



A Guide to Financial Aid

Better FAFSA

2024 – 2025



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Understanding the FAFSA

What is the FAFSA?

The *Free Application for Federal Student Aid* (FAFSA) is used by colleges and career schools to determine how much financial aid you're eligible to receive, which could include grants, scholarships, work-study funds, and loans. Students must apply every year.

Who should complete the FAFSA?

Any student, regardless of income, who wants to be considered for federal, state, and school financial aid programs. This includes grants, scholarships, work-study funds, and loans.

How long will it take?

It takes most people less than one hour to fill out the FAFSA form, including gathering any personal documents and financial information needed to complete it.

When is it due?

The FAFSA is due June 30, 2025, however students are encouraged to complete the FAFSA as soon as possible. In some cases, such as state funding, there's only a limited amount of money to offer. In addition, some aid sources work on a "first come, first served" basis – so do your best to be toward the front of the line.

Why should students complete the FAFSA?

You need to complete the FAFSA form to apply for federal student aid such as federal grants, work-study funds, and loans. Completing and submitting the FAFSA form is free and gives you access to federal student aid – the largest source of aid – to help you pay for college or career/trade school.

In addition, many states and colleges use your FAFSA information to determine your eligibility for state and school aid. Some private aid providers may use your FAFSA information to determine whether you qualify for their aid.

Eligibility for Federal Student Aid

Most students are eligible to receive financial aid from the federal government to help pay for college, career school, or trade school. While your income is taken into consideration, it isn't the only thing your school considers when offering federal student aid.

To receive federal student aid, you'll need to...

Qualify to obtain a college, career school, or trade school education, either by having a high school diploma or equivalent, by completing a high school education in a homeschool setting approved under state law, or by meeting the criteria for an ability-to-benefit alternative.

Be enrolled or accepted for enrollment as a regular student in an eligible degree or certificate program. This includes recent high school graduates and current college students.

Have a valid Social Security number unless you are from the Republic of the Marshall Islands, Federated States of Micronesia, or the Republic of Palau. **In addition, you must...**

<p>Be a U.S. CITIZEN or U.S. NATIONAL. You are a U.S. citizen if you were born in the United States or certain U.S. territories, if you were born abroad to parents who are U.S. citizens, or if you have obtained citizenship status through naturalization. If you were born in American Samoa or Swains Island, then you are a U.S. national.</p>	<p>Have a GREEN CARD. You are eligible if you have a Form I-551 or I-151, also known as a "green card," showing you are a lawful permanent resident of the U.S.</p>	<p>Have an ARRIVAL-DEPARTURE RECORD. Your Arrival-Departure Record (i-94) from U.S. Citizenship and Immigration Services must show one of the following: Refugee, Asylee, Conditional Resident Alien, Cuban-Haitian Entrant, Conditional Entrant (valid only if issued before April 1, 1980), Parolee (modified requirements for Ukrainian and Afghan citizens and nationals)</p>
<p>Have a BATTERED IMMIGRANT STATUS. You are designated as a "battered immigrant-qualified alien" if you are a victim of abuse by your citizen or permanent resident spouse, or you are the child of a person designated as such under the <i>Violence Against Women Act</i>.</p>	<p>Have a T-VISA. You are eligible if you have a T-visa or a parent with a T-1 visa.</p>	<p>Be a CITIZEN of the FREELY ASSOCIATED STATES. If you are a citizen of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau, you may be eligible for only certain types of federal student aid.</p>

Provide consent and approval to have your federal tax information transferred directly into your *Free Application for Federal Student Aid* (FAFSA) form.

Sign the certification statement on the form stating that you

- are not in default on a federal student loan and do not owe a refund on a federal grant,
- will use federal student aid only for educational purposes, and
- are qualified to obtain a college, career school, or trade school education.

Maintain satisfactory academic progress in school.

Types of Financial Aid

Financial aid is money to help pay for college or career school. Grants, work-study, loans, and scholarships help make college or career school affordable.

