

NASFAA's "Off the Cuff" Podcast – Episode 282 Transcript

OTC AskRegs Experts: Debt Relief Neg Reg Updates and Unpacking FAFSA Family Size

Allie Arcese:

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Hey, everyone, welcome to another episode of "Off the Cuff." I'm Allie Arcese, NASFAA's Communications Director.

Jill Desjean:

I'm Jill Desjean with NASFAA's Policy Team.

David Tolman:

I'm David Tolman with Training and Regulatory Assistance.

Allie Arcese:

Welcome, everybody. This is actually our last podcast of the year of 2023. We were just talking a little bit before we started recording, if anyone has any unique New Year's Eve traditions or holiday traditions. Jill, do you guys have any?

Jill Desjean:

Not really. We've done this a couple of years in row, so I'll call this our new tradition. I love going to see The Nutcracker. As you know, a parent of a young child, when you have young kids, that's not on the table because no one can sit still for more than 15 minutes. My kids are a little older now, and so for the past two years we've been going to see The Nutcracker and we turned it into not a... maybe an afternoon-long thing. We go out to dinner at a place that we all like where it's not like Panera. It's a little nicer than that, but still has a menu that's friendly to everyone on the family. So it feels special, but we still fit in there. They let us in the door and we don't have to ask for plain this or plain that. So that's a nice little thing. We're doing that on Saturday.

Allie Arcese:

That sounds awesome. That sounds really fun. What about you guys, David?

David Tolman:

We have a lot of traditions around the holidays. A lot of them revolve around food. My wife makes excellent pies, so we have a whole load of pies at Thanksgiving and then again at Christmas and New

Years. Then on my mom's side, my ancestors are all Norwegian, so we have kransakake and krumkake and marzipan and all kinds of great homemade Scandinavian desserts. For New Year's Eve, it's usually playing games at home except downtown if we wanted to join in the excitement, and this is Boise Idaho, there is a potato drop on New Year's Eve.

Allie Arcese:

That's amazing. Paint the picture for us. Is the potato lit up? How big is the potato also, and is it a real potato or is it a artificial manufactured potato, like made out of plastic?

David Tolman:

It's a ginormous manufactured potato made out of something, and it's held up by a big crane right in front of the Capitol building in the park in front of that. Then they just lower it from the platform with the spotlight shining on it and big crowds of people doing the countdown as they lower the big potato. Here I am perpetuating stereotypes of Idaho, but yeah, that's the big thing.

Allie Arcese:

I'm adding that to my list of things I want to do before I die.

Jill Desjean:

Right?

David Tolman:

I've never done it. My son has, but unless you happen to be in Idaho, I don't know if I would actually make the trip.

Allie Arcese:

Does it literally just look like a potato or does it have glitter or is it blinged out?

David Tolman:

I think it looks like a big russet potato. You know the brownish-

Allie Arcese:

Can we find a picture of this-

David Tolman:

... skin, brownish [inaudible 00:04:17]

Allie Arcese:

... somewhere on the internet?

David Tolman:

... skin? There is a truck that tours the country with a big potato on it, and if you've ever seen that, then you've seen... maybe they use the same one, they grab it off the truck. I don't know.

Jill Desjean:

Oh, wow.

Allie Arcese:

Okay.

Jill Desjean:

Where can we get the tour schedule for that?

David Tolman:

I don't know. I only look for the Tillamook cheese van that comes over from Oregon. I don't know the tour for the Idaho... Idaho data, but I'm sure you can look it up.

Allie Arcese:

I think we're still looking for activities for NASFAA's All Staff Retreat this spring. So maybe the stars will align and the potato will come to D.C.

David Tolman:

Oh, could you imagine?

Jill Desjean:

I can't.

Allie Arcese:

Everyone's day would be made. Their year would be made.

David Tolman:

Yeah, everyone goes home with a free potato.

Allie Arcese:

I'm a potato enthusiast, so world's best food.

David Tolman:

There's all kinds of ways-

Allie Arcese:

You can do anything with them.

David Tolman:

Yeah. What's your favorite way?

Allie Arcese:

What's my favorite way?

David Tolman:

Mm-hmm.

Allie Arcese:

Oh, God, that's a hard question. I have to go with the french fry 'cause they're within that subset of potato style. There's so many ways that you can do a french fry.

Jill Desjean:

Waffle fry.

David Tolman:

Yeah, well, there-

Allie Arcese:

Curly fry, sweet potato fry.

