

September 13, 2024

Melanie Storey
Director, Policy Implementation and Oversight
U.S. Department of Education,
Federal Student Aid
Submitted via *regulations.gov* 

Docket ID ED-2024-FSA-0099

## Dear Ms. Storey:

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 its Request for Information (RFI) regarding Ways To Support the Successful Completion and Submission of the 2025-2026 FAFSA Form (Docket ID ED-2024-FSA-0099.)

NASFAA represents nearly 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.

NASFAA appreciates ED's request for feedback regarding the 2025-26 FAFSA. While we and our members have identified several areas we believe need changes or enhancements to improve the user experience for students and families and offer suggestions including changes to question text, help text, messaging to applicants, and additional tools and resources, we urge ED to consumer test all FAFSA language thoroughly with applicants and contributors. We hope these changes, along with the two-month testing period, will allow for a smoother rollout of the FAFSA to the general public on or before December 1, 2024.

While we had hoped for a fully functional 2025-26 FAFSA launch by October 1, NASFAA is encouraged by the Department's plans to roll out the 2025-26 FAFSA to a limited number of students and institutions beginning October 1, 2024, and to gradually increase the number of test students and institutions, allowing the Department to test and resolve issues before making the form broadly available by December 1, 2024. We urge the Department to not only fix issues

promptly and fully, but also to be fully transparent with the financial aid community about issues they identify so institutions can plan accordingly and provide accurate advice to students.

While we understand that ED's current 2025-26 FAFSA release timeline does not include institutional batch ISIR corrections functionality, we stress the importance of not only opening this critical feature as soon as possible, but also thoroughly testing it so financial aid administrators do not encounter errors, rejects, or forced workarounds that take away from the time they can devote to serving students. Here, as with the FAFSA itself, transparency with the financial aid community throughout testing and frequent updates about the planned opening date for batch corrections are essential.

We offer the following specific feedback for improving the 2025-26 FAFSA experience. Whatever revisions are made, we ask they be made to both the online and the paper FAFSA (standard and incarcerated student form.) Having different instructions on the paper and online FAFSA causes confusion, especially for financial aid administrators and counselors assisting students in completing the FAFSA without being able to see the exact text of the online FAFSA. As noted later in our comments, we hope in future years there will be an online FAFSA demonstration site available as has been the case prior to this year.

# **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 this same text be displayed with the actual question text, both on the online and paper FAFSA.

## **High School Completion Status**

Our members have raised concerns regarding students incorrectly selecting "none of the above" when asked for their high school completion status (Question 17 on the paper FAFSA.) We request additional text be added to the "none of the above" response to help ensure it is only selected when accurate. One suggestion is to add a note to the response option stating: "Only select this option if, **when the student begins the 2025-26 school year**, the student does not have a high school diploma or state-recognized high school equivalent and did not complete secondary school in a home school setting." This change could help reduce the number of students incorrectly selecting "none of the above." This distinction is clear on the applicable help text page, but we believe it would be even more effective if the text is also present on the form itself.

Additionally, while not related to the question or help text, students experienced issues attempting to correct their response to this question when it was determined they answered "none of the above" in error. A workaround was provided via the FAFSA Issue Alert Page which required students to navigate to an unrelated page and then click the "previous" button in order to access the high school completion question. The question should be directly accessible for making corrections, so as not to rely on students knowing to navigate to a different page first. This issue should be resolved before ED begins the initial FAFSA testing phase in October.

### **Veteran Definition**

The FAFSA Simplification Act changed the statutory basis for determining who is a veteran for Title IV eligibility purposes. The Higher Education Act, (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,) and the definition and description of who is a veteran in the paper FAFSA instructions appear to align with the definition in the HEA. However, we have several concerns.

First, 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 definition of "active duty" as stated in Title 38, section 101(21.) These definitions should also be added to the online FAFSA help text, which currently does not define any of these terms.

Additionally, guidance regarding the term veteran in the Application and Verification Guide of the FSA Handbook does not match the paper FAFSA instructions or online FAFSA help text. The Department should carefully review the statutory language regarding the term veteran and correct the FSA Handbook, the FAFSA instructions/help text, or both, as needed. It is critical that the FAFSA instructions/help text and the FSA Handbook match, as students typically follow the instructions on the FAFSA, while financial aid administrators are more likely to refer to guidance in the FSA Handbook when resolving student eligibility issues. We are concerned that schools may incorrectly determine 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.

## **Unaccompanied Homeless Youth**

We ask the Department to remove the specific date in the Student Other Circumstances question (Question 6 on the paper FAFSA) related to Unaccompanied Homeless Youth status. The July 1 date is not specified in the 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 2023 or 2024 was the student unaccompanied and either (1) homeless or (2) self-supporting and at risk of being homeless?" This time frame mimics the time frame used in other questions on the FAFSA, such as the receipt of federal benefits.