Grants

A grant is a form of financial aid that doesn't have to be repaid (unless, for example, you withdraw from school and owe a refund, or you receive a TEACH Grant and don't complete your service obligation). A variety of federal grants are available, including:

- Pell Grants
- Federal Supplemental Educational Opportunity Grants (FSEOG)
- Teacher Education Assistance for College and Higher Education (TEACH) Grants
- Iraq and Afghanistan Service Grants

Scholarships

Many nonprofit and private organizations offer scholarships to help students pay for college or career school. This type of free money, which is sometimes based on academic merit, talent, or a particular area of study, can make a real difference in helping you manage your education expenses.

Work-Study Jobs

The Federal Work-Study Program allows you to earn money to pay for school by working part-time. You'll earn at least the current federal minimum wage. However, you may earn more depending on the type of work you do and the skills required for the position. Your total work-study award depends on

- when you apply
- your level of financial need
- your school's funding level

Loans

A loan is money you borrow and must pay back with interest. If you apply for financial aid, you may be offered loans as part of your school's financial aid offer. When you receive a student loan, you are borrowing money to attend a college or career school. You must repay the loan as well as interest that accrues. It is important to understand your repayment options so you can successfully repay your loan.

Other Sources of Financial Aid

You may also be eligible for financial aid from

- other government agencies
- the state you live in
- the college you attend

To apply for financial aid from the federal government, complete the *Free Application for Federal Student Aid* (FAFSA). Your school will use information from your FAFSA to compile your financial aid offer, which may include a combination of grants, loans, and work-study. Many states and schools also use information from the FAFSA to award other types of aid.

Applying for Scholarships

Why apply?

Scholarships provide free money for education that doesn't need to be repaid. They recognize and reward your achievements, talents, and potential. Winning a scholarship can also enhance your resume, setting you apart in the job market.

When to apply?

The application timelines vary, but it's essential to start early. Most scholarship deadlines are between October and March, but some may have different deadlines throughout the year. Begin researching and preparing your applications as soon as possible to maximize your chances.

Who can apply?

Scholarships are available for a diverse range of students, including high school seniors, current college students, graduate students, and even adult learners. There are scholarships based on academic merit, financial need, athletic ability, community service, specific fields of study, and more.

TYPES OF SCHOLARSHIPS

Merit-Based Scholarships

These are awarded based on academic achievements, test scores, extracurricular activities, and leadership roles. They recognize students who excel in their studies and demonstrate exceptional talent or dedication.

Need-Based Scholarships

Designed for students with financial challenges, these scholarships consider your family's income and financial situation. They aim to bridge the gap between what you can afford and the cost of your education.

Geographic scholarships

These scholarships are based on where you live or plan to study. They can be categorized as:

- **Local scholarships:** Offered by community organizations, businesses, or foundations within a specific town or city. They often have smaller applicant pools, increasing your chances of winning.
- **Regional scholarships:** Available to students within a larger area, such as a county or group of counties. These scholarships may be funded by regional businesses, foundations, or educational institutions.
- **Statewide scholarships:** Open to residents or students attending school within a particular state. State governments, universities, and statewide organizations often fund these scholarships to support local talent.

WHERE TO FIND SCHOLARSHIPS

- EducationQuest
- ScholarshipQuest
- Apply
- BigFuture - College Board
- Fastweb
- Kaleidoscope
- Scholarship America
- Close The Gap Foundation
- Get Schooled
- High School District Websites
- College Websites

Applying for a Federal Student Loan

1. The student fills out a **Free Application for Federal Student Aid (FAFSA) form** at fafsa.gov.
2. The U.S. Department of Education (ED) sends a **FAFSA Submission Summary** to the student and sends the FAFSA information to the colleges, career schools, and trade schools that the student listed on their FAFSA form.
 - a. The FAFSA Submission Summary includes your FAFSA answers and basic eligibility information.
3. Once the student is accepted for admission, the school reviews the FAFSA information to determine the **student's eligibility for financial aid and sends them an aid offer**.
4. The student chooses which school to attend and which parts of the financial aid offer to accept.
5. If the student accepts a Direct Subsidized Loan or Direct Unsubsidized Loan, the school notifies ED and **requires first-time borrowers to sign a promissory note and complete entrance counseling**.
 - a. Entrance counseling helps you understand your obligation to repay your loan.
6. The student **signs a promissory note and completes entrance counseling**.
 - a. A promissory note is a legal document you sign to promise to repay your loan. It also explains the terms and conditions of your loan.
7. ED provides **loan funds** to the school.
8. The school applies the loan funds to the student's account and **provides any remaining balance to the student**.
9. ED assigns the student's loan to a **loan servicer**.
 - a. A loan servicer is a company that answers questions about your loan, helps you understand or change your repayment plan, and collects your loan payments once you enter repayment.
10. When the student graduates, leaves school, or drops below half-time enrollment, **they complete exit counseling**.
 - a. Exit counseling explains your loan repayment responsibilities and when repayment begins.
11. After a grace or deferment period, the **student begins repaying the loan**.