Jill Desjean:

Crab fries in Maryland.

Allie Arcese:

This podcast is now about potatoes.

David Tolman:

Yeah, forget fun with FAFSA. there's not that much going on in the policy world either, is there? We can talk-

Jill Desjean:

Luckily, yeah.

Allie Arcese:

No. My favorite holiday tradition is Neg Reg, which coincidentally, is our first topic for today.

Jill Desjean:

I'm so glad to hear-

Allie Arcese:

I know.

Jill Desjean:

... I can make your holiday wishes come true by talking about Neg Reg, Allie.

Allie Arcese:

We just wrapped up this week, the final, final session of Neg Reg-

Jill Desjean:
Final session-

Allie Arcese:
... for the student debt relief. We talked about this last time, I think, Jill, right?

Jill Desjean:
We did. We did. The stars have aligned and every time I'm on the podcast happens to be a week that Neg Reg happened. So here we are again talking about the third and final session of this student loan debt relief negotiating session.

Allie Arcese:
How was this session? I heard that it got a little spicy at the end.

Jill Desjean:
Yeah. Yeah, it was a lot more contentious than I thought it would be, especially at the end.

Allie Arcese:
Yeah. How so? Tell us a little bit about what happened.

Jill Desjean:
Yeah, so starting on Monday right away, roll call, make sure everybody's there and then we had a negotiator resign from the committee. He was the alternate for the state attorney's general constituency, and he asked to have another constituency added for individuals who hadn't borrowed student loans. The department expressed their opposition to that. They said it was just too late in the process. We're week three and then two ways for this last week, but they did put it out to the negotiators. There has to be consensus to add a constituency, and so they put it out to the negotiators and they also shot it down. So in light of that, he said that he would resign his place on the committee. So that was a little bit of early drama.

Allie Arcese:
That's interesting. I don't know if anyone has resigned before in protest.

Jill Desjean:
Right.

Allie Arcese:
We've had people leave before because they had scheduling conflicts or a family emergency, but he was an alternate, so hopefully, it didn't throw things completely off the rail.

Jill Desjean:
Yeah, yeah. They're still a primary, they still have to vote.

Allie Arcese:

Yeah.

Jill Desjean:

If a constituency is empty, that doesn't withhold consensus. He made a statement, but it didn't derail negotiations, to your point. Even after that, once the department got into reviewing the regs themselves, negotiators seemed pretty disappointed with ED's proposals. They just were expressing a lot of feelings that they just didn't go very far. They didn't go far enough. In many places they felt like the department was unnecessarily limiting their own authority to cancel debt. They said, "Leave these regs a little more wide open so you have some more discretion," and then the end was really fell apart a little bit.

Allie Arcese:

I know reading Maria's article that it seemed like a lot of people had issues with the caps for certain buckets of relief, like 10,000, 20,000. I don't think anyone used this word, but it seems like they were getting at, "This is an arbitrary number."

Jill Desjean:

Yeah, yeah. Yeah, I don't know if people refer to it specifically at that, but they definitely were asking the department, "What's your justification-

Allie Arcese:

Yeah, how did you land on this number?

Jill Desjean:

... to get to be, 'Is this arbitrary?'" Yeah, it wasn't that unlike the IDR conversations that we had a couple of years ago, and you had a lot of people at the table who were very friendly to the concept. So you might think, "Oh, this is going to fly through Neg Reg and everyone's going to come to consensus and it's great." But like with the IDR discussions before people just said, "You can do more and you're not, and we're just not happy with this." So the negotiators who were down voting, who are not voting for consensus, also made sure to make themselves clear, "I'm not opposed to the concept. I want debt relief for this population, but I want more debt relief for them, and so I'm shooting down what the department has put out there," versus, "I don't want people whose interest is double what they borrowed to get forgiveness." Nobody wanted to be seen as shooting that idea down.

Allie Arcese:

Sure. That's really why they say the devil is in the details, because that's what it comes down to. You see so many issues where broadly, there is consensus and agreement on, "This is a thing that we should do," but how you do it, that's a different story.

Jill Desjean:

Right.

Allie Arcese:

But you said that the end got pretty heated. How did things go?

