

# NASFAA's "Off the Cuff" Podcast – Episode 310 Transcript

OTC AskRegs Experts: Updates on 2024-25 Paper FAFSA Processing, Conflicting Information, and Known Issues

Hugh Ferguson:

Hey, everyone. Welcome to another episode of Off the Cuff. I'm Hugh Ferguson with our Communications Team.

David Tolman:

And I am David Tolman with Training and Regulatory Assistance.

Hugh Ferguson:

Welcome back, David, for another AskRegs episode. We're going to be discussing a very timely topic, probably our most frequent area of discussion, and that has to do with all things related to the FAFSA once again. So to kick things off, we kind of want to just dig into a little bit of a recap of some issues, some current issues going on, and just keeping folks in the know of what's happening. So David, could you kind of catch us up with just some of the more pressing issues that we know are going on with the 2024/25 FAFSA? In particular, what's going on with the paper processing?

David Tolman:

Yeah, we're setting the days for future nostalgia. Looking back on this time when, "Remember on Off the Cuff, the only thing they ever talked about was the FAFSA?"

Hugh Ferguson:

If we were going to rebrand, it would probably be tying something FAFSA-related to our name.

David Tolman:

Yeah, that's true. Okay. So an electronic announcement was not new, it was updated. It's Electronic Announcement General 24-94, which was published earlier, but it's been updated again, October 18th actually. So just about a week ago they announced that it has... ED has implemented corrections functionality for the 24-25 year, paper FAFSA forms, and they have begun processing corrections. Also, the functionality is now operational, and they said that corrections that have been sent by paper will be completed by the end of October, and then continue to be processed within 7 to 10 days of receipt from that time forward.

Paper applications are now being processed within 7 to 10 days per that updated announcement. It also noted it's reprocessing a small number of paper FAFSAs that encountered issues during initial processing. That's probably good news to those who have that issue. It's probably not a widespread issue, but good news. So previously it's been updated. October 1st, that electronic announcement was updated, so just three weeks ago, basically indicating they didn't meet the September deadline for paper corrections and that they were still taking a month to process. So although it is still frustrating that corrections are now just getting started, at least it's moving in the right direction now.

Hugh Ferguson:

Got it.

David Tolman:

Then they had some other ones, August 19th, paper applications would be completed by the end of August, but they're still working on those. But anyway, that's one. The other one is, with these corrections and paper applications being slower, what about those students who attended summer only? They're not attending in the fall and summer's now over, and summer was a header for the student, meaning it was the first term in the 24-25 award year. It could have been, schools could have said, "Oh, we're just going to make this a trailer." That wasn't always possible because maybe the student had used up their loan eligibility in full in 23-24.

But they do talk in this electronic announcement about some flexibility in these situations. So for Pell, flexibility has been granted to allow a late disbursement of Pell, as long as the student was eligible, meets all the other eligibility requirements, if the application receipt date for that paper FAFSA was prior to the end of the student's summer enrollment. So enrollment ended August 28th, as long as the application receipt date is on or before that, you can still offer that student a Pell grant for summer retroactively.

For direct loans, it's a little different. This is one of those electronic announcements that schools would've been having to refer back to. Hopefully they have been. But if the loan was originated before the end of the student's enrollment and the department in some of those earlier versions of this electronic announcement say, "Look, you can originate a loan, you don't need to have a correction process. You can originate based on anticipated receipt of a paper FAFSA." So provided that was done, that can disperse as long as the application receipt date was prior to the end of the student's summer enrollment.

So it's a big if, if the loan was originated, and schools followed the guidance that was out earlier. Now if the student is attending the fall, then the school can do a summer fall loan and originate that, and combine summer. Or do a summer, fall, spring loan, or however those payment periods align. So we'll have a link to that electronic announcement for those who want to dig in deeper and find out more information about the corrections and the summer only processing.

Hugh Ferguson:

Yeah. Sounds great, David. We'll definitely have those linked in our show notes. I'm sure things have been confusing for folks with the shifting deadlines of paper applications, and now this new 7 to 10 day waiting period. But, sometimes it's helpful to just have it spelled out for you. We also have coverage in Today's News from earlier this week outlining that update, and we'll continue to monitor to see if the department provides any more details on that front. So going back to the 24-25 FAFSA, we also have updates about conflicting information on the form. David, could you catch us up on what's new or what's been happening on that front?

