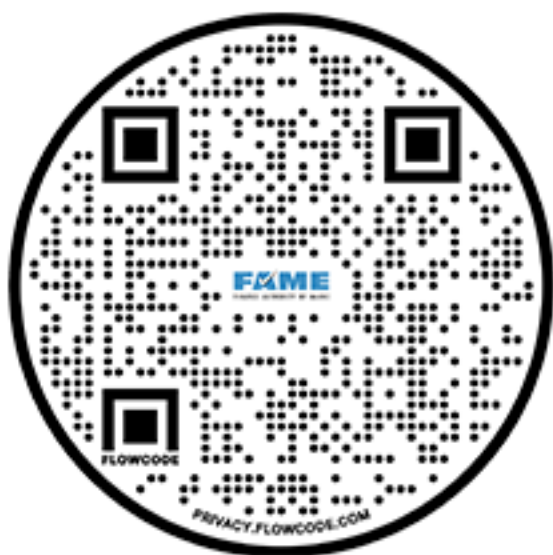


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FAFSA Simplification

June 14, 2023

PRESENTED BY

Mila Tappan, College Access and Outreach Manager

- Today's FAFSA
- FAFSA Simplification
 - Changes to the 2023-2024 FAFSA
 - Changes to the 2024-2025 FAFSA
 - Resources



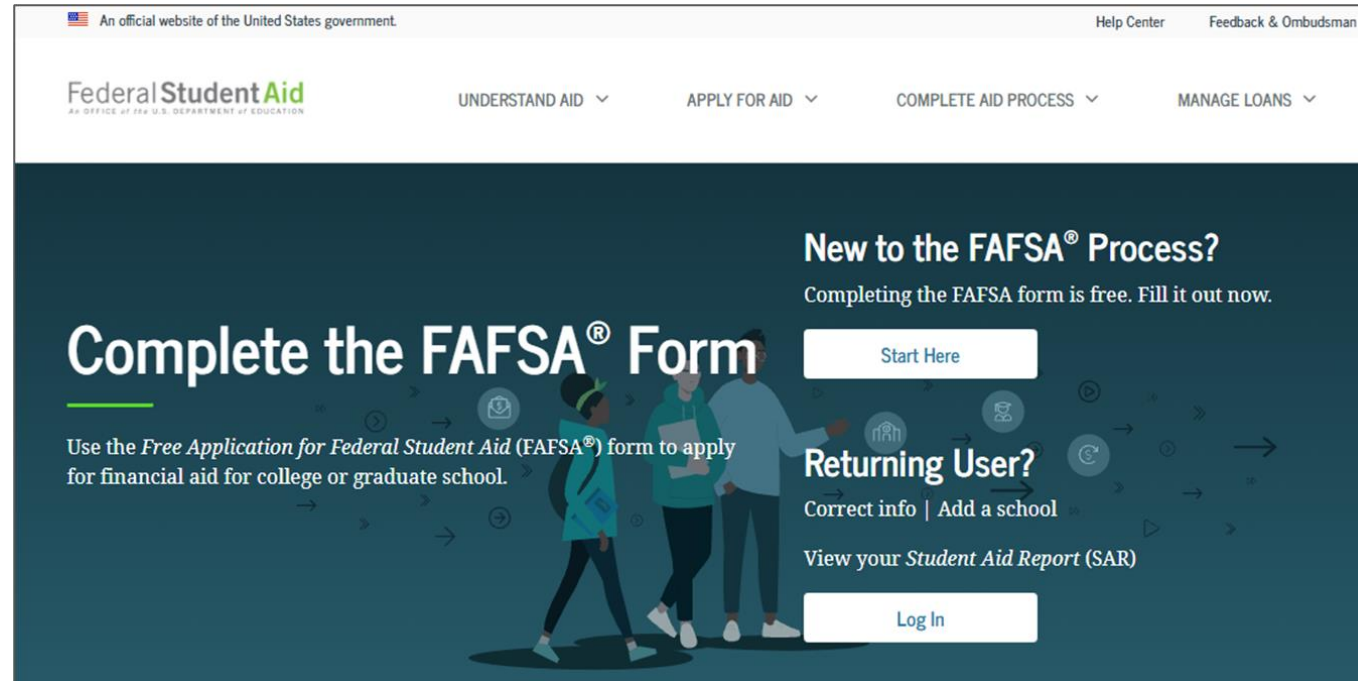
Let's start with a poll!