The process for receiving some federal student loans, including Direct PLUS Loans for parents, is different. To learn more about these and other federal student loans, visit StudentAid.gov/loans. For information on loan repayment, visit StudentAid.gov/repay101.

FAFSA Changes for 2024 – 2025

BENEFITS FOR STUDENTS AND FAMILIES

Updated Need Analysis Formula

Beginning in the 2024 – 25 award year, the Student Aid Index (SAI) will replace the Expected Family Contribution (EFC) on the FAFSA form. The SAI is an evaluation of the financial resources that may be available to contribute toward a student's education expenses.

Among the many changes, the need analysis formula removes the number of family members in college from the calculation, allows a minimum SAI of -1500, and implements a separate eligibility determination criteria for Federal Pell Grants.

Expanded Access to Federal Student Aid

The FAFSA Simplification Act extends Federal Pell Grants to more students and links eligibility to family size and the federal poverty level. This builds on changes implemented in the 2023–24 award year, including incarcerated students regaining the ability to receive a Federal Pell Grant and the restoration of Federal Pell Grant lifetime eligibility to students who received an eligible federal student loan discharge. The law also repeals the lifetime limit on the period for which a borrower can receive subsidized loans of up to 150% of program length (often referred to as Subsidized Usage Limit Applies).

Streamlined FAFSA Form

The *FAFSA Simplification Act* mandates that where possible, the U.S. Department of Education (ED) use federal tax information received directly from the IRS to calculate a student's Pell Grant eligibility and SAI. This data exchange was made possible by the *FUTURE Act*, which ED will implement alongside the *FAFSA Simplification Act*. The law also removes questions about Selective Service registration and drug convictions from the FAFSA form and adds questions about the applicant's gender, race, and ethnicity. Additionally, students who are homeless, orphans, former foster youth, or have unusual circumstances that prevent them from providing parent information on the FAFSA form, will benefit from simplified questions and processes that more efficiently determine their independent status.

NEW REQUIREMENTS FOR HIGHER EDUCATION INSTITUTIONS

New Definition of Cost of Attendance (COA)

COA refers to the total cost for a student to attend a specific college or career/trade school during a school year.

The *FAFSA Simplification Act* continues to make COA the starting point for calculating financial need. The formula is: **Cost of Attendance – Student Aid Index – Other Financial Assistance = Financial Need.**

The law specifies that COA includes tuition and fees, food and housing, books and supplies (including renting or purchasing a personal computer), miscellaneous expenses, and transportation. The law also provides allowances for loan fees, dependent-care costs, and expenses for disabled students.

Expanded Rules for Financial Aid Professionals

Professional Judgment: Financial aid professionals at postsecondary institutions will have some flexibility in adjusting a student’s eligibility for federal student aid due to special or unusual circumstances. This flexibility is known as professional judgment. The expansion of professional judgment will help students who have unique family situations.

Schools will have the ability to address a student’s special or unusual circumstances by adjusting their COA, their dependency status on the FAFSA form, components that determine the SAI and Pell Grant eligibility, or all of the above. Schools must make their policies and procedures for reviewing professional judgments publicly available.

Beginning in the 2024–25 award year, a student who indicates unusual circumstances on the FAFSA form will be granted provisionally independent status and can complete the FAFSA form without providing parent information. A financial aid administrator is required to assess situations on a case-by-case basis and then make a final determination based on documentation that the student submits to the school. If a student is unable to provide documentation of their unusual circumstances, a financial aid administrator may perform their own assessment based on a documented interview with the student.

