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Manager of the Strategic Collections and Clearance Governance and Strategy Division  
U.S. Department of Education  
400 Maryland Ave. SW, LBJ, Room 4C210,  
Washington, DC 20202-1200.

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Docket ID ED-2026-SCC-0199

To whom it may concern:

On behalf of the National Association of Student Financial Aid Administrators (NASFAA) and our 3,000 member institutions, we respectfully submit to the U.S. Department of Education (ED) our comments on the 2027-28 Free Application for Federal Student Aid (FAFSA) (Docket ID ED-2026-SCC-0199).

NASFAA represents more than 29,000 financial aid professionals who serve 16 million students each year at colleges and universities in all sectors throughout the country. NASFAA member institutions serve nine out of every 10 undergraduates in the U.S.

We appreciate the opportunity to provide feedback on the 2027-28 FAFSA. We are pleased with many of the improvements made from the 2026-27 experience, but have suggestions for further improvements, as well as some remaining areas of concern that we have raised in prior years' public comments. Whenever making revisions to the FAFSA, we ask ED to confirm that those changes are made to both the online and paper FAFSA (including the Incarcerated Applicant Form) and that the notes, instructions, and online help text are updated accordingly.

*Feedback on Proposed Changes to 2027-28 FAFSA*

NASFAA offers the following specific feedback on the proposed changes to the 2027-28 FAFSA:

**Prepopulation of Data**

NASFAA is pleased with the announcement that prepopulation of data will be utilized for the 2027-28 online form. Allowing data to carry forward from previous years for students will

greatly streamline the process for many applicants — a feature that has been missing since the overhaul of the FAFSA in 2024-25. Also, allowing individuals who are contributing to multiple FAFSAs to enter their information only once is a great step toward simplifying the process. NASFAA requests that the Department provide a detailed list of the fields that will be prepopulated in both situations. This will help financial aid administrators, high school counselors, and college access professionals better assist students in completing their FAFSA.

Regarding student data from past FAFSAs, we suggest prepopulating all fields other than those with specific dates. For example, the tax filing status and tax return information questions would not be prepopulated, as the application would be using a different year's tax information. However, we believe all questions that are not date-specific could be prepopulated. The form would display the prepopulated responses and allow students to confirm all information is still accurate or to change any data that is no longer accurate. This, coupled with the fact that many applicants can transfer tax information directly from the IRS using the FA-DDX, is a huge step toward the goal of true FAFSA simplification.

For same-cycle data prepopulation, individuals contributing to multiple FAFSAs would complete their portion of a FAFSA, but then be able to apply that data to another FAFSA for which they are a contributor. It is also our understanding that if an applicant completes their own FAFSA, but then is a required contributor on another FAFSA, their data would be carried over to the other application, as well as the reverse situation. The ability to prepopulate same-cycle data was already implemented in the March 22, 2026 release<sup>1</sup>. NASFAA urges the Department to make a more formal announcement about this new functionality, providing more detailed information about this process as soon as possible, including explaining all situations in which pre-filled data will be used.

Related to the ability to carry over parent contributor data to multiple children's FAFSAs, the current FAFSA instructions advise parent contributors to provide only the value of education savings accounts for the child for whom they are completing the FAFSA when they report their investments. NASFAA does not believe these instructions are correct, as we have noted in the past, and detail below. This issue becomes more pressing in light of ED's plans to transfer parent contributor information to each dependent student's FAFSA. ED must either change the instructions to require parents to report all education savings accounts for all children, as the

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<sup>1</sup> <https://fsapartners.ed.gov/fafsacentral/product>

statute requires, or develop a process by which it can collect the values of these accounts for each child who is completing a FAFSA.

