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Kun Mullan  
PRA Coordinator  
Strategic Collections and Clearance  
Governance and Strategy Division  
Office of Chief Data Officer,  
Office of Planning, Evaluation and Policy Development

To whom it may concern:

On behalf of the National Association of Student Financial Aid Administrators (NASFAA), we respectfully submit to the U.S. Department of Education (ED) our comments on the proposed 2024-2025 Free Application for Federal Student Aid (FAFSA®) (Docket ID ED-2023-SCC-0053.)

NASFAA's membership consists of more than 29,000 financial aid professionals at nearly 3,000 colleges, universities, and career schools across the country. NASFAA member institutions serve nine out of every 10 undergraduates in the United States.

We appreciate the revisions ED has made to the FAFSA in response to feedback received during the 60-day comment period. We are especially grateful for the new Parent Education Status options for students to identify as first-generation college students in Question 15; additional explanatory language in Questions 11 and 12 that explicitly states institutions of higher education will not have access to student responses to the new gender, race, and ethnicity questions; and the new *Completing the FAFSA Form* section that moves instructions about whose information is required on the FAFSA to a more prominent position on the application.

We thank the Department for devoting resources to creating a FAFSA prototype to help financial aid administrators, prospective students, and college access professionals better anticipate the online FAFSA experience. Given the expected December release date of the online FAFSA, students will be under significant pressure to complete their application as quickly as possible to meet state and institutional deadlines. Giving financial aid administrators and others the opportunity to explore the online FAFSA experience using the prototype will help them to better help students through this process.

### Paper Draft FAFSA

Since we do not have the benefit of previewing the online form at this time, we ask ED to apply all of our comments related to the paper FAFSA to the online form. And because the Incarcerated Applicant Form is identical to the FAFSA, our comments here apply to that form as well.

We offer the following recommendations to improve the form's usability and correct errors:

- It is our understanding that the state of California has moved its priority deadline from March 2, 2024 to April 2, 2024, but this is not reflected in the 30-day draft. We understand ED may still be confirming deadlines with states and urge the Department to ensure all deadlines are accurate on the final version.
- In the *Completing the FAFSA Form* section:
  - In the *Which parent should include information?* section, ED instructs applicants, “If the parents are divorced or separated, answer the questions about the parent who provides the greater portion of the student’s financial support, even if the student does not live with them.” We believe this will lead to questions about a timeframe for when the greater portion of support was provided since that may vary for applicants. ED should be clearer in the instructions on the timeframe applicants should use.
  - Explanatory text in this section advises applicants that if they select “Yes” to identify as homeless and “None of these apply” in question 6, that they will be considered provisionally independent. Provisional independent student status is distinct from the homeless determination process in the FAFSA Simplification Act. We recommend that ED remove the reference to provisional independent status and simply instruct the student to skip the *Parent* and *Parent Spouse or Partner* sections.
  - In the online FAFSA demo in the Parent Wizard, ED instructs applicants whose divorced or separated parents provide an exact equal amount of financial support to the student to use the parent with the greater income or assets as the parent of record. The use of the word “or” is problematic because one parent could have a higher income and the other could have more assets. We recommend ED change the language to the “greater of income plus assets” to avoid confusion.
- The *FAFSA Privacy Act Statement* includes a new section headed *Opportunity to Contest or Amend Tax Information*, which instructs applicants to contact a financial aid administrator at their postsecondary institution if they have questions about or need to access their federal tax information. The heading of this section does not align with the text that follows because there is no mention of contesting or amending tax information in the text. Postsecondary institutions do not have the ability to address disputes about or to amend IRS data. We are especially concerned because the text includes instructions for applicants to notify the Office of Ombudsman if the postsecondary institution does not provide the student access to their federal tax information (FTI). We fear applicants will mistakenly report postsecondary institutions to the Ombudsman Office when they are told they cannot contest or amend their FTI via the institution, resulting in confusion and wasted time for applicants, institutions, and the federal Ombudsman. The section

should be renamed, “Opportunity to Access Your Federal Tax Information” to more accurately represent what students can expect from postsecondary institutions with respect to their FTI.