David Tolman:

Yeah. So conflicting information when a contributor on the FAFSA, when submitting online, indicated they're a non-filer, but federal tax information came back on the ISIR. Yes, that is conflicting information. That came out in an electronic announcement in June 17th, General 24-71. But it's been updated multiple times within General 24-71, it's been amended and it's been adjusted again. So we just want to make sure that schools know how to handle this. Again, we're going to have a lot of links on the show notes today. But generally, you'll get an IRS response code 200 if the student or parent has done this. Meaning, I haven't filed, but now there's tax return data on there from the FADDX.

So it says, ED is working on a permanent solution and institutions can wait for that permanent solution, but there's no timeline that's in that electronic announcement. So I don't know. If I was a school... It's

hard. If they put a timeline out there, then we go back to the previous topic and they'll update it several times. "Okay, we thought it was going to be now, and now we're going to push it back another month," then the next month they push it back another month. But, institutions can wait. They're working on a permanent solution, but no timeline was attached that I saw.

So what is happening is, if there's both... Say that they say they didn't file, or they manually enter some tax information on the paper FAFSA, and there's also tax return data that comes in. So it's either they said they didn't file, or maybe they enter their own, that's also conflicting information. The FAFSA processing system or FPS, they're going to use the manually entered income information when they calculate the SAI. So what to do? Right now, the school can collect either IRS tax transcripts or signed copies of the '22 income tax return with the appropriate schedules. That's currently what's acceptable. Keep referring back to that electronic announcement to see if that has changed.

Then the school will use the documentation to update all the manually entered fields that is otherwise FTI, and then set the PJ flag. This is not a professional judgment decision, but they need to set the PJ flag, and that will force the manually entered information into the SAI calculation when FPS reprocesses that information. Change the tax filing status if that was what the issue was, along with those other corrections. Submit it to FPS. So again, the last update was August 1st, so this isn't an entirely new topic, but it is a question that has been submitted quite often in AskRegs. We can link to the electronic announcement on this one as well as an article on it.

Hugh Ferguson:

Yeah, sounds great. There are a lot of issues and things to track on this front. We've had a lot of resources popping up in Today's News that can be hard for folks to remember which days they came in, but there are lots of handy resources that folks can use on the NASFAA site to catch up. So David, is there a place where there's a list of known issues for the 24-25 FAFSA?

David Tolman:

Well, there's good news and bad news. Yes, there are places. That's the bad news. There are multiple places where you can go to look, but I'm going to highlight two of them that are monitored by the Department of Education. But your team does a great job in getting this stuff into Today's News, and otherwise out there as well. But if you want to stay on top of it, let me highlight a couple of them. But I need to ask you a question, and maybe even Maria, I don't know if I want to know the answer to this, but do you remember Y2K? Do you even know what that-

Hugh Ferguson:

Enough to know it, but not to have known it in the moment, if that makes sense.

Maria Carrasco:

Yeah, I was like four years old.

David Tolman:

Oh, god. Then for a lot of people it was such a big thing, but it was like... If you're 50, that was half a lifetime ago. So everybody was using, in their systems, two-digit numbers to represent the year. And it's like, "Oh, wait, what happens when we go from 1999 to 2000? Is it going to think it's 1900?" Anyway, that prompted so many schools to update their system and I was involved. So while Maria was four, and

I don't know what... Peppa Pig wasn't even... What were you watching, Maria? What were you watching on TV when you were four? Do you remember?

Maria Carrasco:

Sesame Street, I guess. [inaudible 00:14:08].

David Tolman:

Oh, okay. Yeah, that's the standby for everybody.

Hugh Ferguson:

Yeah, this is probably peak Pokémon for me.

David Tolman:

Okay. Okay. Well, I was at a school that we were working on updating a system. I won't say what the system was. But, like a lot of schools... You know what? It just took... So many issues came up, and so much time. It took so much time, we had to bring in consultants, it was so expensive, and issues came up even when we went live. This past experience has brought me flashbacks of Y2K. Maybe the department should have just updated their 1980s-based programming language back then.

But anyway, let's go back to, what are all those sources? We had internal documents. I don't even think there were Google documents back then. We had to go download a file from a Drive to see what our known issues were. But now at least we've got the web. So the first one is the FAFSA issue alerts page. If you look through this regularly, the new issues are tagged with a yellow updated field tag. So we'll just go through some of the latest ones to this list. When was the latest one? I know it was October. It's been this month. So we'll just go through some of them.