### **Student Year in School**

The Department's changes to the question about a student's year in school (question 4 on the paper FAFSA) are subtle, but we believe these changes will make the question more understandable for applicants. NASFAA suggests clarifying this question for students returning to school after completing a bachelor's degree, but not enrolling in a graduate program. With the expansion of federal Pell Grant eligibility to certain short-term programs under Workforce Pell, more FAFSA filers may be in this situation. Similarly, there is a way for students to indicate if they are pursuing a teaching certification, but they may still be unsure of which year in college to select. These students, as well as those with a prior bachelor's degree enrolling in a Workforce Pell-eligible program, would select "yes" on the second part of the question, where it asks, "When the student starts college classes for the 2027-28 school year, will they already have a bachelor's degree?" However, these students may not know which year in college to select in the first part of the question. It seems the option "third or higher (junior and up)" would be most appropriate, but adding a note or instructions specifically for these students would ensure they know which option to select.

### **Unaccompanied Homeless Youth**

NASFAA supports the changes to the question text on student homelessness (question 6 on the paper FAFSA). Using more understandable terminology, rather than the term "unaccompanied," will likely help applicants more accurately answer this question. However, as we have mentioned in previous years' feedback, we ask the Department to remove the specific date related to a student's homelessness. The July 1 date is not specified in the Higher Education Act (HEA) and is likely confusing for students who are unlikely to know the exact date they began experiencing homelessness or became at risk of homelessness. We suggest instead asking, "At any time during 2025 or 2026 did the student face one of these situations?" This time frame is consistent with other questions on the FAFSA, such as the receipt of means-tested federal benefits.

### **High School Completion Status**

NASFAA is pleased with the wording changes in the high school completion status question (question 17 on the paper FAFSA). The changes add clarity, likely helping applicants answer more accurately. However, as we have mentioned in previous years' feedback, NASFAA

members have raised concerns regarding students incorrectly selecting “none of the previous”. The 2026-27 online FAFSA includes a statement saying “Select “None of the above” only if the student won’t have any of the other options when they start the 2026-27 school year.” We request similar text be added to the “none of the previous” response on the paper FAFSA to help ensure it is only selected when accurate. This distinction is clear in the applicable notes section, but we believe it would be even more effective if the text were also present in the response option itself.

### **Federal Benefits Received**

We appreciate that the Department added “based on income” to the response option for free or reduced-price school lunch when asking about federal means-tested benefits received. That additional text, along with the instructions that families should only indicate receipt of free or reduced-price lunches if they meet the USDA income guidelines, helps clarify when it is appropriate to select this option, but it is likely that some families do not know whether they qualify for this program via the USDA income guidelines or via community eligibility.

In many states, participation in the free and reduced-price lunch program has historically served as a proxy for identifying low-income students. However, nine states have expanded program eligibility, providing free lunch to all public school students regardless of income as part of the Healthy School Meals For All initiative<sup>2</sup>. As a result, many families who qualify for free lunch now have incomes above the thresholds used for other means-tested benefit programs, including the income level that qualifies students for an automatic maximum Pell Grant under section 401(b)(1)(A). While expanded access to free and reduced-price meals provides important benefits for students, participation in the program no longer consistently reflects low-income status in those states. The nine states offering free lunch to all public school students accounted for almost 5 million of the FAFSAs filed in the 2024-25 application cycle<sup>3</sup>.

If higher-earning families respond “Yes” to the FAFSA question asking whether they receive means-tested benefits, they could qualify for significantly more federal student aid than they would otherwise be eligible, fundamentally undermining the integrity and intent of the student

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<sup>2</sup> <https://frac.org/healthy-school-meals-for-all>

<sup>3</sup> <https://studentaid.gov/data-center/student/application-volume/fafsa-school-state#fafsa-data-by-state>

aid programs — to ensure that need-based aid is provided first and foremost to low- and middle-income students and families.

HEA section 479(b)(2)(D,) as amended by the FAFSA Simplification Act, allows recipients of certain means-tested benefits to qualify for an exemption to reporting assets on the FAFSA. Section 479(b)(4)(H) specifies the types of means-tested benefits that qualify for this exemption and includes in (vii), “Other means-tested programs determined by the Secretary to be approximately consistent with the income eligibility requirements of the means-tested programs under clauses (i) through (vi).” Under this provision, ED has selected the free and reduced-price school lunch program as a qualifier for the asset exemption.

