

FAFSA Simplification

Big Changes for 2024-2025 are coming!



Simplifying the financial aid application process

The FAFSA Simplification Act is an initiative by the United States Department of Education to make applying for federal student aid easier for students.

FAFSA Simplification at a Glance

The FAFSA Simplification Act was passed into law as part of the Consolidated Appropriations Act of 2021. This process is the first major redesign of the Free Application for Federal Student Aid (FAFSA) process in over 40 years. It demonstrates a significant overhaul of federal student aid, including changes to the FAFSA form, need analysis and many policies and procedures for schools that participate in the Title IV programs.

2024–25 FAFSA Timeline Updates:

The 2024-2025 FAFSA is now available for submission.

The 2024–25 Free Application for Federal Student Aid (FAFSA®) form is available periodically as part of the soft launch. During the soft launch, the FAFSA form will be available sporadically while the U.S. Department of Education monitors site performance and form functionality.

The soft launch has been implemented by the Department of Education to audit applications as they are submitted for accuracy. The FAFSA form will be assessed by the Department of Education until the soft launch has completed. FAFSA submissions will begin processing after the soft launch completes, the DOE has hopes that will be in the beginning to middle of February 2024.

Benefits to the FAFSA Simplification Act:

Students and families will see a difference in their ability to pay for higher education and experience a change in the methodology used to determine their eligibility for federal student aid. The benefits of the updates to the FAFSA include:

- A simplified application process
- Broadened eligibility for Federal Student Aid
- Broadened eligibility for the Federal Pell Grant
- Reduced hindrances for certain student populations
- A less stressful experience for the applicant
- Improved data sharing with IRS through the FUTURE ACT, 'FA-DDX'

Changes to the FAFSA

Changes to FAFSA questions and need analysis:

- The number of questions will be reduced
- The Student Aid Index (SAI) will replace the Expected Family Contribution (EFC).
- The Cost of Attendance (COA) will be the starting point for calculating the SAI. COA includes direct costs (charges for which the Institution bills you directly) and estimated indirect costs (living expenses) to fund educational expenses for a year
- The SAI will allow a negative number to generate, as low as -1500

Changes to data collection and support for completing the FAFSA form:

- Anyone asked to provide information on the aid application—student, spouse, student’s parent(s) and/or stepparents(s)—is now referred to as a “**contributor**” to the application.
- Students, spouses, parents, and stepparents (contributors) will need to provide their consent to provide their Federal Tax Information (FTI) in the new Consent to Retrieve and Disclose Federal Tax Information section of the FAFSA in order to be eligible for federal student aid.
 - If any contributor to the FAFSA form does not provide consent, submission of the form will still be allowed; however, a Student Aid Index (SAI) will not be calculated. Unless the information is manually entered on to the application.
 - The Custodial Parent on your FAFSA will be the parent(s) who provided you with more financial support, instead of the parent(s) with whom you lived more during the past 12 months.

Resources

Federal Student Aid: <https://studentaid.gov/help-center/answers/article/fafsa-simplification-act>

Financial Aid Office
Blackwood, NJ 08012
Phone: 856-232-0310
Email: AskNJFA@penncotech.edu

Financial Aid Office
Bristol, PA 19007
Phone: 215-785-0111
Email: AskPAFA@penncotech.edu