



May 23, 2023

Director of the Information Collection Clearance
U.S. Department of Education
400 Maryland Avenue SW
LBJ, Room 224-84
Washington, DC 20202-4537

Docket ID ED-2023-SCC-0053

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 ED's 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 applaud ED for its updated paper FAFSA design and for releasing the draft FAFSA only a month later than in past years, despite an anticipated delay of the FAFSA launch by as much as three months. Early knowledge of how FAFSA questions will be worded is helpful to financial aid administrators as they prepare to educate students and train staff about the FAFSA changes for next year.

While we appreciate the supplemental user online experience scenarios to help understand the flow of the online application, we urge ED to share more of the online FAFSA experience as soon as possible, since more than 99% of applicants complete the online form. Understanding a demonstration site is unlikely to be available until close to the FAFSA launch date, screenshots that demonstrate the FAFSA process flow and exact wording of questions and help text are critical to financial aid administrators conducting financial aid nights for prospective students and should be released no later than September 1, 2023.

General Comments and Questions on Process and Burden

We appreciate ED's efforts over the past several years to reduce the number of applications selected for verification by improving its selection algorithms. ED has previously indicated that it will abandon those algorithms for the 2024-25 aid year and rely instead on a random selection process for verification until it learns more about the impacts of FAFSA simplification on data reporting errors. Given the institutional verification cap was removed in 2021 and that ED states in the accompanying PRA statement institutions must verify all applications the FPS selects for verification, we ask ED to confirm the percentage of applications it plans to select in 2024-25 and to reinstate the institutional verification cap until new algorithms are developed.

Also related to burden estimates, we ask whether ED's estimate of the number of applicants who will complete a paper FAFSA accounts for the potential increase in paper applicants due to newly established federal student aid eligibility for students enrolled in Prison Education Programs and the likelihood they will complete paper forms due to limited access to computers and mobile devices.

Finally, ED notes in its burden estimates of 1.53 hours for dependent students and .77 hours for independent students to complete the online FAFSA that they lowered burden estimates due to the new FUTURE Act Internal Revenue Service (IRS) Federal Tax Information (FTI) direct data transfer. We ask if ED offset that burden reduction by taking into account the time it will take applicants, their spouses, their parents, and/or stepparents to complete the new consent process for sharing FTI. The new roles-based FAFSA completion process and collecting consent from all involved parties will add to completion time, which ED must factor into its burden estimates.

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:

- **The Consent to Retrieve and Disclose Federal Tax Information (FTI) section includes: "The redisclosure of my FTI to any future 2024-25 FAFSA forms for which I elect to participate (e.g., if I elect to participate in my child's <emphasis added> FAFSA form or to complete my own FAFSA form after participating in another FAFSA form)."**

- We recommend ED updates this to include references to stepchildren and spouses since stepparents and students' spouses may also be providing consent to disclose FTL.
- Question 1, SSN, gives the instructions: *“The student’s full name exactly as it appears on their Social Security card.”* but later in the same section the student has the option to provide an ITIN if they do not have an SSN. The instruction line needs to account for the fact that not everyone will report an SSN. We suggest ED amend the language to read: *“The student’s full name exactly as it appears on their Social Security card, if they have a Social Security Number. If no Social Security Number, enter Individual Taxpayer Identification Number (ITIN) below.”*
- Question 5: ED should remove the “See ‘Can I skip any questions’” line since Question 5 can not be skipped.
- Question 6 includes the “See ‘Can I skip any questions’” line, but the corresponding section on page 19 does not include instructions for when students can skip Question 6. We believe students should be able to skip Question 6 if they are independent by any of the criteria in Question 5. If so, ED should add Question 6 to the instructions on page 19 where it already states students can skip Questions 7 and 8 if they are independent.
 - Related, the instructions for skipping Questions 7 and 8 permit skipping those questions only if students are independent by age, marital status, or credential level. We believe students should be able to skip Questions 7 and 8 if they are independent by nature of any of the other independent student status criteria.
- 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 *listed in Question 7* that prevents them from contacting the parents or obtaining their information?”
- Questions 11 and 12, Student Demographic Information & Student Race and Ethnicity: We recommend that ED add language that schools and states cannot see the applicant’s answers. As noted in our 2023-24 FAFSA public comments, the assurance that the student’s responses to this question won’t affect aid eligibility alone is inadequate. Students could fear schools might use this information in the admissions process or in some other way unrelated to aid eligibility. It needs to be clear not only that it won’t be used, but that the information is not even available to schools and states.
 - We also recommend moving these questions to an earlier point in the FAFSA, such as after Question 1. As currently placed, these questions fall between other questions related to student eligibility and, even with explanatory language, give the impression they are tied to eligibility.