Today's FAFSA

- The **FSA ID** allows individuals to access all **Federal Student Aid** web sites, including the **FAFSA**.
- The FSA ID is also the best way for students and parents to **sign the FAFSA**.
- An FSA ID is a username and password which are created at **StudentAid.gov**.
- It is recommended that students and parents **obtain FSA IDs ahead of time**.
- **Critical** that information being entered is correct (especially name, social security number, and date of birth)!
- We recommend keeping track of the information used when creating the FSA ID - use FAME's **Creating Your Federal Student Aid Account (FSA ID)** sheet.

Today's Process - The FAFSA



- The FAFSA can be accessed at **FAFSA.gov** (which lives on the StudentAid.gov website).
- The FAFSA opens the door to federal grants, work study, and federal loans as well as the **Maine State Grant** and the **Free College Scholarship**.
- Used by most colleges also use the FAFSA to determine eligibility for institutional aid.

The screenshot shows a horizontal navigation bar with seven steps, each represented by a numbered circle and a text label below it. Step 1, 'Student Demographics', is highlighted with a blue circle and a blue underline. Steps 2 through 7 are in grey circles with grey underlines. The steps are: 1. Student Demographics, 2. School Selection, 3. Dependency Status, 4. Parent Demographics, 5. Parent Financials, 6. Student Financials, and 7. Sign & Submit.

- The current FAFSA has seven sections.
- Dependent students will need to provide parent information

A student is independent if they are:

- 24 years or older
- Married
- Graduate student
- Currently on Active Duty
- Veteran
- Emancipated
- Providing 50% support for child or others
- Ward of the court or orphan at anytime since turning age 13
- In legal guardianship (or was at the age of 18)
- In foster care at anytime since turning age 13
- Homeless



FAFSA Simplification

Legislative Background

Future Act (December 19, 2019)

Expands access to federal student aid, and mandates Federal Student Aid to use data directly from the IRS.

FAFSA Simplification Act (December 27, 2020)

Introduces significant changes to the FAFSA application process including changes to the FAFSA form, how students and families will complete the application, and the eligibility calculation.



FAFSA Simplification

Changes to the 2023-2024 FAFSA

FAFSA Simplification – Changes to the 2023-2024 FAFSA

Changes to the FAFSA form

- Fully **removes Selective Service** and **drug conviction questions**
- Collects race/ethnicity and sex/gender questions via voluntary, post-application survey
 - This information is not being shared.

Easier process for homeless youth

- **Carries forward** answers to three existing **homeless youth questions**, which are now renewal eligible
- Guidance as of **11/3/22** expands the list of individuals who can document homelessness:
 - **New guidance** includes the director of a **TRIO program** or their designee
 - Prior to this guidance, only the high school or school district liaison or the director of a U.S. Department of Housing and Urban Development program or director of a runaway or homeless youth center or transitional living program could provide acceptable documentation.
 - The current FAFSA **does not reflect** this updated guidance.

Revisions to Cost of Attendance (COA)

- COA information must be made **publicly available** and appear on any portion of the website that describes tuition and fees.
- “Room and board” are now known as “**food and housing**,” although the meaning remains the same.
 - Food and housing are grouped as “living expenses.”
 - COA has always included living expenses for off campus students, but this language clarifies this.

FAFSA Simplification – Changes to the 2023-2024 FAFSA

Professional Judgment

- Defines categories of professional judgment:
 - **Special Circumstances** refer to the financial situations (loss of a job, etc.) that justify an aid administrator adjusting data elements.
 - **Unusual Circumstances** refer to the conditions that justify an aid administrator making a dependency override based on a unique situation (e.g., parental abandonment, abuse, parent incarceration).
- Provides additional flexibility and requirements for making dependency overrides and **updates acceptable documentation**

For additional information see Dear Colleague Letter (Gen-22-15):

<https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2022-11-03/fafsar-simplification-act-changes-implementation-2023-24>



FAFSA Simplification

Changes to the 2024-2025 FAFSA

Benefits of FAFSA simplification:

- a more streamlined application process and better user experience;
- expanded eligibility for federal student aid;
- reduced barriers for certain student populations (e.g., homeless and unaccompanied youth, incarcerated students, English language learners, and students from low-income backgrounds).



The 2024-2025 FAFSA will be **delayed**.