- The *Federal Tax Information (FTI) Consent and Approval*, as well as the *Signatures* section include new language, “By filling in the circle (accepting)...” This language is confusing because the applicable circles for each contributor do not appear until later in the form. We recommend adding language to read, “By filling the circle in Questions 24, 29, 41, and/or 46,” for clarity.
- We agree with the Department’s decision to add the *Completing the FAFSA Form* section to a more prominent area of the FAFSA before students begin answering questions. Addressing issues of who should complete the FAFSA, who is considered a legal parent, which parent should provide information, and which questions can be skipped up front should help students more easily navigate the questions as they are presented.
- Question 6: We request that the header or label of this question be modified to a more easily distinguishable term, such as *Experience with Homelessness* instead of *Student Other Circumstances*. There are many confusing, similar, and vague terms on the FAFSA and Federal Student Aid websites used to refer to students’ circumstances, including “personal,” “special,” “other,” and “unique.” It is exceedingly difficult for students to understand the differences between this terminology and to advocate for themselves accordingly. Changing the header of this question will help students, financial aid administrators, and support organizations refer to the correct portions of the FAFSA. Neither statute nor regulation requires the labels of these questions to match the back-end processes and technical terminology used by financial aid administrators and the Department—they should be adjusted for simplicity.
- Question 8: We recommend ED add clarifying text instructing applicants that “unusual circumstances” are listed in Question 7. We offer the suggested change: “Are the student’s parents unwilling to provide their information, but the student doesn’t have an unusual circumstance such as those listed in Question 7 that prevents them from contacting the parents or obtaining their information?” Unusual circumstances have a precise meaning for purposes of this question and we believe students would be better able to answer Question 8 accurately if they were referred back to the description of unusual circumstances in Question 7.
- Questions 9 & 34 add a condition to the explanatory text for the student’s/parents’ other children who don’t live with the student/parent(s) stating they should be included in family size “...even if they live apart due to college enrollment.” In prior years, the language instructed students and parents to include other household members, “...even if they don’t live with you.” The new language appears to exclude from family size any dependents of the student or parent who do not live with them unless the reason they do not live with the student or parent is because of college enrollment. We do not believe the FAFSA Simplification Act requires this narrowing of who can be included in family size. Internal Revenue Service rules for claiming dependents include many instances other than college enrollment where an individual may be temporarily absent from the household but still qualify to be claimed as a dependent, such as illness, vacation, and detention in a juvenile facility.
  - We recommend that if ED retains the language referring to college enrollment, it is described as only one example of an instance where a family member is included in

family size despite not living full-time with the family, and provide additional instructions as to whether and how temporary absences of any kind should be factored in.

