

How To Prepare for the new FAFSA

Typically, students can complete the FAFSA starting on Oct. 1. **For 2024-25 only, students will begin completing the FAFSA in mid-December.**

FSA ID- All contributors will need an FSA ID. The process for getting an FSA ID has changed and may be slower. Students (and parent or spouse, if applicable) should request their FSA ID a few days in advance of completing the FAFSA. A parent or spouse without a Social Security number will be able to get an FSA ID.

Who is considered a contributor? [Click here](#) or see handout for the full definition and examples of contributors.

How do I or other contributors create an FSA ID? [Click here to create an FSA ID](#) or see handout on how to make your FSA ID, you'll need to provide the following information:

- Your Social Security number (SSN)
- Full name
- Date of birth
- Email address and/or mobile phone number*

You'll also need to create a memorable username and password, and complete challenge questions and answers to retrieve your account information if you forget it.

*Providing a mobile phone number and/or email address that you have access to will make it easier to log in to ED online systems and allow you to verify your FSA ID before using it on the FAFSA and additional account recovery options.

Non-US Citizens- Starting in 2024-25, parents and/or spouses who are not U.S. citizens or eligible noncitizens can use their Individual Taxpayer Identification Number (ITIN) to create an FSA ID since their taxes are still required. This [Federal Student Aid video](#) can help create a step-by-step FSA ID.

Divorced/Unmarried Parents- If the parents of a dependent student are not married, the parent who provides the greater portion of the student's financial support is used on the FAFSA even if the student lives with the other parent or the other parent has custody. A remarried parent must include their spouse's (the student's stepparent)

income. For more information on which parent(s) should be reported, [click here](#) or refer to **handout**.

All contributors will need to provide consent in order to complete the FAFSA. This will transfer 2023 tax information in from the Internal Revenue Service (IRS).

Here is a summary of the key changes on the 2024-25 FAFSA application:

- **Family size** is based on the number of dependents claimed on the tax return.
- All **business and family farm value** (even if fewer than 100 employees) is now reported.
- The **number of students in college** is collected, but will not be used in determination of eligibility.
- There used to be more than 100 questions, now there will be **fewer than 40 questions**.
- The current application is available in only English and Spanish; the updated application will eventually be **available in 11 languages**.
- **Each person completing the FAFSA will do their own section**. The parent or spouse will be emailed an invitation to complete the form by the student.
- There will be a Direct Data Exchange (DDX) between the Department of Education and the IRS to load tax data into the application. This is mandatory and replaces the Data Retrieval Tool (DRT). **Each person completing the FAFSA will be able to see only their own income data**.
- In prior years, students (or parents) did not have to report financial assets unless their income was \$50,000 or higher. The **new minimum income to report financial assets** is \$60,000 or higher.
- **Child support** received is now reported as an asset.
- **Contributions to retirement accounts** (401k and 403b) are not reported as an asset.
- Most **Individual Retirement Accounts** (IRA) still must be reported as an asset.
- The results of the FAFSA used to be sent to the applicant in a document called the Student Aid Report (SAR); it now will be called the **FAFSA Submission Summary (FSS)**.

The New Formula

The number that is the result of the FAFSA used to be called the Estimated Family Contribution (EFC). **It now will be called the Student Aid Index (SAI)**. The SAI is an

estimate of the amount a student and their family can afford to contribute to the student's college costs. The SAI is **not** the balance that the student owes the college.

A new formula will be used to determine the SAI. The new formula allows a minimum SAI of negative \$1,500.00 (the EFC minimum was \$0).

The new formula increases the Income Protection Allowance (IPA), which is the percentage of income that will not be counted toward the student's SAI calculation.

In prior years, the EFC was divided by the number of students in the family who are in college. The SAI will not be divided.

Applicants may use [Federal Student Aid's Estimator](https://studentaid.gov/aid-estimator/) (located at <https://studentaid.gov/aid-estimator/>) to determine their SAI for the 2024-25 award year. **This estimator is **not** equivalent to completing the free FAFSA application.*

Award Packages

Each college determines the Cost of Attendance (COA) for their student populations. Changes to that determination include updating housing and food allowances, adding a computer allowance and allowing for professional license fees. It is still the maximum amount of financial aid a student can receive. The COA is **not** the balance that the student owes the college.

The prior eligibility determination tied Pell Grant (Pell) eligibility to the Estimated Family Contribution (EFC). The new eligibility determination ties Pell eligibility to family size and Adjusted Gross Income (AGI). This could result in increased Pell eligibility for some students.

The maximum and minimum Pell amounts are determined by state of residence, income, family size and poverty guidelines.

The amount of Pell is prorated for less than full-time students in direct proportion to the number of credit hours of enrollment.

Pell Grant Proportions

Enrolled credit hours

% of full-time award

12	100%
11	92%
10	83%
9	75%
8	67%
7	58%
6	50%
5	42%
4	33%
3	25%
2	17%
1	8%