Jill Desjean:

Yeah, it was a really unusual ending from past Neg Regs that I've observed. Usually, the department holds a consensus vote. It goes however it goes. It's not always friendly. People don't like things and they're vocal about it, but the department thanks everybody and they all go on their way and everything is great. But this time, the department had not discussed one piece of their original agenda and that was debt relief for individuals who were experiencing a financial hardship. This category was meant to capture the people who weren't captured in these other provisions that they had developed but were experiencing a financial hardship that would impact their ability to repay their student loans. Negotiators started asking on Monday, "Hey, where's the proposed regulatory language for this? We don't see any."

The department said, "Yeah, we don't have any. We're going to address it tomorrow." So after consensus on Tuesday, the department brought in a researcher who presented some data and then followed that with a brief discussion about how they might address financial hardship and regulations. Negotiators really pushed back and just were saying, "Why are we doing this right now?" It was literally at 3:00 PM on Tuesday, negotiations were at 4:00. They were like, "We had this package. We had all this proposed regulatory tax. We have no text for this. We're obviously not voting for it today. What happens now with this category of relief for these borrowers who experiencing financial hardships if we are not as the committee of experts that you've brought to the table going to vote on some language?" They, to their credit, said, "We put a lot of work into this." They'd thrown out a lot of ideas in the earlier weeks of negotiations about how ED might go about crafting language, and they just felt like those efforts went to waste. So they were asking can the department do another session and to hash out that last topic, actually look at some red language. While the department left the door open to that possibility, they couldn't commit on the spot. There's a process they have to follow. There are a lot of resources involved in putting together a committee. So no one who was there on Zoom could say, "Yes, absolutely. We'll meet again, and this is when we'll do it." But that was definitely very unsatisfying to several of the negotiators.

Allie Arcese:

Procedurally, where do they go from here? Would they have to restart the whole process of going out and asking for nominations for negotiators, or is there zero chance that we see language about hardship in these regs that will come out, 'cause they can't-

Jill Desjean:

Right.

Allie Arcese:

... right?

Jill Desjean:

They can't drop regs without having negotiated booming. I think, and don't quote me on this, I think they can call just another session of this group of people. I don't think they have to put out a call for the negotiators, but it wasn't super clear from the talks. They did talk about public comment periods and public hearings and things like that, so I wasn't totally sure where they were heading. I remember there was a session a couple of years ago where they added a day-

Allie Arcese:

Yeah, that's definitely-

Jill Desjean:

... or they added [inaudible 00:13:15]

Allie Arcese:

... happened before.

Jill Desjean:

Yeah. So I think this could be similar to that, but I'm not an expert on this by any means.

Allie Arcese:

But I'm thinking back in those instances, I personally remember the 2016 Borrower Defense Neg Reg. They extended hours. They, I think, added a day if not additional entire session. But those were all determined before everyone parted ways.

Jill Desjean:

Yeah. Yeah. So this is a little different.

Allie Arcese:

So this is a little bit unprecedented.

Jill Desjean:

Yeah, it seems to be, so we'll see what happens there.

Allie Arcese:

So obviously, no consensus on hardship. There were a few areas where the group did come to consensus. Can you talk a little bit about those?

Jill Desjean:

Yeah. I'll note just to start that the department did run it so that they voted provision by provision, so not on the full package of debt relief, but on pieces of it. So similar to the way they've done it for bigger Neg Regs where they voted topic by topic, they actually broke up this one topic into individual provisions. So where the group found consensus-

Allie Arcese:

Meaning the areas where they reached consensus or binding?

Jill Desjean:

Exactly, yeah. So where the group found consensus was with respect to granting full cancellation in cases where the department determines a borrower isn't enrolled in, but otherwise meets the eligibility requirements for forgiveness under some other repayment plan. So if you qualified for, say, an income-driven repayment plan that came with forgiveness at the end of 20 years, if the department somehow

determined that you could have been enrolled in that plan for the past 20 years and would've qualified for forgiveness, they'll just give you the forgiveness if you met those criteria. They also agreed on full cancellation in cases where the department terminates the institution's or program's eligibility to participate in the Title IV programs if that's based on institutional failure to meet certain student outcome measures or fails to deliver sufficient financial value.

So the department was clear here, this wouldn't be based on just any program or institutional loss of Title IV eligibility. It would have to tie back to the student loans, so something like co-hort default rate or gainful employment. So if a school lost eligibility because they failed the 90/10 rule, that wouldn't trigger this provision. It would have to be based on a loss of eligibility that was based on student outcomes. This would also be limited just to the people whose data was used to determine that outcome measure. So if you think about cohort default rate, only the borrowers who were in the cohort that made the cohort default rate high would be the ones.