As we have previously submitted in comments to the Department, NASFAA requests that the receipt of free or reduced-price school lunch be removed from the conditions that qualify applicants for an exemption to asset reporting. While this question is required to be asked on the FAFSA, NASFAA’s understanding is that Congress intended it as an information-only question, not as a pathway to the asset exemption.

Given the significant overlap of income-based free lunch receipt with other means-tested benefits that qualify applicants for the asset exclusion (more than three-quarters of free and reduced-price lunch recipients qualify for the Supplemental Nutrition Assistance Program or the Special Supplemental Nutrition Program for Women, Infants, and Children<sup>4</sup>), plus the new automatic maximum Pell Grant award for lower-income families, it is unlikely a family that should be exempt from reporting assets on the FAFSA would miss this opportunity if free lunch were no longer a qualifier for the asset exemption.

### **Tax Filing Status and Tax Return Information**

NASFAA supports the changes to the tax filing status questions (questions 19, 27, 37, and 44 on the paper FAFSA) in order to accommodate users who file income tax returns in both the United States and Puerto Rico or another U.S. territory. Separating out this tax situation allows for better clarity and should then allow appropriate skip-logic to be applied to the tax return information questions (20, 28, 38, and 45 on the paper FAFSA). The paper FAFSA shows accompanying instructions that explain when to use the “combined adjusted gross income” and “combined income tax paid” fields in these situations. The Department should also ensure the

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<sup>4</sup> <https://www.census.gov/library/visualizations/interactive/social-safety-net-benefits.html>

online version utilizes skip-logic to only show these fields for those users who indicated they filed taxes in both the U.S. and Puerto Rico or another U.S. territory.

Separating out the response options for earning income in a foreign country and working for an international organization also greatly simplifies the tax filing status question, likely making it easier for students to read and respond accurately, particularly now that there is a response stating “neither situation applies.” NASFAA supports presenting statement-based responses like this, instead of relying on a simple yes/no response, to help applicants select the option that most accurately reflects their circumstances.

On the parent and parent spouse questions about tax filing status (questions 37 and 44), we suggest adding additional information or examples in the notes section of the paper FAFSA and the help text of the online FAFSA regarding when a parent/parent spouse should select the response, “They didn’t and won’t file a U.S. tax return for a different reason than low income.” NASFAA members have reported that applicants incorrectly select this response when the reason really matches a different response option. When a parent selects this response, it creates a comment code (comment codes 283 and 284 in 2026-27) indicating there is conflicting information. The follow-up required to resolve the conflicting information, including collecting additional documentation from the parent, is a burden on aid administrators. Adding any additional information with this response option would help ensure applicants only select this option when accurate.

Also, regarding parent and parent spouse tax filing status (questions 37 and 44), it is not clear which response option a parent would select if they had no income and therefore were not required to file a tax return. NASFAA suggests revising the response option, “They weren’t required to file a U.S. federal tax return because their income was lower than the IRS filing threshold,” by changing it to “They weren’t required to file a U.S. federal tax return because **they had no income** or their income was lower than the IRS filing threshold.” If there is a reason to differentiate between no income and an income below the IRS threshold, a separate response option should be added for those with no income.

NASFAA commends the Department on its commitment to revising question and response text to improve the FAFSA experience and make the application easier to understand for students and parents. The proposed changes are a welcome step in the right direction, although NASFAA suggests further improvements for the 2027-28 FAFSA.

*Other Suggestions for Improvement***Identity Verification and Fraud Detection**

The Department has announced<sup>5</sup> plans to create a new internal screening process that will subject every FAFSA submission to an additional layer of scrutiny by ED's systems during initial FAFSA processing. These changes present a unique opportunity to prevent fraud and abuse in the Title IV programs while reducing administrative burden for financial aid administrators. While the details of this new screening process have not been released, NASFAA is hopeful this will detect fraud upfront, as early as the account creation process, before aid offices even receive the FAFSA. NASFAA asks ED to release details and a planned timeline for this new screening process as soon as possible.

