

# FAFSA Changes: Are You Ready?

## Presenters:

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# LAUNCH OF THE 2024–25 FAFSA® FORM

- There are major changes and improvements coming to the 2024–25 *Free Application for Federal Student Aid* (FAFSA®) form. As a result, the new form will be available by December 31, 2023, not Oct. 1
  - The launch date will apply only for the 2024–25 FAFSA form
  - 610,000 new student from low-income backgrounds will be eligible to receive Pell grants due to updates to the student calculation (PVAMU is estimated to have over 1,100 more eligible students)
  - Can use the [Federal Student Aid Estimator](#) to get an early estimate of what your aid could be.



# WHAT IS CHANGING?

- **Key Changes:**

- Availability – the FAFSA will become available in December 2023. The exact date to come.
- The FAFSA will reduce in maximum questions from 108 questions to 46.
- Student Aid Index (SAI) replaces the term Expected Family Contribution (EFC)
- New terminology – you will notice new terminology being used in the application and aid eligibility process.
  - **Contributor:** anyone who is asked to provide information on the FAFSA – student, student spouse, parent(s), and stepparent(s) for example.
  - **Consent:** each contributor will now need to provide their consent to their Federal Tax Information (FTI) being included in the FAFSA, even if they did not file a U.S. tax return.
  - **SAI:** Student Index Aid (SAI) replaces the Expected Family Contribution (EFC).
  - **FTI:** Federal Tax Information (FTI) transferred directly from the IRS.
  - **DDX:** The Internal Revenue Service (IRS) Data Retrieval Tool (DRT) will be IRS Direct Data Exchange (DDX)
  - **FSS:** The Student Aid Report (SAR) will be FAFSA® Submission Summary (FSS)

# CHANGES THAT AFFECT ALL APPLICANTS

- The maximum number of questions will be reduced from 108 to 46 for most students
- Depending on their circumstances, some students will need to answer even fewer questions due to the dynamic skip logic built into the application
- Income and tax information will be expedited (use of FTI)

# WHAT ISN'T CHANGING?

- The FAFSA will continue to be required for federal aid consideration
  - Will continue to be used for state and institutional need-based aid determination.
  - Will remain an annual application that continuing students will need to complete each year.
- Dependency status questions that determine if parents must provide information on the students FAFSA remain the same.
- The FAFSA will request tax information from the prior-prior tax year.
  - 2024-25 requires 2022 tax information
- Degree-seeking students will be eligible for federal student loans assuming they complete the FAFSA.
  - Have not reached annual or aggregate limits
  - Are enrolled at least half-time
  - Are not in default on previous federal student loans

# INCOME AND TAX DATA

- Previously, income and tax information was provided by using the IRS Data Retrieval Tool (DRT)
  - Data was transferred from the IRS to the FAFSA
  - If the DRT was not used, income and tax information could be entered manually
- Beginning with 2024-2025, all persons listing tax information on the FAFSA will be required to use the IRS Direct Data Exchange (DDX) to share income and tax information or confirm non-filing status.
- Only exception is when the IRS can not verify or transfer your information.
  - Can be self-reported
  - Increase likelihood of being selected for verification

# FAFSA CONTRIBUTORS

- All those reporting income and tax data on the FAFSA will need to have an FSA ID if they don't have one already.
- FAFSA contributors include
  - The student
  - Student's spouse (if the student is married)
  - Parent, and other parent (if the parent reported on the FAFSA is married)
    - Students will have to send an invitation to all contributors'
    - If declined, FAFSA will be incomplete
- If married individuals filed their taxes separately, both spouses will need to obtain an FSA ID
- If parents are not willing to provide their information, student can still complete a FAFSA but will be incomplete. Student will only be eligible for a direct unsubsidized loan (there is a cap on the amount).