Determination of Independence Due to Homelessness: The law also provides additional flexibility for financial aid professionals to assist students who are unaccompanied and homeless or unaccompanied, at risk of homelessness, and self-supporting. A student who indicates that they have received a homeless youth determination will be considered independent on the FAFSA form and can complete the form without providing parent information.

However, if a student doesn’t have a homeless youth determination, a financial aid administrator at their school must make a case-by-case determination based on a written statement or documented interview. The student must confirm that they are an unaccompanied homeless youth or unaccompanied, at risk of homelessness, and self-supporting. All homeless youth determinations must be made without factoring in the reasons that the student is unaccompanied and/or homeless.

CHANGES FOR STUDENTS AND CONTRIBUTORS

“Contributor” is a new term being introduced on the 2024–25 FAFSA form. A contributor refers to anyone who is required to provide their information and signature on the FAFSA form, as well as consent and approval to have their federal tax information transferred directly into the form via direct data exchange with the IRS. A contributor may include the student, the student’s spouse, a biological or adoptive parent, and/or the parent’s spouse (stepparent).

Requirement for StudentAid.gov Account

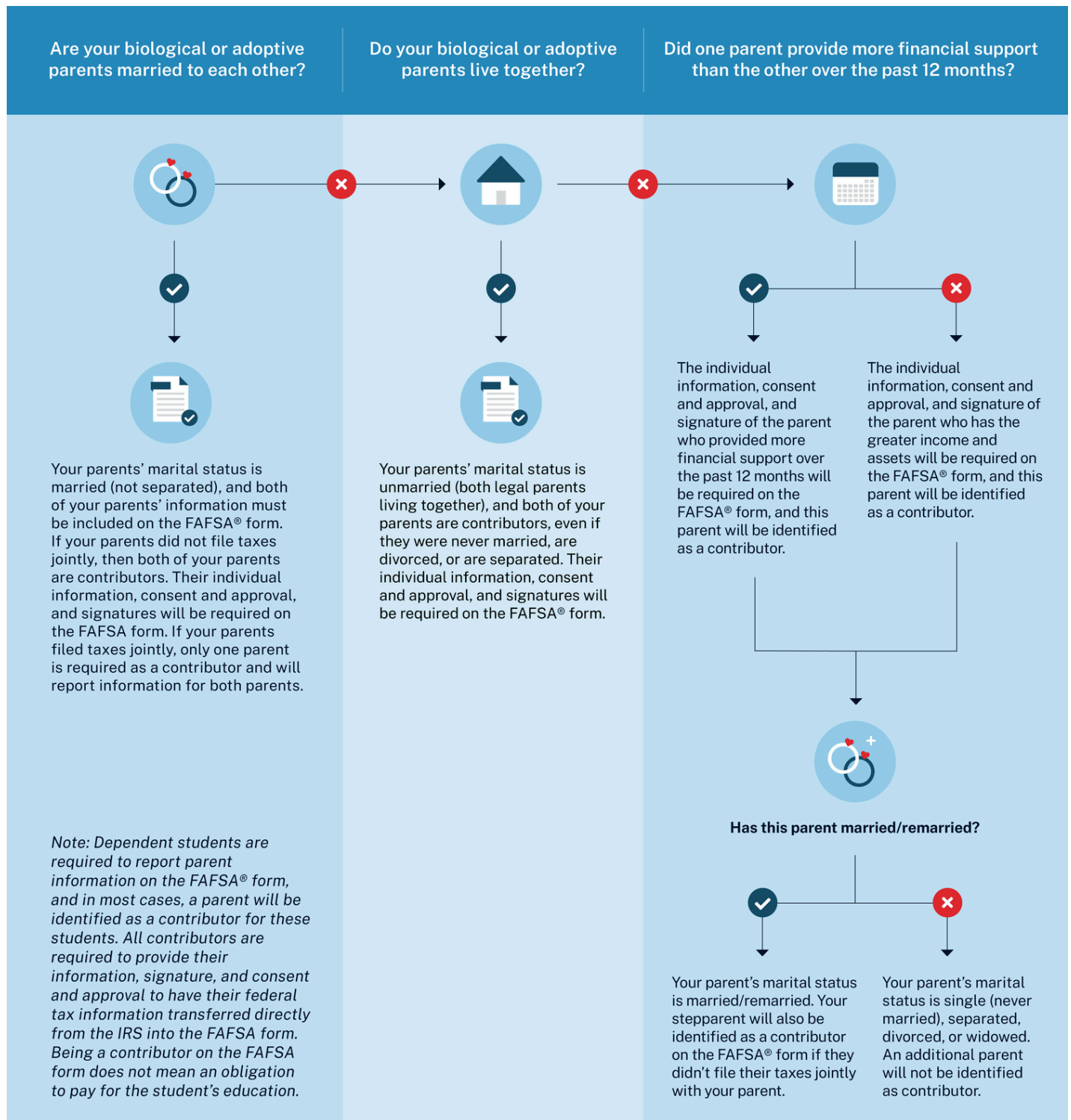
Everyone contributing to the FAFSA form online must have their own StudentAid.gov account. Each contributor, including the student, will access their account with their own FSA ID (account username and password).