Now, most of the updates are workarounds to some of the known issues. So a student with no Social Security number that exited the FAFSA before the state of legal residence question was answered, when they go back or attempt to go back, they're unable to do it. They can't continue their form, they can't start a new form. Well, there's now a workaround. This goes back to our first topic. Do you want to guess what the workaround is?

Hugh Ferguson:

Is it rebooting your computer?

David Tolman:

Yeah, that's a good... Let's restart. No, you got to go back even further than rebooting your computer. The workaround is, that student should complete a paper FAFSA. So that's the bad news, that somebody's stuck in that. But the good news, at least there is a solution, and now we know that paper FAFSAs are being processed. Another workaround for the issue of, users are receiving confirmed settings email and a pop-up page too frequently. I'm not going to ask you to guess what the solution was. But what they need to do is just follow the series of questions and confirm the settings. Next time the applicant logs in, just follow the settings, confirm it, and then that should stop those.

The thing is, it's going to send an email to the applicant indicating information has changed even if nothing was changed. So good news, you can stop it. But if you're working with an applicant, warn them that this might happen. Or if somebody says, "Hey, I got an email saying I changed information, but I hadn't," maybe asked them, "Did you by any chance confirm your settings?," and that would be the

reason. All right, another one, SAI was not calculating due to a missing family size. So it allowed the form to be submitted, but the SAI wasn't calculated. The problem is, on the fastest submission summary, there was no indicator to explain why an SAI was missing.

So if you are working and somebody's asking you the question, they answer yes to the question, "Has your family size changed since you last filed your taxes?," answer yes even if it hasn't. Then go in and manually input the family size and submit the correction. So that's the solution to that. There's been some issues that have been just outright resolved. So married student or parent who does not provide spouse's information before leaving the 24-25 FAFSA form will not be able to complete and submit form upon reentry. That was huge. That was a huge issue. That's now been resolved, according to their website.

Another issue that's been resolved, users submitting from review form section without signing. They're allowed to submit before signing. That's been resolved, so it should now prevent them from doing that. The last one was a student who had completed the FAFSA, they're ready to submit it, but the status still showed in progress. That was happening a lot, that has been resolved. So those are some of the updates from that website, the FAFSA issues alerts page, and we've got a link to that as well.

There's also another source, and this is a PDF document that is posted on the website, but it's also updated. This one was last updated on October 11th, and that's the technical frequently asked questions and known issues document. So it lists known issues, open issues, and resolved issues, and is followed by an FAQ, but it tends to be more on the more technical side of things. So I'll just mention what the two newest issues are that are reported. The FAFSA partner portal does not allow some edits to be resolved once they're encountered, and the other one is also related to the FAFSA partner portal, and it's not setting verified fields correctly.

Something that we have shared in some articles is, we are essentially in that live production testing environment. So it's really important that if schools encounter an issue, and it's not already reported, that they report all instances when the FAFSA is not functioning as expected so that the department can make the necessary updates within the FPS. The more schools that report a specific issue, the more likely it's going to get ED's attention. The department is still determining widespread issues rather than system-specific problems, so this direct communication is important. So that's the wrap-up for where we are with the detailed side of FAFSA issues, and we'll have those resources available... Anybody who wants to go and do more digging into this.

Hugh Ferguson:

Great. Thanks, David. Yeah, it's important to just highlight where things have gone a little haywire for the previous version of the form as we get ready for the launch of the upcoming cycle, and as we're continuing to go through this beta process that we're following. But for now, for folks to just kind of have a refresher reminder of where things stand, we just wanted to make sure you have access to all the resources we've put out, some of the latest stuff from ED, and can use this as all of our listeners continue to navigate the FAFSA cycle. Then just one other topic unrelated to the FAFSA that we just wanted to remind listeners of is the upcoming deadline for reporting on gainful employment and financial value transparency, which we were originally anticipating to happen early in the fall, but that deadline has now shifted. David, can you just give us a quick update there?

David Tolman:

Yeah. On September 13th, it was pushed back to January 15th, 2025. It was pretty close to the deadline when that was pushed back, but the relief was welcome.

Hugh Ferguson:

For sure, yeah. As we continue to monitor things with the 25-26 FAFSA, this will be another issue that will be front of mind for our members, and we will be sure to monitor updates from the department and keep people up-to-date with what's happening there. But for now, that's all we have for Off the Cuff this week. Thank you guys for joining and listening. Be sure to subscribe to your podcast channel of choice, and send us your comments or questions so we can take a look through those. Thanks again, everyone. We will talk to you again really soon.