**Provide Applicants Whose Contributors Lack an SSN the Ability to Transfer Tax Information From the IRS**

ED must work with the Internal Revenue Service (IRS) to ensure that the FUTURE Act Direct Data Exchange (FA-DDX) is fully operational for applicants with contributors who lack a Social Security number (SSN). This process has not functioned for these students for the past three aid cycles. This means hundreds of thousands of students have lost out on one of the key improvements to the FAFSA. Instead, they are forced to manually answer the income questions, which are some of the most difficult and error-prone questions on the entire FAFSA.

NASFAA was pleased to hear at the recent FSA Training Conference that in the coming months, users with Individual Taxpayer Identification Numbers (ITINs) will be able to transfer their tax information via the FA-DDX, and we urge the department to adhere to this timeline and provide details about this new functionality as soon as possible.

**Net Worth of Businesses and Farms**

The One Big Beautiful Bill Act (OBBBA) reinstated the exemption of family farm and small business assets from the SAI calculation and expanded this asset exemption to family-owned commercial fisheries, necessitating changes to the instructions for asset reporting on the FAFSA. NASFAA has concerns about the inconsistent instructions for reporting these assets.

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<sup>5</sup> <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2025-06-06/significant-actions-prevent-fraud-through-identity-verification>

The law states the following assets should be exempt:

- A family farm on which the family resides;
- A small business with not more than 100 full-time or full-time equivalent employees (or any part of such a small business) that is owned and controlled by the family; and
- A commercial fishing business and related expenses, including fishing vessels and permits owned and controlled by the family.

The asset questions on the FAFSA (questions 22 and 40) do not accurately reflect the above. Instead, the question includes accompanying text that states not to include “a family business with 100 or fewer full-time employees, farms where the family resides, or a commercial fishing business and related expenses.” The question text should specify that the commercial fishing business must be family-owned and controlled to be exempt. It should also clarify that “a family business” means family-owned and controlled. We suggest revising the accompanying questions text to say, "Don't include a family-owned and controlled business with 100 or fewer full-time (or full-time equivalent) employees, a farm where the family resides, or a family-owned and controlled commercial fishing business and related expenses."

Additionally, the notes section of the paper FAFSA says to not include “businesses with 100 or fewer full-time (or full-time equivalent) employees,” but does not specify that these businesses need to be family-owned and controlled to be exempt. These instructions, as well as the online FAFSA help text, should be revised to say not to include "a family-owned and controlled business with 100 or fewer full-time (or full-time equivalent) employees."

Not only should the instructions be consistent across the question text, notes section, and online help text, but all sets of instructions do not currently reflect the actual statute. NASFAA urges the department to revise all instructions for this question, both online and on the paper FAFSA.

### **Ability to Send Text Message Reminders**

Currently, applicants receive email reminders to complete a FAFSA that they have started but not submitted, as well as email reminders to complete a new FAFSA if they completed one in prior years. We suggest exploring the ability to send text message reminders in addition to the emails. This will ensure applicants who do not regularly check their email or have changed email accounts still receive these important reminders. We acknowledge that applicants may

need to opt in in order to receive text messages, but we recommend that ED explore those options and requirements.

### **Make In-Progress FAFSA Data Available in FPP**

When an applicant has completed their portion of a FAFSA but is waiting on contributor information, it is not technically submitted, so it will not show in FPP. We suggest allowing FPP to show FAFSA data in this situation. The applicant has already signed and submitted their portion, thus consenting to the information being sent to the schools listed on the application. Although it is not a processed application, allowing financial aid administrators to see this in-progress FAFSA could help them better advise students and lead to more successful completions. It would also allow aid administrators to confirm the status of these applications when students inquire, or do proactive outreach to students waiting on contributor information.

### **Revise Loan Eligibility Text on FAFSA Submission Summary for Graduate/Professional Students**

After a graduate or professional student submits a FAFSA, the FAFSA Submission Summary includes text indicating the student may be eligible for a Direct Unsubsidized Loan of \$20,500. NASFAA members have reported this causes significant confusion when a student is not actually eligible for the full \$20,500. Not only is this frustrating for students, but it also creates an additional burden for financial aid administrators, who must explain why a student's loan amount differs from the amount listed on the FAFSA Submission Summary.