We also request this question be renamed from "Student Other Circumstances" to "Student Homeless Status" for additional clarity.

# **Direct Unsubsidized Loan Only**

We acknowledge and appreciate the Department's multiple revisions to the Direct Unsubsidized Loan Only question (Question 8 on the paper FAFSA) throughout the 2024-25 FAFSA cycle in order to improve clarity and understanding. However, we believe it still needs revision to ensure students are not incorrectly selecting this option, requiring financial aid administrator follow-up communication and corrections.

First, we suggest the accompanying note that currently reads: "This response must be 'No' for the student to be considered for Federal Pell Grant eligibility and most other types of federal student aid" should have the following text added: "If you select 'Yes' you will ONLY be considered for Direct Unsubsidized Loan eligibility."

Additionally, for the online FAFSA, we suggest a pop-message appear when a student selects "Yes," prompting them to confirm they only wish to be considered for a Direct Unsubsidized Loan and do not want to be considered for ANY other types of federal student aid.

### **Federal Benefits Received**

We request that ED remove receipt of "free or reduced-price school lunch" from the conditions that qualify applicants for an exemption to asset reporting. While this question is required to be asked on the FAFSA, our understanding is that it was intended by Congress as an information-only question and not as a pathway to the asset exemption.

HEA section 479(b)(2)(D,) as amended by the FAFSA Simplification Act, allows recipients of 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.

In many states, the free and reduced-price lunch program is a suitable proxy for low-income status. However, in some states, especially since the COVID-19 pandemic, free and reduced-price lunch programs have been expanded to an extent that many — if not most of — the families that receive free and reduced-price lunch have earnings that exceed other means-tested benefits programs' income caps, as well as the income that qualifies students for an automatic maximum Pell Grant award under 401(b)(1)(A.) While we applaud states that provide universal access to free meals for elementary and secondary school students, these policies cause the program to no longer serve as an adequate proxy for low-income status in those states.

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

While ED does specify in the Application and Verification Guide that families should only indicate receipt of free or reduced-price lunch if they meet the USDA income guidelines, it is likely many applicants will incorrectly answer the question considering the FAFSA instructions do not explain how to answer this question. Given the significant overlap of 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 Plan or the Special Supplemental Nutrition program for Women, Infants, and Children<sup>1</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**

As addressed in the June 17, 2024 Electronic Announcement (GENERAL-24-71,) there were instances of applicants indicating they did not file a U.S. tax return in 2022, but then having federal tax information (FTI) transferred directly from the IRS via the FUTURE Act Direct Data Exchange (FA-DDX,) appearing to confirm they in fact did file a U.S. tax return. These

<sup>&</sup>lt;sup>1</sup> https://www.census.gov/library/visualizations/interactive/social-safety-net-benefits.html

situations create conflicting information that requires follow-up by the financial aid office and submission of additional documentation from the applicant or contributor.

We acknowledge it may not be possible to change the flow of the form or the programming of the skip logic required to eliminate the need for this conflicting information resolution for 2025-26. However, we suggest the Department review possible changes in future years. For the immediate future, in making edits to the 2025-26 FAFSA, we ask there be messaging added to help ensure only true non-tax filers are indicating they did not or will not file a tax return. This could be improved by adding text to the "no" response. Rather than just displaying "no" as a response option, it could say: "No. I have not filed a 1040 or 1040-NR for 2022 and do not plan to do so." Another suggestion is to provide a pop-up message when an online applicant selects "no," stating the user's tax filing status will be verified with the IRS and prompting them to review their response before continuing. We hope any improvements made to this question will reduce the number of incorrect responses, which in turn will reduce the amount of conflicting information financial aid administrators must resolve.

### **Tax Return Line Items**

In the April 1, 2024 Electronic Announcement (GENERAL-24-29,) the Department explained there was an inconsistency between the FAFSA instructions and the data transferred into the FAFSA via the FA-DDX for two data fields: Income Tax Paid and Education Credits. The FAFSA instructed applicants to enter tax return Form 1040, line 22 minus Schedule 2, line 2 for income taxes paid, and tax return Form 1040 Schedule 3, line 3 for education credits. However, the FA-DDX instead pulls data from Form 1040, line 24, and Form 8863, line 8 plus line 19.

The Electronic Announcement states, "The Department will amend the FAFSA instructions to align with the data definition used by the FA-DDX." As of today, the FAFSA help text page titled "Where To Find My 2022 Tax Information (2024–25,)" which is linked from the tax return information questions on the online FAFSA, as well as the paper FAFSA instructions, both still state the original tax return line items, not the corresponding line items used by the FA-DDX. We ask the Department to revise both the help text and the instructions to accurately and consistently refer to line 24 for income taxes paid and Form 8863, line 8 plus line 19 for education credits.