- The 2024-2025 FAFSA will be released in **December**.
 - The specific date has not yet been announced.
- This is for one year only.
 - The 2025-2026 FAFSA is scheduled to be released on October 1, 2024.
- The 2024-2025 **CSS Profile** will be released on October 1, 2023.

Goodbye EFC!

- The Expected Family Contribution (**EFC**) becomes the Student Aid Index (**SAI**)
 - The term “EFC” can be misleading.
 - Many families incorrectly believe that the EFC is what they have to pay when the amount may really be more or less.
- **SAI** can be as **low as -\$1,500**
- SAI determines eligibility for all federal financial aid funds except maximum and minimum Pell grant awards.

Two Pathways to Federal Pell Grant Eligibility

- Formula **similar to current formula** that uses the SAI.
- Second formula overlays the standard formula and is **based on the poverty line table** and is used to determine maximum and minimum Pell eligibility.
 - Depending on dependency status, # of parents in the household and AGI:
 - Maximum Pell available to those whose AGI is $\leq 175 - 225\%$ of poverty line
 - Minimum Pell available to those whose AGI is $\leq 275 - 400\%$ of poverty line

Here's how it works:

1. Student is considered for **maximum Pell first**.
2. If student doesn't qualify for maximum Pell, eligibility will be **determined based on SAI**:
 - [Maximum Pell amount - SAI = Pell amount]
3. If student doesn't qualify for the maximum Pell and no Pell awarded from the SAI calculation, student is considered for **minimum Pell**.
 - Minimum Pell Grant = 10% of Maximum Pell Grant

The FAFSA will become a **roles-based** form

Each individual (student/parent) providing information on the FAFSA will see only questions **related to their role**.

- When a student logs in, they will only have access to student questions.
- When a parent of a dependent student logs in, they will only have access to parent questions - no student questions.

New terminology

- Everyone who provides information on the FAFSA will be referred to as a **contributor**.
 - Potential contributors consist of the student, parent, other parent, and student's spouse.
- Whoever starts the FAFSA will need to list information for the other **contributors**.

Which Parent(s) Must Complete the FAFSA?

- Currently, if a dependent student's parents are divorced or separated, the parent the student lived the most during the 12 months before filing the FAFSA is responsible for completing the FAFSA.
- Starting with the **2024-2025 FAFSA, the parent who provides the greater portion of the student's financial support** will be responsible for completing the FAFSA.
- If this parent is married as of the date the FAFSA is filed, the parent's spouse's information is required as well.

FSA ID Related Changes

- An FSA ID will be required for anyone trying **to access** the FAFSA
 - No option to access FAFSA using the student's demographics
 - **Married filing joint tax filers** will only need **one of the tax filers** to have an FSA ID.
 - When parents are married and **filing separately** or biological parents are **not married but living together**, **both parents** will need to have FSA ID.
- FSA ID's will **need to be matched with SSA** (approximately 3 days) before it can be used.

New FSA ID Worksheets:

- **Two** worksheets – one for students and one for parents
- Student form has place to list contributor information
- Parent form has information to help determine which parent needs an FSA ID.



STUDENTS: Create Your Federal Student Aid Account (FSA ID)

When you set up your Student Aid account you'll create your FSA ID, a user name and password that gives you access to Federal Student Aid's online systems and serves as your legal signature. An individual can only have one FSA ID, as it's tied to their Social Security number. Your FSA ID must be created and matched by the Social Security Administration before you can start your FAFSA, so create your FSA ID early!

Only create an FSA ID using your own personal information and for your own exclusive use. The same FSA ID is used to access and complete the FAFSA, sign federal loan documents, and access student loan information. You'll need your FSA ID for years to come, so we recommend using this form to keep track of important information associated with it. Be sure to keep this form and all related information confidential and store in a secure location

To create an account and set up your FSA ID, go to StudentAid.gov and click on "Create Account." Note that only Chrome, Firefox, and Safari browsers work well on this site. When creating your FSA ID, **use an email address you're certain you'll have access to for years to come.** (We don't recommend using a school or work email address.) Graduating seniors: your high school email access will expire over the summer. If you only have a high school email address, now is the time to create a new email account. **You must have access to your email or mobile phone when creating your FSA ID.**

Student Information

Email Address: _____ Username: _____

Password: _____ Mobile Phone Number: _____

Answers to Challenge Questions (answers are case sensitive)

