



March 16, 2023

The Honorable James Kvaal
Under Secretary of Education
U.S. Department of Education
400 Maryland Ave., SW
Room 7E307
Washington, DC 20202

Mr. Richard Cordray
Chief Operating Officer
Federal Student Aid
U.S. Department of Education
830 First St., NE
Washington, DC 20002

Dear Under Secretary Kvaal and Mr. Cordray,

On behalf of the National Association of Student Financial Aid Administrators (NASFAA), I am writing with concerns about the removal of the student housing choice question on the 2024-25 FAFSA.

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.

New requirements in the Consolidated Appropriations Act of 2021, Section 472(a)(5) require financial aid administrators (FAAs) to develop different housing allowances in students' cost of attendance (COA) based on student characteristics and housing choice.

Under current law, FAAs are able to use a single allowance for housing costs in the COA that encompasses all possible living arrangements (on campus, off campus, and with parents) based on a reasonable estimate. Going forward, aid administrators must base the housing COA component for on-campus students on the greater of average or median on-campus housing costs. This will make it far more difficult to use a single housing allowance for all students since on- and off-campus housing options may vary significantly in cost. Using average or median on-campus housing costs for off-campus students could greatly over- or understate their real expenses, leaving them with too little aid to cover housing or, conversely, allowing them to borrow in excess. Knowing whether the student will live on campus at the time the financial aid offer is created will allow financial aid administrators to accurately represent housing costs for all students.

However, it is NASFAA's understanding that ED interprets the Consolidated Appropriations Act of 2021, Section 483(a)(5), prohibiting the Secretary from requiring additional information from applicants, as prohibiting ED from collecting student housing information on the FAFSA, meaning institutions will need to collect student housing choice information in a data collection separate from the FAFSA.

We are surprised and disappointed that the Department did not explicitly note this question's removal from the 2024-25 FAFSA, and that financial aid administrators only discovered the change after a

thorough review of the 190-page Record Layout chapter of the FAFSA Specifications Guide. Given the significant changes schools are preparing to implement in the upcoming year, financial aid administrators rely on ED to clearly articulate such important details.

As NASFAA noted to ED in early February, housing information is vital for schools in constructing a cost of attendance. We remind the Department that the process of determining a student's financial aid package involves much more than just calculating Pell Grant eligibility and a Student Aid Index. The cost of attendance is a necessary component of student aid eligibility and it cannot be constructed accurately without knowing a student's housing choice. Removing the housing choice question from the FAFSA both defeats the purpose and goes against Congress' intent for FAFSA simplification.

Congress found an elegant solution to the problem of the lengthy FAFSA form by leveraging data already held by the federal government and permitting inter-agency data sharing to ensure that the form is simpler to complete without sacrificing necessary data. Oversimplifying the form by cutting out necessary questions like student housing choice forces institutions and states to add complexity to their own aid processes by requiring additional data and forms.

In addition, NASFAA is aware of at least one state that uses the FAFSA housing choice question to award state grants, meaning that students there will have to provide additional information to both their institution and their state.

We urge ED to work with Congress to ensure its interpretation falls within the spirit of the law and to explore how ED can comply with the law while continuing to collect student housing choice information on the 2024-25 FAFSA. This will ensure institutions are able to comply with new COA requirements and that FAFSA simplification encompasses every possible aspect of the postsecondary financial aid process.

Thank you for your prompt attention to this matter. If you have any questions, please contact me directly or NASFAA's Vice President of Public Policy and Federal Relations Karen McCarthy (Mccarthyk@nasfaa.org).

Regards,



Justin Draeger, President & CEO