- Question 16 asks applicants if their parent or guardian was killed in the line of duty while (1) serving on active duty as a member of the armed forces on or after September 11, 2001, or (2) performing official duties as a public safety officer. However, the *2024–25 FAFSA® Specifications Guide, Volume 6, ISIR Guide* includes separate indicators for Iraq and Afghanistan Service Grant (IASG) and Children of Fallen Heroes (CFH) eligibility.
  - With only a single FAFSA question to identify both statuses and given there is no longer a Department of Defense match to confirm IASG eligibility (and there has never been a match for CFH), it is not clear how the Federal Processing System can determine which indicator to set on the ISIR.
    - We recommend ED change the response options from “Yes” or “No” to “1” or “2” to describe which of the special rules for Pell Grant eligibility the student qualifies under, and to set the appropriate ISIR indicator based on their response. This will ensure financial aid administrators can follow up with requests for documentation from students with the appropriate instructions based on the student’s own circumstances.
- Also in Question 16, we recommend that ED change “armed forces” to “U.S. Armed Forces” to match references to military service in Question 5. Understanding that the FAFSA Simplification Act refers only “armed forces” in the special rule for Pell Grant eligibility and uses the clearer “United States Armed Forces” in reference to veteran and active duty status, we believe congressional intent was to restrict Pell Grant eligibility under the special rule to children of members of the U.S. armed forces in accordance with the definition of armed forces in 10 U.S.C., §101(a)(4) as “the Army, Navy, Air Force, Marine Corps, Space Force, and Coast Guard.”
- Questions 18 and 36 ask students and parents about means-tested benefits receipt. There are several issues with how the question is asked and how instructions to skip questions are written.
  - The FAFSA Simplification Act specifies ED must request on the FAFSA information on means-tested benefits “the applicant receives or has received any of the following means-tested Federal benefits within the last two years.”
    - The corresponding FAFSA questions ask if the applicant or parent received means-tested benefits “...at any time during 2022 or 2023.” This does not address situations where the applicant or parent currently receives a means-tested benefit at the time they complete the FAFSA, which the law appears to require ED to ask in both section 483(a)(2)(B)(ii)(XVII) and in section 479(b)(2)(D) where it describes applicants exempt from asset reporting as those who, “...at any time during the previous 24-month period, received a benefit under a means-tested Federal benefit program...”
    - ED also does not instruct applicants who receive income from the supplemental security income program; temporary assistance for needy families; the supplemental nutrition assistance program, the special supplemental nutrition program for women, infants, and children; Medicaid; or the federal housing



will add complexity and burden to the verification process since financial aid administrators would have to tailor their documentation requirements for each student based on when they completed the FAFSA and when they submitted their verification documentation. The law requires only that applicants report an annual child support amount. We recommend using the prior-prior year's child support received for consistency.

- Questions 22 and 40 ask for current total of cash, savings, and checking accounts, but the FAFSA Simplification Act definition of assets no longer includes cash. ED should remove reference to cash in these questions and clarify in the instructions that cash does not need to be reported as an asset.
- Question 37 and Question 44 have a new tax filing option: “Either the parent earned income in a foreign country but did not and will not file a foreign tax return or worked for an international organization and was not required to report income on any tax return. *International organizations include, for example, the United Nations, World Bank, and International Monetary Fund.*” but there are no instructions for how to answer Question 38 and Question 45 if that response is selected. We recommended in the 60-day comment period that ED add instructions for how to answer questions 38 and 45 when parents select this option in Questions 37 and 44, and we disagree with ED’s response that the current instructions provide adequate guidance.
- We recommend ED change the title of the *Student Spouse* and the *Parent Spouse or Partner* sections to *Student’s Spouse* and *Parent’s Spouse or Partner* for grammatical correctness and better clarity.
- In the “Notes” section:
  - The changes ED made to the asset instructions with respect to when qualified education benefits are considered investments are still confusing despite changes made since the first FAFSA draft was issued, and also contain some inaccuracy.
    - We recommend ED change instructions to read, “Investments also include qualified educational benefits or education savings accounts (e.g., Coverdell savings accounts and, if the student is not the beneficiary, 529 college savings plans and the refund value of 529 prepaid tuition plans.) Such accounts should be reported as the asset of the owner of the account, unless the account owner is a dependent student, in which case the value of the account should be reported as a parent asset.”
    - The language, “Parents of dependent students should not report the value of educational savings accounts for other children” should be removed since that is not correct.
    - We also recommend removing the language, “Investments do not include... 529 college savings plans if the student is the beneficiary...” because this is not correct.
  - The instructions on how to answer questions about businesses and farms are identical to the 2023-24 instructions despite the significant change to include small businesses and family farms. Families will have many questions about exactly which business and farm assets must be reported. Many people engage in farming activities but do not consider

their property to be a farm, while others receive income from farming but do not engage in farming themselves. Further, many farm families reside on their farms and, because primary residences are exempt from reporting on the FAFSA, they need clear instructions on how to separate their residence and non-farm land from their farms.