- Question 15, Parent Educational Status: We recommend that ED change the wording of this question to ask, “Did either of the student’s parents attend or complete college” and to give response options of “Neither parent attended college,” “One or both parents attended college, but neither parent completed college,” “One or both parents completed college,” and “Don’t know.”
 - This change would address the issue of different definitions of first-generation students among states and institutions, where some define first-generation as having parents who didn’t attend college and others define it as having parents who did not complete college.
 - We do not believe ED is limited in asking only whether the student’s parents attended college, as is written in the legislation, because ED has already determined that it could ask the student’s gender and whether they are transgender, when the law only requires a question about the student’s sex.
- We ask why Questions 19 and 29 do not ask the same filtering questions about tax return type, as they do in the parent section.
- Questions 19 and 27: We ask why there are only two options — “filed 1040 or 1040-NR” and “Did the student (spouse) earn income in a foreign country in 2022, or were they employed by an international organization that did not require them to file a tax return?” when Question 37 and Question 44 offer five additional options for tax filing status.
- Questions 20, 28, 38, and 45 ask for “Income earned from work” and refer to line 1 of IRS Form 1040 or 1040-NR, but there is no single line 1 on those forms. Rather, there are line items numbered 1a-1i and 1z. ED should update this instruction to specify exactly which of those fields must be included as a response to this question.
- Questions 20 and 38 ask for “Amount of college grants, scholarships, or AmeriCorps benefits reported as income to the IRS (*Optional*).” Understanding this is optional in that it won’t hold up completion/processing of the FAFSA, making it optional on the paper form seems to add little value and, in fact, could harm students who will skip the question when completing it could result in additional eligibility for student aid. We recommend removing the “optional” designation from the form. ED can still treat it as optional in processing without discouraging students from completing this question.
 - We believe this question should also appear in the Student Spouse and Student Other Parent sections per FAFSA Simplification Act Section 483(a) (2)(B)(ii)(XX)
- Questions 20, 28, 38, and 45 indicate the figure applicants should enter as Income Tax Paid is IRS form 1040 line 25d. However, currently this figure is 1040 line 22 minus Schedule 2, line 2 (Excess Advance Premium Tax Credit Repayment Amount.) We do not believe the calculation of Income Tax Paid has changed in statute and ask ED to confirm this change is correct.

- Questions 20, 28, 38, and 45 instruct applicants to use IRS form 5498 to determine IRA and pension rollovers into a qualified plan. ED should add a line item from form 5498 for clarity.
- Questions 21 and 39 instruct applicants and their parent to report child support received for the last complete calendar year. Given that applicants may be completing the FAFSA in any one of three different calendar years, the amount of child support for the last complete calendar year may be very different based only on whether the FAFSA was filed on December 31 or January 1. This will add complexity and burden to the verification process since financial aid administrators would have to change their documentation requirements for every student based on when they completed the FAFSA. 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 the net worth of businesses and investment farms. We recommend removing the word, "investment" and referring only to farms more broadly since the FAFSA Simplification Act no longer limits farm assets to be reported on the FAFSA to investment farms.
- Question 21: ED should add the "See 'can I skip any questions'" line here since question 21 can be skipped.
- Question 37 and Question 44 have a new tax filing option: "Either the parent earned income in a foreign country but still did not and will not file a foreign tax return or they were an employee of an international organization that did not require them to file a tax return. Such 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 recommend that ED add instructions for how to answer this question.
- Question 37 and Question 44 instruct applicants, "If one of the options in the second column below is selected and the parent is unmarried, questions 38–40 can be skipped." We recommend changing the language to "right-hand column" for clarity.
- We urge ED to add back the student housing choice question. Institutions must know which students will live off campus so they can provide them with realistic housing estimates now that the methodology for calculating institutionally-owned housing cost estimates is so prescriptive. Without knowing where students plan to live, schools seeking to keep their costs of attendance consistent will be forced to use the institutionally-owned housing estimates for all students, potentially greatly over- or underestimating off-campus housing costs in the cost of attendance.
- We urge ED to add back the option for independent students to provide parental income information on the FAFSA. Health professions schools need parental income information for awarding both Health Resources and Services Administration (HRSA) Health