Challenge Question/Answer 1: _____

Challenge Question/Answer 2: _____

Challenge Question/Answer 3: _____

Challenge Question/Answer 4: _____

When you set up the required two-step verification, you will be assigned a backup code. Your backup code lets you access your account in the event that you cannot use any other two-step verification method. Each backup code can only be used once. To generate a new backup code, log into your account at StudentAid.gov, click on Settings > Two Factor Verification > Generate a New Back Up Code. **Write your backup code here:** _____

Contributor Information (if required)

Dependent Students: Parent ("contributor") information will be required on the FAFSA. Here's how to determine who is a parent "contributor" on the FAFSA:

If your biological or adoptive parents are married, or if they aren't married but live in the same household, both parents will be contributors. If your biological or adoptive parents are divorced, separated, or never married and don't live in the same household, the parent who provides the majority of your financial support will be a contributor. If that parent is currently married, their spouse will also be a contributor.

Independent Students: If you are married, your spouse's information will be required on the FAFSA, and they'll be a "contributor."

To make completing your FAFSA easier, make a note of the required information for each "contributor."

Contributor 1

Legal First Name: _____

Legal Last Name: _____

Date of Birth: _____

Email Address: _____

Contributor 2

Legal First Name: _____

Legal Last Name: _____

Date of Birth: _____

Email Address: _____



PARENTS: Create Your Federal Student Aid Account (FSA ID)

When you set up your Student Aid account you'll create your FSA ID, a user name and password that gives you access to Federal Student Aid's online systems and serves as your legal signature. An individual can only have one FSA ID, as it is tied to their Social Security Number. The same FSA ID will be used whether you are a parent completing a FAFSA for your first child, a parent completing a FAFSA for a subsequent child, or student completing a FAFSA for yourself.

Your FSA ID must be created and matched by the Social Security Administration before you can start your FAFSA, so create your FSA ID early!

Only create an FSA ID using your own personal information and for your own exclusive use. The same FSA ID is used to access and complete the FAFSA, sign federal loan documents, and access student loan information. You'll need your FSA ID for years to come, so we recommend using this form to keep track of important information associated with it. Be sure to keep this form and all related information confidential and store in a secure location

To create an account and set up your FSA ID, go to StudentAid.gov and click on "Create Account." Note that only Chrome, Firefox, and Safari browsers work well on this site. Carefully select the email address you use when setting up your FSA ID. **Make sure you use an email address you're certain you'll have access to in the future.** For this reason, we don't recommend using a work email address. You'll need your FSA ID for years to come, so having access to that email is critical to maintaining a usable FSA ID. **You must have access to your email or mobile phone when creating your FSA ID.**

Parent Information

Email Address: _____ Username: _____

Password: _____ Mobile Phone Number: _____

Answers to Challenge Questions (answers are case sensitive)

Challenge Question/Answer 1: _____

Challenge Question/Answer 2: _____

Challenge Question/Answer 3: _____

Challenge Question/Answer 4: _____

When you set up the required two-step verification, you will be assigned a backup code. Your backup code lets you access your account in the event that you cannot use any other two-step verification method. Each backup code can only be used once. To generate a new backup code, log into your account at StudentAid.gov, click on Settings > Two Factor Verification > Generate a New Back Up Code. **Write your backup code here:** _____

Who Needs an FSA ID?

All students need an FSA ID. If a student is considered dependent on the FAFSA, parent information will be needed. Here's how to determine when a parent (or parents) will need an FSA ID:

- When parents are married and file a joint tax return, only the parent completing the FAFSA needs an FSA ID. However, there is no downside to both parents creating an FSA ID and then either parent can complete the FAFSA.
- If parents are married and file separately, or if biological parents live together but aren't married, both parents MUST have their own FSA ID.
- If the student's biological or adoptive parents are divorced, the parent who provides the most financial support will be required to complete the FAFSA and will need an FSA ID. If that parent is remarried, their spouse's information will also be required on the FAFSA, and they may also need an FSA ID.

Bottom line: If in doubt, create an FSA ID. There is no downside to having one. We recommend using a separate FSA ID worksheet for each individual.

FSA ID Related Changes

- **Every time** an FSA ID is used, two-step verification will be required.
 - Currently only students are subject to two-step verification when using their FSA ID to access the FAFSA.
- Individuals **without an SSN** will be able to create an FSA ID
 - The process has yet to be defined – stay tuned!