Financial Aid Direct Data Exchange

All students and contributors must provide consent and approval to have their federal tax information transferred directly into the FAFSA form via direct data exchange with the IRS. This federal tax information will be used to determine the student’s eligibility for federal student aid. If a student or required contributor doesn’t provide consent and approval, the student will not be eligible for federal student aid.

Is my parent a CONTRIBUTOR when I fill out my FAFSA form?

A **parent** means your legal (biological or adoptive) parent or a person that the state has determined to be your legal parent. A **stepparent** is considered a parent if they have adopted you. Stepparents that have not adopted you will be identified as a parent spouse.



FSA ID How-To Guide

What is an FSA ID?

The Federal Student Aid (FSA) ID is a **username** and **password** that is required to log in and access all Federal Student Aid websites, including the **FAFSA**. The FSA ID also serves as a **legal signature** when you submit your FAFSA.

Go to StudentAid.gov and click “create account” in the upper right hand corner. The application is available in English and Spanish.

Who should create an FSA ID?

You and **one or both of your parents** must create an FSA ID **before** completing the FAFSA. If you are an independent student, you will not need to have your parent or legal guardian create an FSA ID. If you have a sibling who attending college before you, your parent may already have an FSA ID.

Starting in Winter 2023, every person contributing information to a FAFSA will need an FSA ID - **including parents who do not have a Social Security number**

If you are a student without a Social Security number, you will not be able to create an FSA ID or complete the FAFSA. See your College Possible coach or a College Possible FAFSA Specialist to learn more about financial aid opportunities that may be available to you.

What information do I need to create an FSA ID?

- Full name and Social Security number, as they appear on Social Security card (if applicable)
- Date of birth
- Valid email address and phone number
- Immediate access to your email account
- Your residential address

APPLICATION PROCESS

- Add name, date of birth, and SSN exactly as it appears on official documentation
- Check the box if you don't have a Social Security number and see the next page for more information
- Create a password that you don't use for other accounts
- Provide your mobile phone number for more ways to access your account

How do I make the challenge questions?

You will need to select four challenge questions from a dropdown list and provide answers. If you forget your username and password, you may need to answer the challenge questions to access your account.

- Select how you would like the Department of Education (the people who manage the FAFSA) to communicate with you, and in what language (English or Spanish)
- We recommend email to get communications quickly
- Set up two-step verification for your FSA ID with your phone number, email, and/or authenticator app
- We recommend setting up all methods so you have multiple options to log in

ADDITIONAL STEPS FOR CONTRIBUTORS WITHOUT SOCIAL SECURITY NUMBERS (SSN)

Remember that you should only create an FSA ID without an SSN if you are either:

- A parent or spouse of a student completing the FAFSA
- A citizen of the Freely Associated States (the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau) and need to complete the FAFSA

What is identity verification?

If you do not have an SSN you need to confirm your identity through a series of questions at the end of the account creation process. The personal information from these questions comes from the TransUnion Credit Bureau, but this is not a credit check.