## College Grant and Scholarship Aid

We are concerned 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. Our 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 2024-25 paper FAFSA includes messaging with the question text that states: "The student/parent paid taxes on these grants, scholarships, or benefits. These usually apply to those renewing their FAFSA form, not to first-time applicants. If the student/parent is married, include the amount their spouse reported." We suggest the following messaging be included with the question text on the paper and online FAFSA: "Only include grants, scholarships, or benefits you reported as income to the IRS. Most scholarships and grants are not taxable unless those award amounts exceed the total amount the student paid for tuition, fees, books, supplies, and required equipment. Typically, this is not the same amount as the adjusted gross income (IRS Form 1040, line 11) or the total scholarships and grants on IRS Form 1098-T (Box 5.) If the student/parent is married, include the amount their spouse reported."

Additionally, we suggest a pop-up message if the student or parent enters an amount other than zero in this field. The pop-up message could prompt them to review their response before continuing to the next field.

We also suggest the help text page "College Grants, Scholarships, or AmeriCorps Benefits Reported As Income to the IRS" add a statement that this response is not typically the same as the scholarships and grants reported on IRS Form 1098-T (Box 5.)

## **Net Worth of Businesses and Investment Farms**

The FAFSA Simplification Act removes the exemption from reporting family farm assets on the FAFSA. In making the necessary changes to the FAFSA to accommodate that change, ED has left inconsistencies in the terminology used to describe farms in the applicable FAFSA questions (Questions 22 and 40 on the paper FAFSA,) help text, and Notes section. We ask the Department first to confirm with Congress the intent behind the removal of the family farm exemption to ensure ED's interpretation aligns with the changes to the HEA.

Once intent is established, we ask ED to use language that matches the intent and to use that language consistently throughout all of its application materials and supporting documents. The following terms are currently used seemingly interchangeably: investment farm, income-producing farm, and for-profit agricultural operations. At minimum, ED should decide on a single term, clearly define it, and use it consistently throughout the questions, help text, notes, instructions, and all other resources ED creates for the 2025-26 cycle.

Given the significant confusion applicants faced this year with respect to reporting farm values on the FAFSA, we also recommend that ED create a separate, consumer-tested resource devoted exclusively to when and how families should report the value of their farms on the FAFSA.

#### Cash Assets

Changes to the HEA from the FAFSA Simplification Act removed "cash" from the definition of assets. The Department should remove the word "cash" from the FAFSA asset questions to align with the statute.

### **Qualified Education Benefits as Assets**

We request 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.

# **Family Size**

The addition of family size as an element transferred by the IRS directly to the FAFSA via the FA-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 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

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data, which adds to financial aid administrators' workloads and delays students' aid processing. NASFAA has separately requested in a recent letter<sup>2</sup> to Congress requesting technical corrections to the FAFSA Simplification Act that family size be changed to exclusively a manually-entered data element.

### **Contributor Invitation Process**

The contributor invitation process has proven to be a difficult and frustrating stage of FAFSA completion for many applicants. Because of this, we have several suggestions and requests related to this process.

First, we request the Department add text to clarify when a student should invite one or both parents. Currently, students may receive a bumper note that states both parents' information is required but then are instructed to only invite one parent to contribute to the form. This causes confusion and seems contradictory to applicants. Additionally, while the parent wizard tool should assist students in determining which parent or parents are required contributors, students are still reporting the wrong parent's information. We suggest additional links to help text or examples on the actual invitation screen to help provide additional guidance and clarity regarding which parent or parents need to be invited. Examples of divorced and blended family situations would be of most benefit.

In the contributor invitation email text, we suggest adding clarification about how the contributor's information will be used, including information about the privacy of FAFSA data. We fear contributors may be reluctant to provide information without the reassurance of such privacy.

Last, we acknowledge the following suggestion may be beyond text changes for 2025-26; however, we wish to request the Department continue to review the logistics of the contributor invitation process. Currently, the fact that applicants must enter contributor information exactly as it is on their FSA ID is a barrier for certain students. Some students may not know or have access to their parent's personal information, such as Social Security number. Also, rather than requiring the information to match *exactly*, we ask ED to consider whether the contributor could receive the invitation but review and correct any information as needed, rather than simply not receiving the invitation at all.

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<sup>&</sup>lt;sup>2</sup> https://www.nasfaa.org/uploads/documents/FAFSA Simplif<u>ication Act Technical Amendments Letter.pdf</u>

# **Confirmation Page**

We suggest additional information be added to the confirmation page that displays after an applicant completes their online FAFSA in order to improve transparency and accuracy of information. We recommend adding a macro-level timeline of the next steps in the application process for students. For example, it could explain that while the FAFSA has been submitted, it takes time to process and for schools and state agencies to receive the data. One concern from our members has been the expectation from students that their FAFSA could be viewed by schools as soon as it was submitted, or that the student would receive an aid offer from schools immediately after submitting the FAFSA. Messaging detailing the next steps and explaining that all schools have their own timelines for reviewing FAFSA information could set more realistic expectations for students.