While we appreciate the intent to provide students with an estimated loan amount, doing so may be misleading because it cannot reflect actual eligibility, which depends on factors not known at the time of FAFSA submission. This will be further exacerbated by the loan changes enacted under OBBBA, which creates different loan caps for professional students, requires adjustments to loan limits for students enrolled less-than-full-time, and allows schools to set program-specific loan limits. These additional factors create more complexity that cannot be accounted for at the time of FAFSA submission.

Because of this, NASFAA recommends removing any specific loan amount from the FAFSA Submission Summary for graduate and professional students and instead stating, "You may be eligible to borrow Direct Unsubsidized Loans to help cover your educational costs. Your school will determine your eligibility based on your program of study and other applicable factors."

### *Ongoing Feedback*

As submitted in previous years' public comments regarding the FAFSA, NASFAA again provides the following feedback to the Department:

#### **Commit to Using FAFSA Data for Intended Uses Only**

There has been significant concern among families with mixed immigration status that FAFSA data could be used to identify non-citizen FAFSA contributors (applicants' parents and spouses) for immigration enforcement purposes. This could prevent eligible students from applying for the financial aid they are entitled to receive and keep them from enrolling in or completing college. We ask that ED make assurances that it does not intend, now or in the future, to use FAFSA data for immigration enforcement purposes, as has been the case for the more than 30 years the FAFSA has existed.

#### **Permanent Mailing Address**

Applicants and contributors who are experiencing homelessness or a lack of regular housing often struggle with providing a permanent mailing address. The notes section of the paper FAFSA states: "If you are homeless or have no stable address, you can provide an address where you can reliably receive mail." We ask that this same text be displayed with the actual question text, both on the online and paper FAFSA, to help students more accurately answer this question. Currently, there are additional instructions for incarcerated students next to the actual question text, so this statement about homelessness could be included, similar to those instructions.

#### **Veteran Definition**

The FAFSA Simplification Act changed the statutory basis for determining who is a veteran for Title IV eligibility purposes. The HEA, as amended, cites Title 38 of the U.S. Code, section 101(2), for the definition of a veteran and further provides that the term veteran includes any person who falls under Title 38, sections 101(21)-(23).

The paper FAFSA (Notes, page 21) provides instructions for determining whether a student should indicate they are a veteran on the Student Personal Circumstances question (question 5). The definition and description of who is a veteran on the paper FAFSA instructions appear to align with the definition in the HEA. However, we have concerns.

While the paper FAFSA provides definitions of “active duty for training” and “inactive duty training,” we ask that citations referencing the U.S. Code be provided with these definitions, as well as the full definitions of “active duty” as stated in Title 38, section 101(21), and “active military, naval, air, or space service” as stated in Title 38, section 101(24). While (24) is not explicitly noted in the HEA, this is where the actual definition of “active military, naval, air, or space service” referenced in Title 38, section 101(2) resides in statute. These definitions should also be added to the online FAFSA help text, which currently does not define any of these terms.

We are concerned that students and schools may incorrectly determine that a student is not a veteran when, in fact, based on the statutory language, they meet the veteran definition. This is especially problematic if veteran status is the only reason a student would be considered independent on the FAFSA, because reliance on an incorrect definition would incorrectly classify the student as dependent and potentially deprive them of thousands of dollars of financial assistance.

Also, the instructions need to address specific situations that cause confusion for schools and applicants, such as eligibility related to basic training (boot camp). Schools are reporting that the FAFSA instructions, as currently worded, result in active duty enlistees reporting they are veterans based solely on basic training service, when they are not veterans if they left basic training early or only completed basic training. At a minimum, we suggest adding the following (bolded text) to the notes section of the FAFSA (as well as the applicable help text on the online FAFSA):

“Veteran: Select this box if you (1) have engaged in active duty in the U.S. armed forces (military, naval, air, or space service) **for purposes other than training**, are a National Guard or Reserves enlistee who was called to active duty for other than state or training purposes, or served on active or inactive duty for training in the U.S. armed forces and were disabled from an injury incurred or aggravated in the line of duty, and (2) were released under a condition other than dishonorable. Also, select the box if you are not a veteran now but will be one by June 30, 2028.