- There must be a clear way for families to establish whether their property is considered a farm for asset reporting purposes on the FAFSA. We recommend instructing families that if they own property for which they file an IRS Schedule E or F where they report any type of farm income, that the property in question is a farm since those schedules appear to capture all types of income or losses generated from farming.
- ED must also provide clear instructions about how to treat a primary residence that is on family farmland. Families that don't own farms are able to exclude both the dwelling and the land it sits on from assets on the FAFSA under the primary residence exemption. We recommend ED use language such as “the land you/your family lives on that is not used for farming” to describe what can be excluded from asset reporting.

### **Incarcerated Applicant Form (IAF)**

The restoration of Pell Grant eligibility for incarcerated students presents a new opportunity for this population that has been largely excluded from postsecondary education for nearly three decades. But it also presents significant challenges to ensuring that they are able to take advantage of their Pell Grant eligibility. Many of those challenges relate to the application itself, which was not designed with this population in mind. Simply giving the existing form a new name is inadequate. We suggest the following changes to tailor the Incarcerated Applicant Form to this population and their specific needs.

- Remove application deadlines for states that do not provide funding for incarcerated students.
- Remove language instructing students to check with their high school counselor about other sources of aid and deadlines since high school counselors are likely not available to this student population.
- Remove references throughout the IAF that refer to living expenses and room and board since those costs are not part of the cost of attendance for incarcerated students.
- Remove language indicating that aid in excess of tuition, fees, housing, and food will be paid to the student for their other educational expenses since 1.) these students will not be paying for institutionally owned housing or on-campus food and 2.) remaining aid will not be refunded to incarcerated students.

### **FAFSA Submission Summary (FSS)**

We commend ED on the redesign of the FAFSA Submission Summary, previously known as the Student Aid Report (SAR). It is not only more visually appealing, but the name change better characterizes the purpose of the document. The new language in the FAFSA Submission Summary section at the top of Page 1 clearly explains what the form is, and should help applicants understand its uses.

Under the *Application Status* heading, the verification selection message appears twice. We ask that ED ensure the coding that populates these messages is accurate. Similarly, under the *Federal Student Aid Eligibility* section, there are two separate messages with different wording referring to estimated Pell Grant eligibility. Again, ED should ensure only one of these messages appears. We wish to note that we agree with the change from the first draft of the FSS to remove the language indicating Pell Grant eligibility is based on the student's SAI since, in most cases, Pell Grant eligibility will be determined independently of the SAI. Finally, comment code messages are again repeated in the *Comments* section and need to be corrected so each comment code message appears only once.

Comment code 023 instructs applicants that important personal information is missing from their FAFSA and to select "Make a Correction" to update their information, which can include a number of fields left blank on the FAFSA including the applicant's gender or transgender status. ED should amend this comment code to remove reference to transgender status to match changes made to the FAFSA removing that question. The instructions should also be edited to clarify to students that they should look for items with the "Edit" icon next to them to learn which fields need to be populated, since financial aid administrators will not be able to see the student's response to the gender question and, as such, cannot communicate to students whether it has been left blank.

The Comment Text for comment codes 251 through 265, relating to issues with data at the National Student Loan Data System (NSLDS), does not match the Reason for Comment. For instance, Comment Code 252 refers the applicant having exceed aggregate loan limits, but the Reason for Comment refers to an NSLDS Active Bankruptcy Flag of "Y", appearing to correspond to the previous Comment Code. Financial aid administrators may request the wrong documentation from applicants to resolve their C Flags because of these errors. ED must revisit the 2024–25 *FAFSA® Specifications Guide, Volume 7 – Comment Codes*, to ensure all FAFSA comment code text and reasons for comment match.