You will have one chance to answer the questions correctly, or you will need to confirm your identity through an alternative process.

How do I know the results of the identity verification?

The screen will say “Your Account Was Successfully Created” if your identity was successfully verified. You do not need to take any additional steps before starting the FAFSA.

OR

The screen will say “Your Account Was Created But You Need to Contact Us” if your identity was not able to be verified. You will need to contact FSA at 1-800-433-2343 to initiate a manual identity verification process. You will need to complete the Attestation Form and provide documentation that proves your identity.

Is the personal information I provide protected?

According to the National College Attainment Network, “federal law prohibits the use of data collected through the FAFSA for anything other than calculating federal and state financial aid. Entities with access to this data are also required to protect the data against security threats or unauthorized uses. FSA [the Office of Federal Student Aid] will not share FAFSA information with anyone except the schools the student indicates they want to attend...and a few federal and state government agencies (so they can check to be sure the information is accurate or determine financial aid eligibility).”

USING AND TROUBLESHOOTING YOUR ACCOUNT

- Enable the secure backup code, which will help you access your account if the other verification methods won't work
- Make note of your backup code and store it somewhere safe

When can I use my FSA ID?

If you provided an SSN, your FSA ID won't be fully functional until you receive an email in a few days about your SSA match. Likewise, if you do not have an SSN and need to go through the manual identity verification process, your FSA ID won't be fully functional until 1-3 days after submitting your documents. You can still use your FSA ID immediately to access your studentaid.gov account dashboard, and start or contribute your information to a FAFSA. However, we recommend waiting to do this until your FSA ID is verified. If you do not have an SSN and your identity was successfully verified, you can use your FSA ID immediately to complete the FAFSA.

FAFSA Checklist

Follow these steps to fill out the *Free Application for Federal Student Aid* (FAFSA) each year to apply for most types of financial aid.

1. Determine if you are an independent or dependent student.

Independent student: only report information about yourself and not your parent(s)

Dependent student: report information about yourself and your parent(s) — most common

You are an **independent student if at least one** of the following is true about you:

- You will be 24 years of age or older as of Jan 2024
- You have a child or other dependent for whom you provide the majority of financial support
- You have a court-ordered legal guardian who is not your biological or adoptive parent
- You were in foster care at any point after age 13
- You were a ward of the court at any point after age 13
- You are married (but not separated or divorced)
- You are homeless or at risk of being homeless
- Your parents are incarcerated or deceased
- You are currently on active duty or are a veteran of the U.S. armed forces

If none of the above apply, you're a **dependent student**. If special circumstances prevent you from providing parental information, contact your college financial aid office.

2. All students need to collect the following information

- Student FSA ID (username and password)
- Picture of copy of your social security card (if applicable)
- Picture of copy of your green card (if applicable)
- Your 2022 federal tax forms (if applicable)
- Total current amount in your checking and savings account
- Net worth of your investments
- List of colleges you will apply to or current college you will continue attending

3. If you're a dependent student, collect this info from your parent(s). If you parents are divorced/separated, include info about the parent who provides the majority of your financial support. If that parent is remarried, include your stepparent.

General information

- FSA ID for one or both parents
 - Full name (same as FSA ID)
 - Date of birth
 - SSN or ITIN
 - Email address

Tax information

- 2022 federal tax forms (1040 and all schedules)
- If 2022 taxes were not filed, what was the reason?

Financial information

- Total current amount in checking and savings account(s)
- Net worth (value minus debt) of current stocks, bonds, mutual funds, 529 plans, etc.
- Net worth of investment/rental property/rented portion of your home
- Net worth of parent-owned business(es) and/or family farms
- Amount of child support received in the past year for all children
- Federal benefits (SNAP, WIC, TANF, etc.) received in 2022/2023

Certain situations may impact how you report information on the FAFSA. Contact your college(s) if:

- Your family's income has significantly changed since 2022 or after submitting your FAFSA
- You and your family are homeless or are at risk of becoming homeless
- Your parent's marital status has changed since 2022
- You have concerns about your or your parents' citizenship status
- Other major life/financial changes have occurred recently