household Size**

Household Size	Maximum Pell Grant Income Limit	Minimum Pell Grant Income Limit
<b>Dependent Students with Family of 4</b>		
Single parent household	62,438	90,188
Two parent household	48,563	76,313
<b>Independent Students</b>		
No dependents (Family of 1)	23,783	37,373
Single parent with 2 dependents (Family of 3)	51,818	92,120
Two parent household with 2 dependents (Family of 4)	48,563	97,125

# 2024-2025 FAFSA Focus Shift: From Income to Assets

- Shift in aid eligibility focus from cash flow (income) to wealth (assets)
- No asset reporting for:
  - Students/families who meet simplified needs test (SNT)-anyone in the household receiving SSI, SNAP, TANF, WIC, Medicaid and Federal Housing Assistance (free and reduced lunch program no longer included)
  - Family income less than \$60K
- Income Protection Allowance (IPA) increases by:
  - 20% for parents
  - 35% for most students
  - 60% for students who are single parents



## 2024-2025 FAFSA Focus Shift: From Income to Assets

- Families will no longer have to report cash support or other money paid of the student's behalf, veteran's education benefits and workman's compensation
- Child support will be reported as an asset instead of income
- Families will have to report all small businesses and family farms

# Other Important Changes

- The changes are expected to increase the number of Pell-eligible students by **500K** (up to 7.4 million) students
- Marital separation must be legal, not informal
- When a student begins the FAFSA, their parent will have **45 days** to complete it
- Colleges can still use additional data to determine institutional aid eligibility

# Common/Anticipated FAFSA Errors

- Not using legal names per Social Security records
- Incorrect tax filing status for contributors
- Refusing IRS transcript consent
- Listing incorrect contributor information
- Not counting all dependents in family size
- Manually submitting financial information
- Incomplete contributor section(s)
- Students not signing and submitting FAFSA after contributor completes section

# How to Prepare for 2024-2025 FAFSA



Review FSA resources (FSA Toolkit)



Attend VCAN/ECMC's annual financial aid training in August



Support families in creating FSA IDs



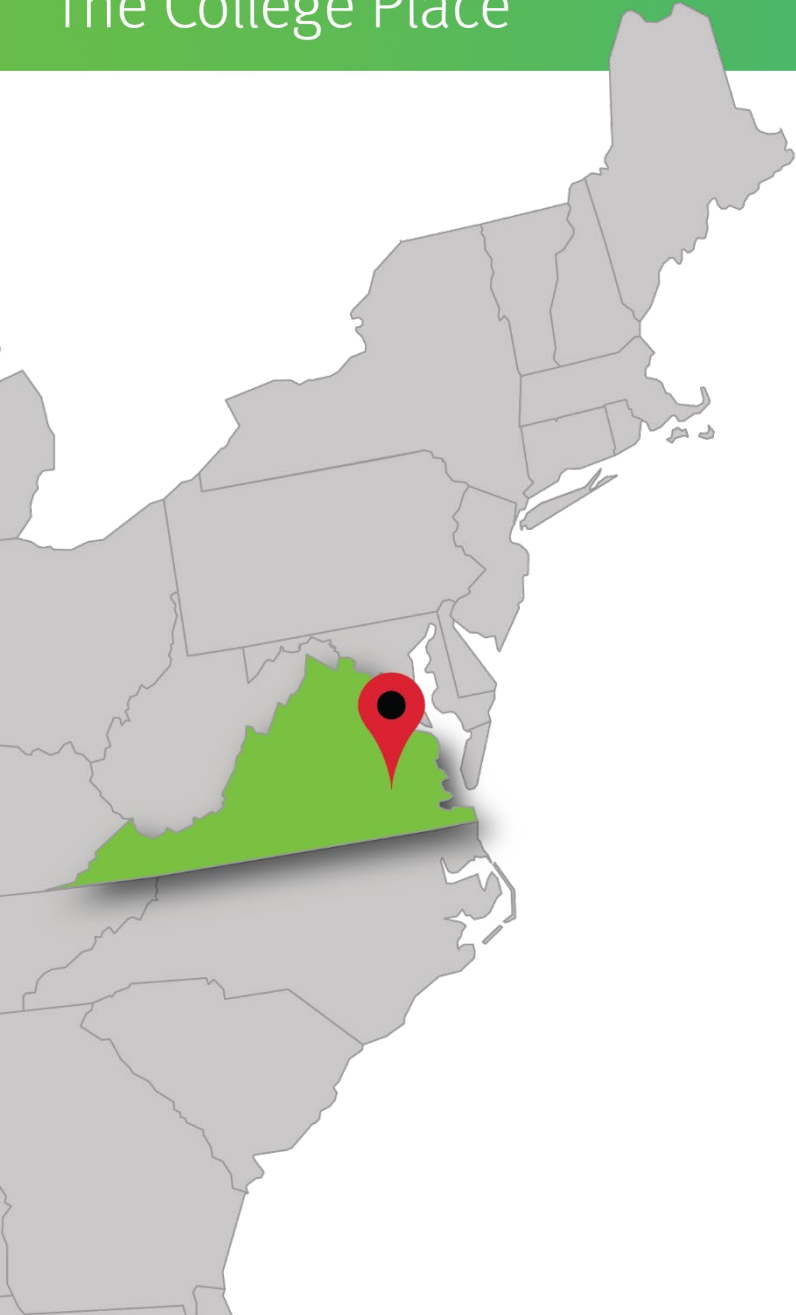
Help students apply for college admissions and scholarships



Encourage parents who are not U.S. citizens to apply for ITIN for FSA ID creation



Pack on patience and grace in abundance!



# Contact Us

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