Direct Data Exchange (DDX)

- Say **goodbye** to the **IRS Data Retrieval Tool** (DRT)!
- The IRS DRT will be replaced with the **Direct Data Exchange** (DDX).
- The changes in the transfer of data process is triggering **more stringent** confidentiality requirements.

Federal Tax Information (FTI) and Related Questions

Currently

IRS DATA RETRIEVAL TOOL (DRT)

- Under the DRT, IRS does not directly provide FTI to FSA; rather, the DRT allows the taxpayer to transfer their data from the IRS to FSA.
- Once tax return data is transferred into the FAFSA by the taxpayer, it is then considered “FAFSA data” for purposes of data use restrictions under the HEA.

Coming 2024-25 FAFSA

FUTURE ACT & DIRECT DATA EXCHANGE (DDX)

- The FUTURE Act amends the Internal Revenue Code to authorize FSA to receive individuals’ FTI directly from the IRS.
- Because the FUTURE Act enables a Direct Data Exchange between IRS and FSA going forward, such information will come directly from IRS rather than from students and families, and will therefore constitute IRS data, protected by the more stringent confidentiality and nondisclosure provisions of the IRC.



Direct Data Exchange

- **EVERYONE*** (students and parents) will need to **consent** (checkbox) to have their Federal Tax Information (FTI) imported into the FTI module.
 - To provide consent, the individual will need to access the FAFSA with an FSA ID that has been matched with the SSA.
- Federal tax filers will have their tax information imported into the FTI module
 - The Student Aid Index (SAI) will be **calculated in the FTI module**
 - **No tax income will transfer** into the FAFSA but tax data will be sent to the colleges listed on the FAFSA.

*Married parents who filed a joint tax return only need one parent to consent

Direct Data Exchange

- **Non-tax filers** must also check the box to consent.
 - When IRS Data is accessed, the process will also **verify non-filing status**.
 - **This should reduce verification.**



- If the consent box is not checked by everyone who is required to check the box, the student **will not be eligible for any federal financial aid**.
 - The box can be checked through the corrections process.

Changes to Income Reporting

- Several types of untaxed income will no longer be reported on the FAFSA:
 - Untaxed contributions to retirement
 - Worker's Compensation
 - **Cash support and other money paid on the student's behalf**
 - This change means that:
 - Gifts to the student will no longer be reported as untaxed income.
 - Qualified distributions from 529 plans that are owned by a grandparent, aunt, uncle, etc. will no longer affect aid eligibility.
- **Child support received** (annual) will be reported as an asset instead of income.

Multiple Children in College

The **parent SAI will no longer be divided by number of children in college** at the same time (question will remain on the FAFSA).

- Small impact on low-income families with multiple children in college
- Bigger impact on middle- and high-income families with two or more children in college at the same time

Applicants Exempt from Asset Reporting

- The Simplified Needs Test (SNT) is now known as “**Applicants Exempt from Asset Reporting**”
- No asset questions for:
 - **Means Tested Benefits recipients**
 - ✓ Federal Housing Assistance and Earned Income Tax Credit added
 - ✓ No additional income threshold
 - **AGI < \$60K** and **no lettered tax schedules**
 - **AGI < \$60K** and **only Schedule C**, provided Schedule C gain/loss < \$10K

Changes in Reportable Assets

Certain **exclusions from assets** have been **dropped**:

- The small business exclusion
- Exclusion for a family farm

FAFSA Simplification – Changes to the 2024-2025 FAFSA

Correction and Verification Process

- We don't know what these processes will look like.
- Good news! Students will be able to list up to **20 schools** on the FAFSA.
- Verification will **truly** be random.
- The Student Aid Report (SAR) will become the **FAFSA Submission Summary**.

FAFSA Simplification – Changes to the 2024-2025 FAFSA

Timing Challenges

- Because the **FAFSA won't be available until December**, we're adapting our outreach.
- For example, given the requirement that FSA IDs need to be matched before FAFSA can be accessed, **fall sessions will focus on FSA ID creation.**
- **FAFSA Help** sessions will begin in **January.**
- Watch your email and our website for updates!



