

2024-25

BETTER FAFSA

ADVOCACY FAQs

IN DECEMBER 2020, CONGRESS PASSED THE BIPARTISAN FAFSA SIMPLIFICATION ACT that mandated a [new, simpler Free Application for Federal Student Aid \(FAFSA\)](#), which overhauled the federal financial aid formula. These FAFSA updates are expected to help an additional **610,000 students qualify for a federal Pell Grant**, and another **1.5 million students qualify for the maximum Pell award**. Yet, for tens of thousands of students, attending college is deterred by the cost and financial strains. Tuition could be offset with the help of financial aid — but there are major problems with what the U.S. Department of Education (ED) is calling the Better FAFSA, causing confusion for students and their families. While ED is trying to remedy these problems, a general lack of public awareness might result in students failing to meet upcoming financial information submission deadlines. That's why it's so important to promote the following messaging around the 2024-2025 FAFSA rollout, including recent resolutions by ED to remedy some of these problems, to help increase FAFSA completion rates. Here are some answers you can use.

What is happening?

There are delays in processing FAFSAs and releasing information to institutions. As of [March 13, 2024](#), the US Department of Education (ED) is now processing FAFSA submissions and submitting processed information to higher education institutions in batches. While this is good news, students and families will have to wait several months longer than usual to receive their financial aid packages sometime this spring.

Additionally, until March 12, students whose parents lack social security numbers were unable to submit the FAFSA because of system errors.

How does ED transmit FAFSA information to colleges and universities?

ED transmits FAFSA information through ISIRs (Institutional Student Information Records). While ISIRs were originally set to be shared with colleges and universities in February, ED delayed this timeline until mid-March because they had to fix an outlying issue in the Student Aid Index (SAI) formula that failed to account for changes in inflation in the current aid award year. If ED had not fixed this error, students would have missed out on \$1.8 billion in federal aid. As a result, ISIRs are finally being released to colleges (as of March 12, 2024).

How have students whose parents don't have a social security number been affected?

Until March 12, students whose parents lack social security numbers were unable to submit the FAFSA because of system errors.

- ED was able to [fix this error](#), along with several other outstanding errors.
- Prior to the current fix, the Department released a temporary fix so that students could “reserve their place in line” for institutional and state financial aid if they had an institutional or state deadline before mid-March to submit their FAFSA application.
- Students who utilized the temporary fix will need to return to their FAFSA form to make corrections and add the signature of the parent without an SSN. The ability to make corrections to the FAFSA form is not available yet.

FSAIC (Federal Student Aid Information Center) has been facing an extremely high volume of calls and has been unable to adequately support students with parents without SSNs who are trying to get help with completing and submitting their FAFSA.

- Students often face hours waiting on hold to speak with an FSAIC representative or are disconnected before ever reaching a representative.
- In response, ED has recently hired more staff for FSAIC, including Spanish-speakers, to address long call wait times and better support students with parents without SSNs.

How is the data that students and their contributors enter on the FAFSA form, used and protected?

- FAFSA data is protected by encryption, “a mathematical formula to scramble your data into a format that is unreadable by anyone who might intercept it.” The privacy of data collected through the FAFSA is protected by [federal law](#), which prohibits the use of data collected through the FAFSA for anything other than calculating federal and state financial aid. Entities with access to this data are also required to protect the data against security threats or unauthorized uses. Federal Student Aid (FSA) will only share FAFSA information with the schools the student indicates they wish to attend (to give colleges information to offer complete financial aid packages) and a few federal and state government agencies (to check for accuracy or eligibility). Schools retain records related to a student's aid eligibility for three years. School counselors should assure families of these protections and respond to any concerns.

What are the implications of a FAFSA delay?

Delays in students receiving their financial aid packages will significantly impact the college-going decisions that students make. These delays have been discouraging students from even applying to and pursuing a college education—because when choosing colleges, students from low-income backgrounds rely on receiving an aid letter/package to decide which, if any, college they will go to.

- **It's going to create equity issues.** This is because students of color and students from low-income backgrounds are the most dependent on financial aid to finance their college education.
- **FAFSA completion numbers are down already.** Nearly 5 million Americans — both high school seniors and all other students — have successfully completed the new FAFSA so far. Compare this to last year, when more than 17 million students filled out the form. According to [federal data analyzed](#) by the National College Attainment Network, the drop in applications is even steeper at high schools in lower-income communities and those with large shares of Black and Latino students.
- **Colleges and scholarship organizations cannot proceed with aiding students financially until they receive FAFSA information.**
 - States, colleges, and scholarship organizations have been desperately waiting to get FAFSA information to prepare their financial aid offers.
 - Errors on the FAFSA or processing delays may restrict the amount of scholarship money a student receives.

How are FAFSA delays affecting students and their families?

On overall student experiences:

- There's a tremendous mental health strain put on students whose futures are often dependent on financial aid outcomes.
- Students who are most in need of these resources, who are the reason that FAFSA exists, are unable to benefit from it.
- Students contemplating between attending two or more schools and weighing affordability options, base their decision on which colleges offer the most in the financial aid award letters.
- Students know the implications of accumulating debt post-college, which means the financial aid package they are given affects whether they decide to pursue a college degree or not.

On students from mixed-status families:

- Students who are eligible for federal, state, and institutional financial aid have the right to access that aid, regardless of their parents' citizenship status.
- Until March 12th, students from immigrant and mixed-status families were unable to submit their FAFSA because of technical errors. Meanwhile, state aid and scholarship deadlines are quickly approaching.
- A paper version of the FAFSA exists, but US Department of Education officials strongly discourage students from using it because:
 - There's a greater chance of families making mistakes in filling the form out.
 - ED is weeks behind in processing paper FAFSA submissions.
 - Online FAFSA submissions will take priority.

- High school students whose parents are undocumented could end up at the back of the line for institutional and state financial aid, especially in the states — including Illinois, Indiana, and Tennessee — that distribute state financial aid on a first-come, first-served basis
- While students from mixed-status families are now able to complete the FAFSA form, the financial information of the parent who lacks an SSN cannot be retrieved from the IRS and will need to be entered manually. Additionally, some affected families are having trouble connecting student and parent [StudentAid.gov](https://studentaid.gov) accounts, including if there are many slight mismatches in the same address listed for a student and their parents. For more information, see [here](#).

On students from rural communities without broadband access:

- Rural students have traditionally had fewer educational resources and support to help them navigate the difficult FAFSA application process and are also less likely to have parents who graduated college that can help them.
- Rural students considering selective schools will be affected most given limited broadband access to submit an online FAFSA.
- Students in the poorest and furthest reaches of the U.S. — places that need high-speed internet the most — remain disconnected, leaving them further and further behind their more urban peers to complete online FAFSA form.

When will students receive their financial aid awards?

While students typically receive their financial aid packages alongside their admissions decisions in March and April, there is no clear timeline on when students will receive their financial aid offers this spring.