

FAFSA Simplification: On December 27th, 2020 congressional leadership passed the <u>FAFSA Simplification</u> Act which enacted monumental changes to the Federal financial aid process. One of the goals of this act is to create a more user-friendly experience for all FAFSA filers. Students may expect fewer questions, new tools and terminology, and updated resources for seamless application completion.

The 2024-2025 FAFSA application will be available in December, 2023. Please check this page regularly for updates.

How will FAFSA simplification impact you?

Question Reduction: In accordance with the FAFSA simplification act, FAFSA filers may expect a more condensed application. The application questions will go from 106 to 48. The goal is to expand understanding among students and families with less complex questions.

Direct Data Exchange: All FAFSA contributors including students, parents, and stepparents will now be required to use the Direct Data Exchange. The Direct Data Exchange is a secure tool that will transfer income and household data from the IRS directly to the FAFSA application. In the past, students had the option to manually enter financial information on the application or use the IRS DRT to transfer data. The Direct Data exchange will eliminate the need for manual data input. The tool will also have fewer barriers for use by students and families.

EFC to SAI: In previous aid years the EFC (Expected Family Contribution) has been used to assess student Federal financial aid eligibility. Similar to the EFC, the SAI (Student Aid Index) will bring a holistic consideration of both personal and financial data in eligibility calculations. In contrast, the SAI can be negative with the minimum SAI being. -\$1,500. This new calculation expands Pell Grant accessibility for eligible students.

Language Accessibility: Historically the FAFSA was only available in both Spanish and English. The 2024-2025 FAFSA will now be available in the 11 most spoken languages in the US.

Terms to know: The highlighted terms below will be newly used in accordance with the FAFSA simplification act. This glossary is subject to change on a rolling basis as new information is released from the Department of Education.

- SAI: Student Aid Index(SAI) will replace the Estimated Family Contribution (EFC) as a formal evaluation of a student's approximate financial resources to contribute toward post-secondary education for a specific award year.
- FTI: Federal Tax Information related to federal tax paying. It includes a return or return information received directly from the IRS or obtained through an authorized secondary source such as the U.S. Department of Education.
- **FAFSA Submission Summary:** Replaces the Student Aid Report (SAR) as the student's output document providing a summary of data input on the FAFSA form.
- **Contributor**: Any individual required to provide consent and approval for federal tax information. Contributors include: The student, student's spouse, A biological or adoptive parent or the parent's spouse (step parent).
- **Food and Housing**: Replaces the terms "room and board" for financial aid purposes ONLY within a student's cost of attendance. University terminology with remain the same.
- **Primary or Custodial Parent**: The parent who provides the greater portion of the student's financial support and is required to provide their information (and if applicable their spouse's information) on the FAFSA form.
- Family Size: Replaces the term household size on the FAFSA form.
- **FSA ID**: Username and password used to log in to all Federal Student Aid products and tools on <u>StudentAid.gov</u>. The FSA ID will continue to be required of all FAFSA contributors.

Reminder: The FAFSA will continue to be required for financial aid determination.