Additionally, the following paragraph of the notes section gives situations in which the applicant should not select the box indicating veteran status. We suggest adding the following

situation to the list: “were discharged during the period of basic training (“boot camp”) unless injury was incurred during training and is already compensable for Department of Veterans Affairs (VA) benefits.”

In making these revisions, the FSA Handbook should also be reviewed and updated to be sure there are no inconsistencies between that guidance and the actual instructions on the FAFSA.

### **Student Demographic Information**

Understanding that the law requires ED to ask the applicant’s sex on the FAFSA, it does not preclude ED from including a “prefer not to answer” option as was offered prior to the change in February 2025. At a minimum, we ask that ED permit students to submit the FAFSA even if they do not provide a response to this question.

### **College Grant and Scholarship Aid**

We are concerned that applicants are incorrectly entering data into this field when, in fact, they do not have taxable grant and scholarship aid reported to the IRS as income. NASFAA members have reported applicants entering their full adjusted gross income (AGI) or their total amount of scholarships and grants as reported on their Form 1098-T.

The 2026-27 online FAFSA includes messaging with the question text that states: “Students typically answer this question with a zero because most scholarships and grants, including Federal Pell Grants, are not considered taxable income. If the student is married, include the amount their spouse reported. If the response is other than zero, the amount is typically not the same as the amount reported on IRS Form 1098-T (Box 5) or the adjusted gross income reported on the tax return.” We suggest that the same text appear on the paper FAFSA, which currently does not include the last sentence.

Additionally, we ask that ED ensure there are real-time edits when applicants enter a value for this field equal to their adjusted gross income to advise them that their answer is likely incorrect and to verify their response.

### **Cash Assets**

The Department should remove the word “cash” from the FAFSA asset questions to align with the statute and explicitly note in help text, notes, and instructions that cash should not be included in responses to this question.

**Qualified Education Benefits as Assets**

We request that the Department correct the instructions for parent assets (Question 40 on the paper FAFSA) to match the amendments to the HEA with respect to reporting qualified education benefits as parental assets for all accounts they hold, not just for accounts with the student applicant designated as the beneficiary.

The Department has interpreted Section 480(f)(3) of the HEA, as amended by the FAFSA Simplification Act to mean that parents who are owners of qualified education benefits — like Section 529 college savings plans — for more than one dependent student should report only the value of the asset for the dependent student for whom the parent is completing the FAFSA, and not to report the asset values for other dependents for whom the parent(s) own qualified education benefit plans. We do not believe this interpretation is correct because section 480(f)(1) defines assets as including “qualified education benefits (except as provided in paragraph (3)).” This appears to include all qualified education benefits as the assets of the account holder, and the exception in 480(f)(3) appears to specify only how to report those assets in cases where the student is the owner of the qualified education benefit.

Considering the fact that qualified education account holders are permitted to switch beneficiaries, ED’s interpretation appears to create a loophole by which parents can temporarily change the beneficiary to another individual when they file the FAFSA to avoid that asset being considered in the SAI calculation. We do not believe this new loophole was created intentionally by Congress, nor does it align with the concepts underpinning the SAI formula. Further, ED’s plans to allow parent contributors to provide their information a single time and to automatically transfer their information to each of their children’s FAFSAs will make it impossible for parents to accurately answer the question based on the current instructions. ED must update the instruction text to match the statute.

**Family Size**

The addition of family size as an element transferred by the IRS directly to the FAFSA via the FAFSA-DDX has caused more harm than good. The fact that this figure is masked to the applicant and that ED must provide families an opportunity to correct it despite not knowing what figure the IRS has provided is confusing and, we suspect, likely leads to most applicants simply manually entering their household size.

Understanding that what is transferred by the IRS is outside of ED's control, we urge ED to explore any available options to minimize confusion in this area and limit the possibility of conflicting data, which adds to financial aid administrators' workloads and delays students' aid processing. NASFAA has previously requested in a letter<sup>6</sup> to Congress requesting technical corrections to the FAFSA Simplification Act that family size be changed to exclusively a manually-entered data element.