Ten Important Changes Coming with the 2024-25 FAFSA

FAFSA simplification, being referred to as "Better FAFSA, Better Future" by Federal Student Aid (FSA), will result in a completely revised and simplified FAFSA. The new "Better FAFSA" will have fewer questions and will be easier to complete. More security has been built into the redesigned process, specifically related to the creation and use of Federal Student Aid (FSA) IDs. Here are a few highlights of the many important changes.

1. The 2024-2025 FAFSA will be delayed.

The 2024-2025 FAFSA will not be released until **December**; the exact date is not yet known.

2. Goodbye, EFC.

The Student Aid Index (SAI) will replace the Expected Family Contribution (EFC).

3. Everyone entering information on the FAFSA will need an FSA ID.

Everyone who will be providing information on the FAFSA will need an FSA ID to access the form. **New this year:** people without a Social Security Number (SSN) will be able to obtain an FSA ID. We will learn more about the process of obtaining FSA IDs for those without an SSN in August.

4. FSA ID will need to be matched with the Social Security Administration prior to use.

FSA ID information (name, date of birth, and Social Security Number) has always been matched against Social Security Administration records. Currently the process has allowed individuals to use their FSA ID to file a FAFSA while the match was taking place. However, starting with the 2024-2025 FAFSA, this will no longer be the case. An FSA ID will need to be created and matched with the SSA before it can be used to start or access a FAFSA. The matching process will take 1-3 days.

5. FSA ID two-step verification will be required for all.

Everyone who attempts to use their FSA ID to access a 2024-25 FAFSA will go through a two-step verification process. It will no longer be possible to log into a FAFSA using student demographic information. When setting up an FSA ID, individuals should take advantage of every type of verification available (email, text, and authentication apps) so that completing the two-step verification will be easier.

6. The FAFSA will be a roles-based form.

Individuals (student/parent/spouse) providing information on the FAFSA will see only questions related to their role. When a student logs in, they will see only questions that they need to answer as a student. For dependent students, a parent will need to log in to see the questions related to their role as a parent. (They will not see the student questions.) Whoever starts the FAFSA first will need to identify the "contributors" (other people who need to provide information on that FAFSA). It will be **critical** that contributor information match the information on the contributor's Social Security card to prevent issues logging into the FAFSA.

Get the latest information on the 2024-2025 FAFSA:
FAMEmaine.com/betterFAFSA

Filing the FAFSA

HOME • AFFORDING HIGHER EDUCATION • PAY FOR SCHOOL • GETTING FINANCIAL AID • FILING THE FAFSA

Make a Plan

Start to Save

Pay for School

Getting Financial Aid

→ Filing the FAFSA

FAFSA Simplification

Filing the 2023-2024 FAFSA

Filing the 2024-2025 FAFSA

Financial Aid Offers

Paying the Bill

Free Community College

Maine Scholarship Search

Maine Grant and Tuition Programs

Employer Tuition Assistance

Borrowing Student Loans

Repaying Student Loans

Education Tax Benefits

Resources and Tools

All students should file the FAFSA (Free Application for Federal Student Aid), as it opens the door to many types and sources of financial aid, including funds that don't have to be repaid. All schools use the FAFSA to determine eligibility for federal and state financial aid, and many schools use the FAFSA to determine eligibility for their institutional financial aid. The FAFSA must be completed for each school year.

FAFSA Simplification for 2024-2025

Whether you're an education professional who helps students with their FAFSAs or you're a student who's filed a FAFSA in a previous academic year, you'll notice some significant changes with the 2024-25 FAFSA. The 2024-2025 FAFSA, referred to as "Better FAFSA, Better Future" by Federal Student Aid (FSA), is being completely revised and simplified. There will be fewer questions and it will be easier to complete.

To learn more about how the 2024-25 FAFSA will differ from previous years, visit our page on FAFSA Simplification.

[What is FAFSA Simplification? →](#)

Filing the FAFSA

Details related to filing the 2023-2024 FAFSA are slightly different from those for the 2024-2025 FAFSA due to FAFSA Simplification.

Use the links below to access instructions for the FAFSA you'll be filing.

Filing the 2023-24 FAFSA

The 2023-24 FAFSA became available on October 1, 2022. It's always a good idea to file as soon as possible, but it's not too late to file for the 2023-24 school year.

[Filing the 2023-24 FAFSA →](#)

Filing the 2024-25 FAFSA

While the FAFSA is normally available each year on October 1, the 2024-2025 FAFSA will be delayed. Due to the significant overhaul to the FAFSA form and process, *the 2024-25 FAFSA will be released in December of 2023.*

[Filing the 2024-25 FAFSA →](#)



Free College is Here!