In the *Federal Student Aid Eligibility* section, the last sentence reads, "Your SAI is subject to change if you update or correct your FAFSA." We recommend adding that the SAI can change as a result of verification. ED could use this language only on FAFSA Submission Summaries of students selected for verification. Adding that language will help prepare applicants for the possibility that their eligibility for student aid could change upon verification since this is a common area of confusion financial aid administrators have to resolve for students.

In the *Special or Unusual Circumstances* section, ED states in the first line, "If you or your family have experienced special or unusual circumstances that impact your ability to pay for school, you may be eligible for an adjustment on your FAFSA form." We recommend adding language that an adjustment to the FAFSA could result in additional student aid eligibility. As written, students are unlikely to understand the potential benefits of adjusting information on the FAFSA and may not be inclined to report changes to their school.



The new *Changes Made to Your FAFSA Submission* section may be confusing for students who applied to more than one institution because it does not indicate which institution made the changes, so they will be unsure which institution to contact if they have questions. If ED cannot change this section to indicate the school that changed the information, we recommend removing this section.

In the *Federal Student Loan Summary*, in the second paragraph, ED states, “If there is an amount listed for Federal Family Education Loan (FFEL) Program ‘Unallocated Consolidation Loans,’ it is because we could not determine whether those balances were subsidized or unsubsidized,” but there does not appear to be a distinction between Direct Loans and FFEL in the “Total Amount of Loans Outstanding.” If this is the case, the reference to FFEL should be removed, or the sentence should be reworded to: “If there is an amount listed as ‘Unallocated Consolidation Loans’ it is because we could not determine whether loans you borrowed under the Federal Family Education Loan (FFEL) Program were subsidized or unsubsidized.”

Also in the *Federal Student Loan Summary*, we suggest ED remove the 2024-25 Award Year Amount for Perkins loans since authority to make new loans under the Perkins loan program has expired.

As noted earlier with respect to the paper FAFSA, the *Federal Tax Information (FTI) Consent and Approval*, as well as the *Signatures* section on the FAFSA Submission Summary include new language, “By filling in the circle (accepting)...” This language is confusing because the applicable circles for each contributor do not appear until later in the form. We recommend adding language to read, “By filling the circle in Questions 24, 29, 41, and/or 46” for clarity.

### **Student Aid Index Tables**

In the *Draft Student Aid Index (SAI) and Pell Grant Eligibility Guide*, ED has not revised the income protection allowance, employment expense allowance, and asset protection allowance tables, or the assessment schedules outlined in Section 478(h) of the FAFSA Simplification Act. ED has noted in presentations that one significant aspect of the FAFSA Simplification Act is the increase to the income protection allowance, which will result in many students having lower calculated SAIs, but this will only be the case if ED updates these tables in 2024-25 as the law requires.

It is our understanding from ED’s response to a question during a recent webinar that ED does not plan to update these tables for the 2024-25 award year. It is critical the Department comply with the law, especially given the significant inflation that has taken place since the legislation was passed. If ED does not comply with the law on this matter, we seek assurances that it will account for the rate of inflation across all the years it declined to update the tables and not just between the 2024-25 and 2025-26 award years since otherwise the allowances will never reflect Congressional intent to significantly increase the income protection allowance.

**Conclusion**

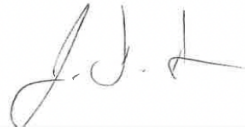
We recognize the 2024-25 draft FAFSA is the product of significant time and effort by the Department to interpret and implement historic changes to how students apply for federal student aid. Smooth implementation is critical to achieving the goal of the FAFSA simplification legislation, especially considering the delayed launch date. We look forward to continuing to work with FSA toward a successful rollout of forthcoming FAFSA simplification efforts.

We appreciate the opportunity to comment on this information collection. If you have any questions regarding these comments, please contact me or NASFAA Senior Policy Analyst Jill Desjean at [desjeanj@nasfaa.org](mailto:desjeanj@nasfaa.org).

Regards,



Justin Draeger, President & CEO



Jill Desjean, Senior Policy Analyst