

101: FAFSA



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WHAT IS THE FAFSA?

The Free Application for Federal Student Aid (FAFSA) is a federal application that will determine a student's eligibility for federal grants, loans, and work-study programs. All students who wish to participate in Title IV federal financial aid programs must complete the FAFSA. Many states and most institutions of higher education require that a student completes the FAFSA in order to receive state or institutional aid.

HOW DOES THE U.S. DEPARTMENT OF EDUCATION (ED) DETERMINE HOW MUCH MONEY A STUDENT GETS?

A student's eligibility depends on their expected family contribution (EFC), year in school, enrollment status, and the cost of attendance¹ at the school the student will be attending. A student's EFC is based on income, assets, family size, and the number of family members who will be attending college in the same year. The lower a student's EFC, the more aid a student is eligible to receive.

The FAFSA is used by ED to calculate a student's expected family contribution (EFC), a dollar amount that is intended to reflect how much a student can afford to pay for college the following academic year, but not necessarily the amount of money a family will have to pay for college. The student will receive a Student Aid Report when the FAFSA is processed, which will show the amount of federal student aid a student is eligible to receive.

The cost of attendance (COA) is the estimated amount it will cost for a student to go to school, and includes tuition and fees; room and board; books, supplies, transportation, loan fees, and miscellaneous

expenses; and when applicable an allowance for child care or other dependent care; costs related to a disability; and/or reasonable costs for eligible study-abroad programs. The financial aid office uses the cost of attendance and expected family contribution from the FAFSA to determine how much need-based aid a student can receive.

WHO SHOULD FILL OUT THE FAFSA?

- 1 Ideally, every student looking to attend college should complete the FAFSA.
- 2 FAFSA applicants must be a legal resident of the United States or a U.S. citizen.

IN THE 2018-2019 SCHOOL YEAR:

2,167,338

STUDENTS COMPLETED THE FAFSA



WHAT KIND OF QUESTIONS ARE ON THE FAFSA?

The FAFSA contains questions regarding student information (name, date of birth, social security number, etc.) income, assets, student financial information, parental financial information (for dependent students only), student status (military, marital status, etc.), dependency status, and more. The full list of questions contained in the FAFSA can be found through the U.S. Department of Education's Federal Student Aid office.²

¹<https://fafsa.ed.gov/help/costatt.htm>

²https://studentaid.ed.gov/sa/sites/default/files/2019-20-completing-fafsa.pdf?_ga=2.36710691.2084325667.1550770908-565775835.1550241086

"DEPENDENT" VERSUS "INDEPENDENT" STUDENT

A dependent student is assumed to have the support of one or more parents, therefore, parents' information is required to be completed on the FAFSA, including previous year's adjusted gross income, government aid received, untaxed income, assets and any other financial benefits.

An independent student does not need to submit parental information. However, if the independent student is married, they must report their spouse's information.

More information about FAFSA dependency status can be found online through the Federal Student Aid office at the U.S. Department of Education.³

IS THE FAFSA CONNECTED TO TAXES?

Students must use "prior-prior year" tax returns to complete the FAFSA, which allows applicants to use tax information from two years ago and provides an earlier and more accurate depiction of their financial aid choices while making college decisions.

Some FAFSA applicants, including students and their parents, can also use the IRS Data Retrieval Tool (DRT) to complete their application, which allows applicants who have already filed their federal income tax returns to electronically transfer data to their FAFSA application.

WHAT HAPPENS WHEN A STUDENT FILES THEIR COMPLETED FAFSA?

The FAFSA applicant will receive a Student Aid Report (SAR), which contains a summary of the information the student submitted on their FAFSA,

provides basic information about the student's eligibility for federal student aid, informs them if they have been selected for verification and shows the student's EFC.

INCOME VERIFICATION

After finishing the FAFSA, the student also may be notified that they have been selected for a process called verification. Up to 30 percent of FAFSA filers, and almost half of Pell-eligible FAFSA filers, are selected for this audit-like process. These students must submit additional documentation to their institutions to confirm that the information provided on their FAFSA is accurate before they can receive federal financial aid. Students who are selected for verification have a higher melt rate — or chance they do not receive aid — than those not selected.

To learn more about FAFSA income verification, please visit the National College Access Network at www.collegeaccess.org/fixfafsa



LOW-INCOME STUDENTS WHO COMPLETE THE FAFSA ARE SELECTED FOR VERIFICATION

FAFSA SIMPLIFICATION

The FAFSA can be a long, intimidating, and confusing process for many of today's students. The FAFSA asks many questions and may make it difficult for some low-income students and students with unique circumstances to receive federal student aid. Policymakers and higher education experts have advocated for simplifying the FAFSA.

³<https://studentaid.ed.gov/sa/fafsa/filling-out/dependency>

For more information about Higher Learning Advocates' and National College Access Network's work on FAFSA, please contact **Emily Bouck West**, Deputy Executive Director, Higher Learning Advocates at ebouckwest@higherlearningadvocates.org or **Carrie Warick**, Director of Policy and Advocacy, National College Access Network at warickc@collegeaccess.org.