



# Understanding the FAFSA Simplification Act

The FAFSA Simplification Act simplifies the Free Application for Federal Student Aid form. For most people, it will go from over 100 questions down to 36. As anyone who has ever filled out a FAFSA knows, this is very good news.

## The new FAFSA will open by **December 31, 2023**

The U.S. Department of Education [announced](#) in November that the new simplified 2024-25 FAFSA will be available to students by December 31, 2023. While you cannot do anything right now, you can prepare as you wait.

After the new form opens in December, FAFSA will start processing the submitted forms in January 2024. Delivery of completed FAFSA information to colleges will be delayed until mid-to-late January or February. Your data will then need to be processed by your chosen colleges, and your financial aid offer letters sent to you.

The best things you can do to get your aid information as quickly as possible are:

- **File your 2024-25 FAFSA form as soon as you can** after the new site opens.
- **Submit it electronically** through the FAFSA site. Paper submissions will not be processed until February.
- Be sure you indicate the colleges you want your information sent to. **PCC's school code is 014829.**
- **Be accurate!** Any changes that need to be made will delay your offer letter.
- **Be patient.** This is the most significant revamping of the FAFSA form since the 1980s and will affect everyone applying for financial aid.

Read on to be ready to fill out your FAFSA when the site opens. Do you need some information about all types of financial aid for new students? We've got you covered! [Click here](#) to visit PCC's Financial Aid web page.

## What changes are coming to FAFSA?

### • **A new December open date**

Previously, the FAFSA form opened on October 1 of a student's senior year in high school. This year, the new (and better) FAFSA will not open until December. Federal Student Aid (FSA) has not released a specific date yet, an announcement will be made when the application period is officially open.

### • **Shorter FAFSA form**

There is a new system that allows the FAFSA to **pull information directly from your income tax return**. You don't have to go hunting for your past returns anymore, you just need to give your consent for the transfer of data.

### • **You must create a log in**

This interface between the simplified FAFSA and the Internal Revenue Service means your private information must be protected. When you try to use the FAFSA, you will be directed to a form to give your consent and create an FSA ID, if you don't already have one. **Basically, it's a username and password.** FSA will then verify your information, and you can log in.

Because there's security involved, there will be **multi-factor verification to log in** using your FSA ID. Your online bank or credit card site may have something like this. When you log in, you will receive a text or phone call to a number you provided. This verifies who you are before allowing you onto the site.

# Changes to your family contribution

- **The new Student Aid Index**

A major goal of the FAFSA Simplification Act is to make the amount of aid your student is eligible for more transparent and predictable. In the past, the FAFSA determined aid using the Estimated Family Contribution (EFC). It was a complicated process even for financial aid specialists. Families often had no idea how much they could receive until they got their financial aid offer from the college.

The new Student Aid Index (SAI) is streamlined and better defined. Under certain circumstances, low-income students can be eligible for need-based aid using only the family's adjusted gross income taken from their income tax return. The new SAI streamlines procedures for students with more complicated income sources as well.

- **Families with more than one member in college**

Under the old Estimated Family Contribution system, if you had multiple family members in college at the same time, your EFC was split between them. Under the new Student Aid Index, the Better FAFSA will still ask the question, but it does not consider the number of family members in college in its calculations.

For example (and using some very simplified numbers), under the old FAFSA, if your EFC was \$3,000 and you had three eligible family members enrolled in college at the same time, each enrolled student could have an EFC of \$1,000. This would have increased the amount of federal aid they could receive. Now in the Better FAFSA, each of the three will have an SAI of \$3,000, decreasing the amount of federal aid.

- **Changes to Pell Grants**

"The federal Pell Grant program is the single largest source of federal grant aid supporting postsecondary education students," according to the Congressional Research Service (August 2022). **These grants are need-based, and you do not have to pay them back.** Your FAFSA form determines your Pell Grant amount.

Pell Grants will now be calculated using the SAI or, under certain circumstances, your Adjusted Gross Income (AGI) from your tax return. This should simplify eligibility.

The SAI and AGI levels for aid have also been adjusted and should result in more students qualifying for more Pell Grant money. Since the new form is shorter and simpler, there's no excuse not to apply. In fact, it's always best to file your FAFSA each year whether you think you qualify or not.

- **Changes for special or unusual circumstances**

Under the new simplified FAFSA, financial aid administrators at colleges must let families know that students who apply for aid can pursue adjustments based on their family and financial circumstances. This process is known as [professional judgement](#). In certain circumstances, it can extend to declared disasters, emergencies or economic downturns.

- **Changes can mean delays, so file early!**

As with any new system, there may be a few bumps in the beginning. Filing early is the best way to have the time you need to get into the new system and submit your FAFSA.

The new simplified FAFSA form will be shorter and require much less effort on your part to fill out. But, if at any point you have questions, PCC'S financial aid administrators are ready with answers. Reach them at 719-549-3200 or [Financial.Aid@pueblocc.edu](mailto:Financial.Aid@pueblocc.edu). **You can learn more about the FAFSA and financial aid [here](#).**

If you want the full information currently available on the FAFSA Simplification Act, check out the Congressional Research Service [report](#) on the FAFSA Simplification Act.