FAFSA SIMPLIFICATION

A Better FAFSA

FAFSA simplification was passed by Congress to make changes to the FAFSA application, including the first major redesign of the FAFSA process. The goal is to make applying for federal student aid easier for students. We have highlighted some of the main changes:

Contributor

- A contributor is anyone who is required to provide information on the FAFSA.
- That means the student, parent(s), and spouse might all be referred to as "contributors" in the FAFSA form.

FSA ID

EVERY contributor will need an FSA ID to access, consent, and sign the FAFSA.
- Undocumented parents will now be able to create an FSA ID.
- **Tip:** Ensure every contributor creates one at least 5 days before completing the FAFSA,

Family Size

changed from "Household Size"

For tax-filers, family size will be automatically calculated based on the number of individuals claimed on the tax return. If the family size is different from the tax return, there will be an option to enter it manually.
- **Tip:** Have a copy of the tax return or tax transcript on hand to check who was claimed.

Number in College

The number of dependents in college will no longer impact the federal formula for aid distribution. However, questions about the number of dependents in the household attending college may still appear in the application for institutional purposes.

Consent

All contributors must consent to having their tax information transferred, even if they did not file taxes for the required year. There will be few exceptions for manual entry.

If consent is not granted...
- the FAFSA will be considered incomplete
- the student will be ineligible for federal financial aid

Federal Tax Information

Direct Data Exchange (DDX) will replace the IRS Data Retrieval Tool (DRT) as the process for transferring tax information from the IRS. This will reduce the number of financial questions that most families will see on the FAFSA.

Reporting Assets

Families with an Adjusted Gross Income (AGI) greater than $60k will be required to report their asset information. The net worth of businesses and farms of any size will now be included as well.

Impact on Students

The new formula allows a minimum SAI of negative 1,500 to give financial aid administrators more insight when making determinations for students with especially challenging situations. Some applicants will be able to determine Pell Grant eligibility prior to enrolling in college based on their family size, household income, and state's poverty standards.

Old Terminology	New Terminology
Expected Family Contribution (EFC)	Student Aid Index (SAI)
Household Size	Family Size
Student, Parent(s), Guardian(s), Student's Spouse	Contributors
Student Aid Report (SAR)	FAFSA Submission Summary
Dependency Status	Student Personal Circumstance
IRS Data Retrieval Tool	Direct Data Exchange (DDX)

Old Process	New Process
Contributor(s) could access the FAFSA without creating an FSA ID first	Contributor(s) will NOT be able to access the FAFSA without an FSA ID set up prior to starting the form. The student will give permission to the contributor to make an FSA ID. Contributors must create their ID at least five days prior to submitting the FAFSA.
Parent(s) without a social security number could not create FSA ID. A signature page was required	Parent (s) without SSN's will be required to create an FSA ID. They will be directed through the knowledge-based identity authentication process, allowing anyone, including undocumented individuals, to create an FSA ID. The FAFSA will be signed electronically by all contributors.
Using the IRS Data Retrieval Tool was optional	Everyone has to click a permission box allowing their financial information to be transferred from the IRS, including non tax-filers. This will be done through the Direct Data Exchange (DDX), and is not optional. If you do not consent, the FAFSA is considered invalid and the student will not be eligible for financial aid.
Parent Info provided was determined by "whom the student lived with more out of the year"	The new definition of a parent is "the parent who provides the greater portion of the student's financial support".
Student could enter up to 10 colleges at a time.	Students will now be able to add up to 20 colleges at a time to receive their FAFSA.
EFC a minimum of $0	SAI is lowered to -$1,500. This will allow more students to become eligibile for the Pell Grant.