October 17, 2011

To Whom It May Concern:

On behalf of the nearly 3,000 member institutions of the National Association of Student Financial Aid Administrators (NASFAA), I am writing to offer our comments on the draft 2012-13 Free Application for Federal Student Aid (FAFSA).

We appreciate the Department’s continued efforts to clarify and improve the FAFSA structure and language. While not all suggestions from the financial aid community come to fruition, we commend the Department on its diligent review and consideration of all submitted comments.

While we appreciate the formal comment process for the paper FAFSA, we believe that the Department would receive much more useful feedback from the community if it instituted a similar comment process with a similar timeframe for the FAFSA on the Web (FOTW), since the vast majority of applicants use FOTW rather than the paper FAFSA. Generally, the FOTW demonstration site (www.fafsademo.ed.gov) for the upcoming cycle is not available until mid-December. This late timeframe makes it difficult for the financial aid community to provide useful feedback in time for you to make any necessary or desired changes prior to the January 1 start-up date. In future years, we ask that you make the demonstration site available to the community for comment at or near the same time you are soliciting comments on the paper FAFSA.

One of the timing challenges of the current application processing cycle occurs when Congress passes tax credits late in the tax year (generally December), and those tax credits must be included as untaxed income on the next year’s FAFSA, for which processing begins on January 1st. When this occurs, financial aid administrators are often caught off guard midway through the application cycle—and in some cases after verification has been performed—when they learn about these credits and have to revise their procedures. Although paper FAFSAs have usually already been printed at the time of these tax changes, we urge the Department to quickly modify the FOTW instructions and notify aid administrators of the changes through an electronic announcement or some other direct message so any modifications to procedures can be made at the beginning of the processing cycle rather than mid-cycle.

Because of their family structures, completing the FAFSA can be particularly complex for members of the lesbian, gay, bisexual, and transgender (LGBT) community. For example, under the Defense of Marriage Act (DOMA), same-sex marriages are not considered marriages for federal purposes, including the FAFSA. Because there are no corresponding instructions to the “Are you married?” question on the FAFSA, a student in a same-sex marriage could reasonably answer “Yes” to that question. Lacking further instruction, that student could also reasonably include his or her same-sex spouse’s information throughout the rest of the FAFSA. We recommend that you add instructions to assist these students and their families in completing their FAFSAs in accordance with federal law.

I have attached additional comments and suggestions about the paper FAFSA for your consideration. Questions about our comments may be directed to NASFAA Policy Analyst Karen McCarthy at mccarthyk@nasfaa.org.
We appreciate the opportunity to offer these comments and we look forward to working with you on these important application issues.

Sincerely,

Justin Draeger
President
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| 2    | Notes for Questions 14 and 15 | If you are an eligible noncitizen, write in your eight- or nine-digit Alien Registration Number. Generally, you are an eligible noncitizen if you are (1) a permanent U.S. resident with a Permanent Resident Card (I-551); (2) a conditional permanent resident with a Conditional [Resident Alien Green Card (I-551C); (3) the holder of an Arrival-Departure Record (I-94) from the Department of Homeland Security showing any one of the following designations: "Refugee," "Asylum Granted," "Parolee" (I-94 confirms that you were paroled for a minimum of one year and status has not expired), T-Visa holder (T-1, T-2, T-3, etc.) or "Cuban-Haitian Entrant;" or (4) the holder of a valid certification or eligibility letter from the Department of Health and Human Services showing a designation of "Victim of human trafficking."
If you are in the U.S. on an F1 or F2 student visa, a J1 or J2 exchange visitor visa, or a G series visa (pertaining to international organizations), select “No, I am not a citizen or eligible noncitizen.” You will not be eligible for federal student aid; however, you should still complete the application because you may be eligible for state or college aid. | The instructions should be consistent in using the official terminology for these documents, rather than colloquial terms. Although these instructions have been improved over the past several years, we have a continued concern that they are still not complete. Battered immigrants are not included in this list at all, yet ED has issued a Dear Colleague Letter, GEN-10-07, and the FSA Handbook includes several pages explaining how to document the eligible noncitizen status of these students. Page 1-29 of the 2011-12 FSA Handbook states that battered immigrants “indicate on the FAFSA that they are eligible non-citizens…”. It is not clear to us how they would know to do that, based on the current FAFSA instructions. |
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<td>As determined by a court in your state of legal residence, are you or were you in legal guardianship? <strong>Parents are not considered legal guardians.</strong> See Notes page 9.</td>
<td>Schools have widely reported that some students assume that their parents are considered their legal guardians for FAFSA purposes, and they answer Yes to this question. This, of course, makes them independent students and since dependency status is not a required verification item, many of these errors are undetected.</td>
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