# STUDENT AID INDEX (SAI)

- The FAFSA previously calculated an Estimated Family Contribution (EFC) to determine eligibility for financial aid
  - The EFC ranged from 0-999999
- Beginning with the 2024-25 FAFSA Student Aid Index (SAI) will replace the EFC
  - The SAI, unlike the EFC, can be negative with the minimum SAI being -1500.



# CHANGES THAT MAY AFFECT SOME APPLICANTS

- **Divorced or Separated Parent Information on the FAFSA**
  - Students will need to include the parental data of the parent who provided the most financial support in the previous 12 months
  - If this parent has remarried, both the parent and stepparent's information is required
  - If both biological parents provide equal support, the parental data of the parent who earned more should be included
- **Number of Students in College No Longer Factored**
  - Previously, EFC was prorated based on the number of household members in college
  - The question remains on the 2024-25 FAFSA but will not be calculated in the SAI

# CHANGES THAT MAY AFFECT SOME APPLICANTS

- **Inclusion of family farms and small businesses**
  - In past years, the value of a family farm or a small business with fewer than 100 employees was not reported
    - Beginning with the 2024-2025 FAFSA, the net worth of each will be part of the FAFSA calculation
- **Automatic Pell Grants based on income and household size**
  - The FAFSA Simplification Act extends the Federal Pell Grant to more students and links eligibility to family size and the federal poverty level
  - Families making less than 175% and single parents making less than 225% of the federal poverty level will see their students receive a maximum Federal Pell Grant award
  - Minimum Pell Grants will be guaranteed to students from households below 275%, 325%, 350%, or 400% of the poverty level, depending on household structure
  - Pell awards between the maximum and minimum amounts will be determined by SAI

# WHAT CAN I DO PREPARE NOW?

- Since the FAFSA will open later this year, it is important to take action as soon as possible
  - Obtain an FSA ID prior to filing the FAFSA
  - All students and parents will need an FSA ID
  - If parents file their taxes separately, they will both need an FSA ID
  - If parents file taxes jointly, then they only need one between the two of them
- The FAFSA will request tax information from the prior-prior tax year
  - Families with significant reductions in income levels should contact the Financial Aid office to request a special circumstances review.
- Apply for an FSA ID to file the FAFSA at <https://studentaid.gov/fsa-id/create-account/launch>
- Visit our *FAFSA Simplification Website* for details and FAQ's: <https://www.pvamu.edu/faid/fafsa-simplification/>

# AFTER MY FAFSA IS SUBMITTED, WHAT'S NEXT?

- CHECK YOUR PV EMAIL!!
  - Document Requested
  - Offer Letter (estimated by March 1)
  - Next Steps
  - Accept Awards
- What if I am selected for verification?
  - Verification is the process of confirming that information reported by the student and parent(s) or spouse on the FAFSA is accurate (at least 17% of applicants)
  - Must provide all required documentation and verification must be complete before any financial aid will be released to students. Failure to provide all required documentation before the last day of classes for the semester may result in the cancellation of the student's financial aid awards.
  - Types of documents we may request:
    - Tax Returns (1040's, 1040X's, etc.)
    - Verification Worksheet
    - W2's
    - Marital Status Form(s)

# WHAT IS A "SPECIAL/UNUSUAL CIRCUMSTANCE"?

- If your financial situation has changed significantly from the information you provided on the FAFSA, AND the situation falls into one of the categories on the next slide, you may be eligible to have your financial aid package reevaluated (**all awards are based on the availability of funds**).
  - Students whose SAI is already at -1500 - 0 would not be eligible to file a Special Circumstance Appeal, as they would already have the maximum amount of financial need possible.

# What circumstances can be considered?

- Changes in family structure (e.g., death, divorce or legal separation)
- Changes in untaxed income (e.g., child support)
- Unusual expenses (e.g., medical and/or dental expenses not covered by insurance, costs associated with a natural disaster)
- IRA/Pension Withdrawal or Rollover
- "Unavoidable" changes in employment status or status change due to extenuating circumstances (e.g. layoffs, reduced hours for health care reasons, etc.)