High school graduates from the Classes of 2020, 2021, 2022, and 2023 qualify for a Free College Scholarship at any of the seven community colleges across Maine.

[Learn More ↗](#)

FSA's Knowledge Center

[FAFSA Simplification Information](#)

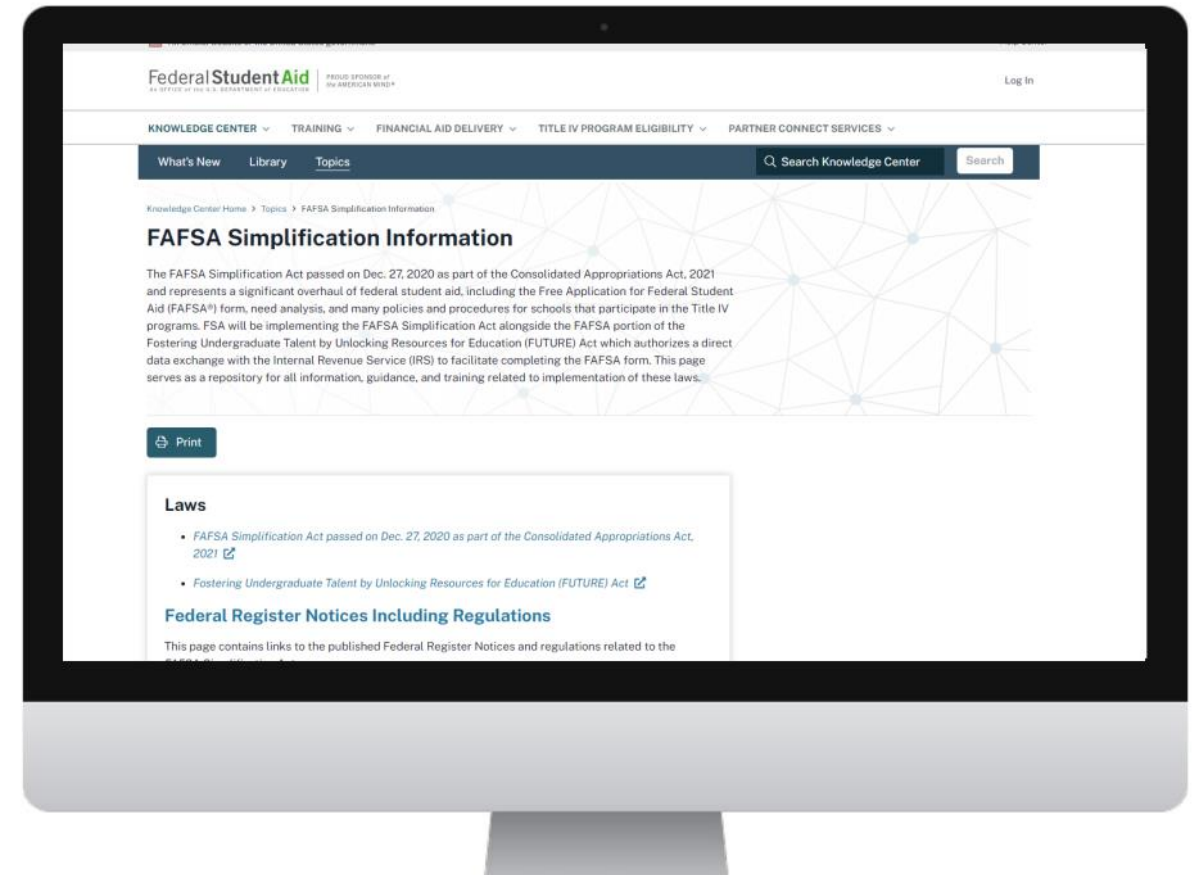
- Get the most up-to-date information in the Topic section

[2024–25 FAFSA Roadmap](#)

- Institutions and State Partners
- Counselors and Advocates
- Students and Families

[Training Resources: Live Webinars – Better FAFSA Better Future Webinar Series, June–July 2023](#)

- 2024-25 FAFSA Demonstration on Thursday, July 25, 2023



Save the Date!
FAME's Virtual Summer Training
Tuesday, August 15, 2023



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FAMEmaine.com/education.

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