## **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>3,4</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 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 and room and board 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 limits caps the amount of aid to confined or incarcerated individuals to prevent a Title IV credit balance from occurring.
- We recommend 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

<sup>&</sup>lt;sup>3</sup> https://www.nasfaa.org/uploads/documents/2023-24IncarceratedApplicantFormcommentsjointw Vera-4.pdf

<sup>&</sup>lt;sup>4</sup> https://www.nasfaa.org/uploads/documents/2024 25 Draft FAFSA Comments.pdf

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 access to postal and electronic mail as well as to websites like the National Student Loan Data System (NSLDS.) 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 ED review the second-to-last bullet on Question 7 to ensure it matches the online FAFSA wording. It is our understanding that the second comma in the statement: "Are incarcerated, or their parents are incarcerated, and contact with the parents would pose a risk to the student" is not present on the online FAFSA. The comma's presence changes the meaning of the sentence, so it is imperative the wording on both the online and paper FAFSA both reflect the intent of the question and match.
- We recommend that ED remove Question 8 since an incarcerated student would not be eligible for a Direct Unsubsidized Loan.

### **Federal Student Aid Estimator**

We have concerns with the Federal Student Aid Estimator displaying the average Federal Work-Study award amount. While providing information about the availability of work study and other types of financial aid may be helpful, we ask that specific amounts not be provided since amounts are determined by the institutions themselves and are dependent on many factors including the school's decision to participate in the 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 Prototype**

It is our understanding that the FAFSA demonstration site will not be available for 2025-26, so we request the Department greatly enhance and improve the prototype tool. The prototype available for 2024-25 had limited functionality, lacked many real-world scenarios, and was not updated as the actual FAFSA was revised. This caused the tool to be mostly unusable for

financial aid administrators. We ask the prototype be equipped with a variety of different scenarios, including students with divorced parents and blended family situations. It would also be helpful to include provisionally independent student scenarios. We also ask the prototype be updated whenever the FAFSA is changed, to ensure it mirrors the actual form as much as possible.

If a real-time, up-to-date prototype is not possible, we ask there be a way for financial aid administrators and counselors to view, at minimum, the online FAFSA questions. Many financial aid administrators choose to complete a FAFSA for themselves so they can see the questions and flow of the form. However, they have limited access to certain questions, such as the questions that would only display for dependent students. While many aid administrators also refer to the paper FAFSA when assisting students and families, the paper and online FAFSA differ in how questions are displayed and the actual text of questions, making it difficult to use as a resource. We hope the use of the prototype is temporary and a complete online FAFSA demonstration site is made available for the 2026-27 FAFSA cycle.

## **Call Center Hours and Training**

Our members have expressed concern over the availability and training of Federal Student Aid Information Center (FSAIC) staff. We heard many reports of long wait times and inaccurate information. We ask that the call center be available seven days a week, including bilingual staff or interpreters. We also ask that all call center staff be more thoroughly trained to provide students and families with accurate information.

### **Instructional Videos**

We request the Department create videos that walk through the application process at various points, such as the FSA ID creation and contributor invitation processes. While there were many new videos posted on the Federal Student Aid YouTube channel for 2024-25, they did not show the actual FAFSA screens. We suggest step-by-step videos with the actual FAFSA screens displayed for at least the more complicated stages of the process.

## **Plain-Language FAFSA Issue Alerts**

We commend the Department's development of the FAFSA Issue Alerts page in order to provide financial aid administrators with information on ongoing issues, workarounds, and resolutions. Our members have shared that they referred to this page regularly and would appreciate a similar webpage in plain language for students and families to utilize. Ideally, this will not be necessary because the issues from 2024-25 are resolved before the 2025-26 form becomes widely available, but in the event that issues arise, it is critical that they be publicized to applicants in a way they can understand.

# **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. NASFAA has requested in a recent letter<sup>5</sup> to Congress requesting 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 recently 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.

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<sup>&</sup>lt;sup>5</sup> https://www.nasfaa.org/uploads/documents/FAFSA Simplif<u>ication Act Technical Amendments Letter.pdf</u>

We appreciate the opportunity to provide feedback to improve the 2025-26 FAFSA. If you have any questions regarding these comments, please contact me or NASFAA's Director of Policy Analysis, Jill Desjean, at <a href="mailto:desjeanj@nasfaa.org">desjeanj@nasfaa.org</a>.

Regards,

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