# How do I submit a special circumstance appeal?

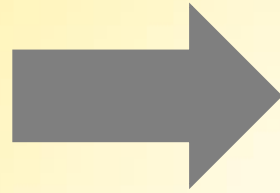
- Contact the Office of Financial Aid for a consultation to determine if you qualify.
- Upload special circumstance form and ALL supporting documentation via the student's online portal: <https://www.pvamu.edu/faid/faid-requirements/panther-pass/panther-pass-instructions/>
- You will receive an update from a Financial Counselor. In addition, you will receive an adjusted financial aid offer letter if the special circumstance results in a revision of your financial aid.

# FAFSA Completions TIPS

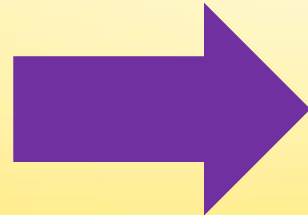
- Apply Early!
- Respond Timely 😊
- Avoid Common Errors:
  - Do not leave anything blank
  - Use correct SSN's
  - Use the DDX when completing FAFSA (eliminates chances of being selected)
  - Make sure you have filed your taxes correctly
  - List marital status correctly
  - Obtain signatures of self AND contributor(s)



# Funding Options



**Grants**  
**Scholarships**



**Work –Study**  
**Loans**

These funds may be merit- based, need based, or non need based.

# Grants

- Federal Pell Grants
- Federal Supplemental Education Opportunity Grants (FSEOG)
- State Grants
- Institutional Grants

# Texas Grant

## **Initial Recipients (EFC<5875): First Year – Freshman**

- Graduated from an accredited public or private high school in Texas; and
- Enrolled in an undergraduate degree or certificate program at an approved institution within 16 months from high school graduation, having not accumulated more than 30 Semester Credit Hours
- Be registered with Selective Service, or be exempt;
- Be classified by the institution as a Texas Resident;
- Have not been convicted of a felony or crime involving a controlled substance;
- Be enrolled at least three-quarter time

## **Renewal Recipients: Sophomore Year and beyond**

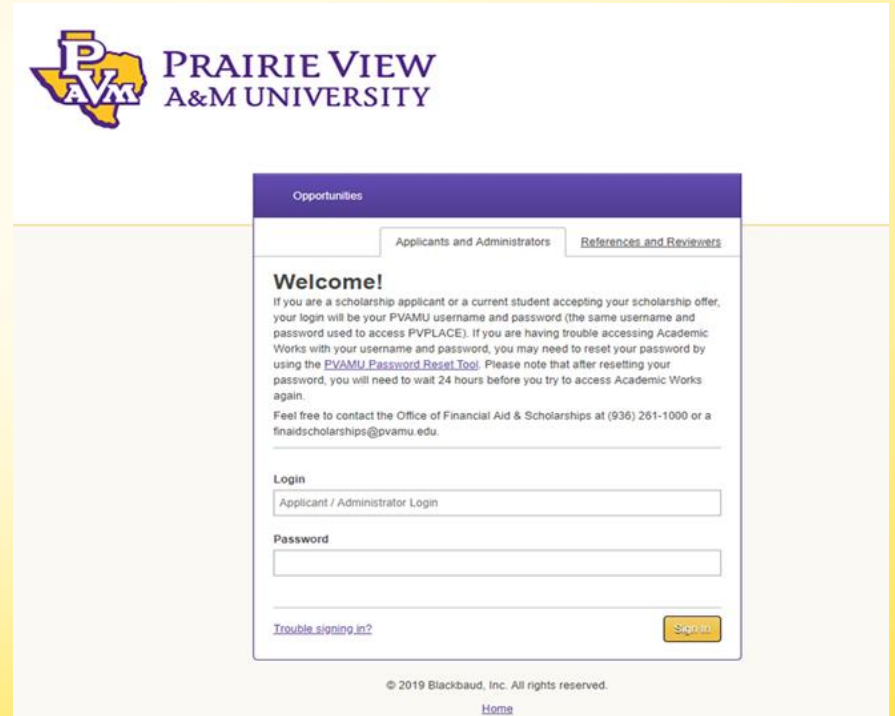
- 2.5 GPA
- Complete 24 credit hours during school year
- Can not exceed 150 attempted hours