### **Incarcerated Applicant Form**

We have several concerns related to the Incarcerated Applicant Form (IAF). As we have noted in past comments, simply copying the paper FAFSA but giving the form a new name is not adequate<sup>7,8</sup>. We reiterate that all of our preceding comments in this document apply to the IAF as well. In addition, we suggest the following changes to tailor the Incarcerated Applicant Form to incarcerated students and their specific needs.

- We recommend that ED edit the language from the IAF introductory page that says, "use this to apply for ... work-study and loans," considering students completing this form will not 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, housing, and food since those costs are not part of the cost of attendance for incarcerated students.
- We recommend that ED remove the statement from the introductory text on page 3 stating, "Any remaining aid is paid to you for your other educational expenses," in light of the fact that 34 CFR 690.62 caps the amount of aid to confined or incarcerated individuals to prevent a Title IV credit balance from occurring.
- We recommend that ED modify the instructions under "Signatures" on page 6 of the IAF related to the student attestation that they are not in default on a federal student loan and do not owe money back on a federal student grant. This student population is often unaware of loan defaults or grant overpayments because they lack consistent access to

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<sup>6</sup> [https://www.nasfaa.org/uploads/documents/FAFSA\\_Simplification\\_Act\\_Technical\\_Amendments\\_Letter.pdf](https://www.nasfaa.org/uploads/documents/FAFSA_Simplification_Act_Technical_Amendments_Letter.pdf)

<sup>7</sup> [https://www.nasfaa.org/uploads/documents/2023-24IncarceratedApplicantFormcommentsjointw\\_Vera-4.pdf](https://www.nasfaa.org/uploads/documents/2023-24IncarceratedApplicantFormcommentsjointw_Vera-4.pdf)

<sup>8</sup> [https://www.nasfaa.org/uploads/documents/2024\\_25\\_Draft\\_FAFSA\\_Comments.pdf](https://www.nasfaa.org/uploads/documents/2024_25_Draft_FAFSA_Comments.pdf)

information sources, including those managed by the Department. The attestation should only require the student to state that they are not aware of a default or overpayment.

- 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 8 since an incarcerated student would not be eligible for a Direct Unsubsidized Loan.
- Students who are incarcerated struggle to add new school codes to their FAFSA for many reasons unique to their incarceration, including a limited ability to use computers and send and receive mail, and a lack of easy access to facilities by institutional staff. We urge ED to explore opportunities to simplify this process for students enrolled in Prison Education Programs (PEPs), such as allowing schools to retain the consent on file and contact the call center on behalf of students flagged with C-Code 281, indicating their status as incarcerated students and their inability to add a school code change as seamlessly and readily accessible as other students.
- Because many prisons do not allow access to the technology required to complete the online FAFSA, students enrolled in PEPs often must complete paper FAFSAs, which take longer to process and so can delay student participation in education. We ask ED to explore permitting institutions to (1) initiate an online FAFSA on the student’s behalf for students enrolled in PEPs, while collecting signed FTI consents and mailing them to ED, and (2) directly correct errors in personal information, such as name or Social Security number for these incarcerated students, while collecting and maintaining records of signed student authorizations.

### **Federal Student Aid Estimator**

We recommend that ED remove the average Federal Work-Study (FWS) award amount from the Federal Student Aid Estimator. While providing information about the availability of work-study and other types of financial aid may be helpful, we ask that specific work-study amounts

— even averages or estimates — not be provided since the institutions themselves determine those amounts and are dependent on many factors including the school’s decision to participate in the FWS program, its institutional allocation, availability of work-study positions, the student’s cost of attendance, and other financial aid. As such, these average amounts hold little value for students in terms of what their own eligibility might be.

### **FAFSA Demonstration Site**

NASFAA strongly recommends that the Department return to offering a fully functional FAFSA demo site. Financial aid administrators and other college access professionals need to be able to see exactly what aid applicants see during the FAFSA completion experience so they can help them troubleshoot issues as they come up.