Professions Student Loans (HPSL) programs and need-based institutional aid. If ED does not provide the option for applicants to provide this information, we ask that they work with HRSA to explain the burden their regulations place on health professions schools now that this information is not available on the FAFSA. We also ask, if applicants completed the paper FAFSA with parental income data, would ED provide that information on the ISIR?

Paper Draft FAFSA Notes 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...” We believe this will lead to questions about a time frame for when the greater portion of support was provided since that may vary for applicants. ED should be clearer in the instructions on the time frame applicants should use.
- The asset instructions have an error in the “Investments also include...” heading. The form says parents of dependent students should report qualified education benefits “...including all accounts owned by the student and all accounts owned by the parents for any member of the household.” However, the FAFSA Simplification Act changes the qualified education benefits to be reported as assets in 480 (f)(3)(B). ED should change the instructions to match the law that states parents of dependent students only report qualified education benefits as assets when “...the account is designated for the student...”
- The Business/Farm Instructions 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 what 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, then 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.

- We recommend that ED edit language from the IAF introductory page that says “use this to apply for ... work-study and loans,” considering students completing this form won’t qualify for loans.
- We recommend that ED remove application deadlines for states that do not provide funding for incarcerated students.
- We recommend that ED 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 population.
- We recommend that ED 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.
- Several dependency options in Question 5 can likely be removed, such as:
 - “The student is currently serving on active duty in the U.S. armed forces for purposes other than training,” since an individual presumably cannot be incarcerated while serving on active duty in the US Armed Forces.
 - The student has children or other people (excluding their spouse) who live with the student,” since an incarcerated individual cannot have dependents living with them.
- We recommend that ED remove Question 6 since an incarcerated student would not be considered homeless.
- We recommend that ED remove Question 9, since family size would presumably always be 1 for this population.

FAFSA Submission Summary

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.

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.

Also in the “Federal Student Aid Eligibility” section, we ask for clarification about ED’s use of the language, “Based on your SAI, it appears that **you may be eligible** for a Federal Pell Grant of up to \$7,395...” Since Pell Grant eligibility will be determined largely based on federal poverty guidelines, most students’ SAIs will not determine their Pell Grant amounts. Will this language only appear on FAFSA Submission Summaries of students who are eligible for a Pell Grant by nature of the SAI?

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.

In the “Federal Student Loan Summary,” there appear to be fields for totals that do not have figures filled in under the FFEL and/or Direct Loans and Perkins headings. The “TEACH Grants Converted to Direct Loans” heading should also have a “Total Principal Balance” to match the above two headings.

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.”

In the “How to Correct Your Information” section, the first bullet reads, “The answer you provided is printed in bold. If you find a mistake, enter the correct answer in the field.” We recommend adding clarifying language that applicants should enter the correct answer “in the field below the mistake” to avoid confusion.

Conclusion

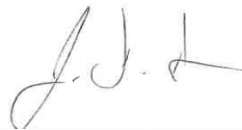
We recognize the 2024-25 draft FAFSA is the product of significant time and effort by the Department to interpret and implement historic changes to how students apply for federal student aid. Smooth implementation is critical to achieving the goal of the FAFSA simplification legislation, especially considering 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.

Regards,



Justin Draeger, President & CEO



Jill Desjean, Senior Policy Analyst