# Scholarships

- National
- State, Local, or Civic
- Institutional
- Usually Competitive
- Academic, Departmental

# General and Department Scholarships

- Apply for all scholarships online in one central location
- Minimum GPA is 2.75 (each scholarship is specific)
- Application period: December 1 thru April
- An application must be completed each year
- Awards generally range from \$500 to 2000
- ( each scholarship specific
  
- You may review Academic Works for additional 3<sup>rd</sup> party scholarship opportunities



The screenshot shows the sign-in page for the Academic Works system at Prairie View A&M University. At the top left is the university's logo, which features a stylized 'P' and 'A&M' over a map of Texas. To the right of the logo, the text 'PRAIRIE VIEW A&M UNIVERSITY' is displayed in a purple serif font. Below the logo and text is a navigation bar with two tabs: 'Applicants and Administrators' (which is selected) and 'References and Reviews'. The main content area has a purple header with the word 'Opportunities'. Below this, there is a 'Welcome!' section with a paragraph of text explaining the login process and providing a link to a password reset tool. Below the text is a 'Login' section with two input fields: 'Applicant / Administrator Login' and 'Password'. A 'Sign In' button is located to the right of the password field. At the bottom left of the login section is a link for 'Trouble signing in?'. At the bottom of the page, there is a copyright notice: '© 2019 Blackbaud, Inc. All rights reserved.' and a 'Home' link.

[https://pvamu.academicworks.com/users/sign\\_in](https://pvamu.academicworks.com/users/sign_in)

# Additional Scholarship Opportunities

- [FastWeb.com](http://FastWeb.com)
- [EducationPlanner.org](http://EducationPlanner.org)
- [FinAid.org](http://FinAid.org)
- [ScholarshipExperts.com](http://ScholarshipExperts.com)
- [Scholarships.com](http://Scholarships.com)
- [Colleges.Niche.com](http://Colleges.Niche.com)
- [StudentScholarships.org](http://StudentScholarships.org)
- [BigFuture.Collegeboard.org](http://BigFuture.Collegeboard.org)
- [CollegeAnswer.com](http://CollegeAnswer.com)
- [CollegeNet.com](http://CollegeNet.com)
- [MeritAid.com](http://MeritAid.com)
- [Tmcf.org](http://Tmcf.org)
- [Uncf.org](http://Uncf.org)
- MORE

# Work – Study

- Based on demonstrated need
- Student is provided an on-campus job
- 10 – 20 hours per week and paid directly to student
- Generally above minimum wage

# Student Loans

- Direct Subsidized & Unsubsidized
- PLUS (Parent Loan for Undergraduate Students)
- Private Loans



# Subsidized Vs. Unsubsidized

## Federal Subsidized

- Based on a financial need
- Fixed rate
- Need based
- Ungraduated students
- Government pays the interest on this loan during in school status, grace and authorized deferment period

## Unsubsidized Loan

- Does not require a financial need
- Fixed rate
- Interests accrues from the time the loan is disbursed

# Parent PLUS Loan

- Student must have a FAFSA on file
- A loan available to parents of dependent undergraduate students the borrower
- You pay the interest regardless of the loan status
- A credit check will be conducted
- The maximum PLUS loan amount you can receive is the cost of attendance (determined by the school) minus any other financial aid received

Learning more about the Parent PLUS loan at [Studentaid.Gov](https://studentaid.gov).

# Private Loans

- Should be your last option
- Not handled by the Federal Government
- Originated by bank, credit unions, or online lenders
- Rate can be typical higher than Federal Loan