### **FAFSA Prototype**

If there will not be a full demo site for 2027-28, we request that the Department greatly enhance and improve the prototype tool. The prototype available for 2026-27 had limited functionality, lacked many real-world scenarios, and was only updated periodically. This caused the tool to be mostly unusable for financial aid administrators. We ask that the prototype be equipped with a variety of different scenarios, including students with divorced parents and blended family situations, and that these scenarios be labeled as such so users can easily locate the scenarios they wish to view. It would also be helpful to include provisionally independent student scenarios. We also ask that the prototype be updated whenever the FAFSA is changed to ensure it mirrors the actual form as much as possible.

### **Reinstate Student Housing Choice Question**

Institutions need to know whether a student plans to live on- or off-campus in order to comply with provisions in section 472(a)(5) of the HEA, as amended by the FAFSA Simplification Act, which require them to provide different cost estimates to on-campus students based on whether they have dependents of their own. Institutions are left in an impossible situation because they are not allowed to require students to complete a separate application for federal student aid, but they cannot accurately determine a student’s cost of attendance (COA) and, hence, their eligibility for student aid, without knowing whether they plan to live on- or off-campus. Institutions may have a question about housing plans on their admissions application; however, that would only provide information for first-year students. Gathering this information for returning students is more difficult, and it is important to have an accurate aid offer upfront, rather than making assumptions about housing plans and later needing to

recalculate COA and aid amounts. NASFAA requested in a 2024 letter<sup>9</sup> to Congress that the student housing choice question be added back to the FAFSA; however, we believe this question can be added with an optional response even without a technical amendment to the FAFSA Simplification Act so that institutions can comply with the COA requirements.

### **Reinstate Option for Independent Students to Report Parent Data**

Prior to 2024-25, the FAFSA included a question allowing independent students to choose to report their parent(s)' information on the form. This allowed institutions that consider independent students' parental information when awarding their own institutional funds to use the FAFSA without requiring an additional application to determine institutional aid eligibility. It also permitted health professions programs to comply with Department of Health and Human Services (HHS) regulations for the health professions student aid programs under Title VII of the Public Health Service Act, which requires that eligibility be based on an analysis of both the student's and their parent(s)' ability to pay.

ED has interpreted the FAFSA Simplification Act as prohibiting them from asking students if they wish to provide this optional information because it is not included in the list of FAFSA data elements in HEA section 483(a)(2)(B) as amended by the FAFSA Simplification Act. Forcing institutions to add supplemental applications to award certain types of federal student aid because the FAFSA doesn't provide the data they need is antithetical to simplification efforts. NASFAA has asked Congress to allow ED to provide independent students the option to include parental data on the FAFSA by including this as a data element in 483(a)(2)(B) but, as with the housing question, we believe this question can be added with an optional response even without a technical amendment to the FAFSA Simplification Act so that institutions can comply with HHS aid program administration.

### **Student Aid Index Proration**

ED should revert to its previous treatment of students enrolled for periods other than nine months and require institutions to use a prorated SAI corresponding to the actual number of months the student is enrolled.

The need calculation adjusts the cost of attendance to account for actual enrollment; the SAI should do the same. It is unfair to use the non-prorated SAI for students enrolled for only a

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<sup>9</sup> [https://www.nasfaa.org/uploads/documents/FAFSA\\_Simplification\\_Act\\_Technical\\_Amendments\\_Letter.pdf](https://www.nasfaa.org/uploads/documents/FAFSA_Simplification_Act_Technical_Amendments_Letter.pdf)

single term, many of whom — especially at low-cost institutions — lose eligibility for all need-based aid in such cases when they would otherwise qualify for such aid if enrolled for the full year.

**Conclusion**

We appreciate the opportunity to provide feedback to improve the 2027-28 FAFSA. If you have any questions regarding these comments, please contact me or NASFAA's policy analyst, Sarah Austin, at [austins@nasfaa.org](mailto:austins@nasfaa.org).

Regards,

A handwritten signature in black ink that reads "Melanie E Storey". The signature is written in a cursive, flowing style.

Melanie Storey  
President and CEO