So if you attended the school 20 years ago when the CDR was low, you wouldn't qualify for relief, but people whose debt was in that cohort would qualify. Lastly, negotiators agreed on the department's proposal to offer full cancellation to students who attended closed gainful employment programs with high debt-to-earnings rates or low median earnings if those metrics, again, were based on time that the student was in attendance. So those are retroactive look backs, so those people who create those metrics have already graduated our repayment. The idea is that department can already keep the program from offering new debt to new students, but the people who were impacted are the people who already graduated. So if your data was in that cohort that led to the school failing those outcomes measures or those metrics then you would qualify for relief.

Allie Arcese:

That makes sense. Those are clear parameters.

Jill Desjean:

Yeah.

Allie Arcese:

Yeah. So where was consensus withheld?

Jill Desjean:

So negotiators withheld consensus on provisions that would've canceled debt for borrowers who'd been in repayment for 20 or 25 years as well as for borrowers who had outstanding balances that exceeded their original principal balances. Again, like I said before, they didn't disagree with these concepts. They did say if you've been in repayment for a long time or if you've got this balance that's been ballooning and ballooning because of accumulated interest, capitalized interest, you should be entitled to some relief. They disagreed with the details of it. For one thing, with the 20 or 25 years that just creates this automatic cliff. They didn't think it was fair that a borrower who'd been in repayment for 19 years and 11 months would be treated differently than someone who'd been in repayment for 20 years. It's a very unnatural cliff and a very arbitrary distinction between people.

Allie Arcese:

This would be one time?

Jill Desjean:

This would be one time. Yeah.

Allie Arcese:

Okay. That's why as I was reading Maria's story, I had questions specifically about the people who had large balances. Do you need to have a large balance today or how long would you have needed a large balance? So the idea is these are one-time cancellations to help people in very specific circumstances.

Jill Desjean:

Right. The idea is many improvements have been made to those federal student loan programs over the past several years, and there are better repayment plans out there. There are more forgiveness options, but people who've been a repayment for a really long time didn't have access to those when they just came out. Even if they got in them now, they would still have to repay for another 20 years before they qualify for forgiveness. So the idea is to make hold the people who have been harmed by the student loan system in ways that we've now gone back and fixed for new borrowers so that you're covering the whole spectrum of people who are entering repayment now and people who've been in repayment for a long time.

Allie Arcese:

Yeah, that's a great way of explaining it, a really holistic picture.

Jill Desjean:

I guess that's why they're doing it one time is because the idea is that for other people, you can go ahead and enroll and save now and then you can benefit from the cancellation at 20 or 25 years. The other place the group disagreed with the department was with caps on the amount of cancellation, which we talked about before, having to do with accrued and capitalized interest. They said you had your original balance, then you owe a certain amount, your forgiveness would be up to \$20,000 or just however much your interest exceeds what you originally borrowed, but no more than \$20,000. There were people at the table who work with borrowers all the time and they said, "Listen, I know people who have more than \$20,000 of accumulated interest. Why wouldn't we just forgive all of their interests? Why this \$20,000 cap?" So that was another place where there was, again, agreement with the concept but not agreement with the details.

Allie Arcese:

Yeah, and I do wonder if that comes from the original forgiveness proposal out of the administration where it was \$10,000 for everyone and up to 20 if you had a Pell Grant in school. That's just why those numbers ring a bell to me. But we'll see what the department comes up with there. What are the next steps?

Jill Desjean:

So we'll have to wait and see where this hardship thing goes, whether they can mean another session or what happens there. But regardless, the department will at least put out what's been voted on now for public comment. Any place where consensus was reached, that's the language that the department has to publish. Any place where consensus was not reached, the department can publish language as they see fit. They typically will still take into account the conversations that happened at the table, but

they're not held to it by any means. If they publish a final rule by November 1st, the rules then become effective the following July, so this would be July of 2025, unless they identify anything for early implementation.

Allie Arcese:

Of course, there's still going to be the aspect of once this is introduced there may be challenges to the rule. We've seen that happen before, so anything is possible or many things are possible.

Jill Desjean:

Everything is possible.

Allie Arcese:

All right. Well, lots more to happen there. Thanks, Jill. Now we're going to turn back to everyone's favorite segment, Fun with FAFSA featuring David Tolman. NASFAA recently did a webinar on verification and we received a lot of questions on that. What are you going to summarize for us today, David?

David Tolman:

Yeah, well there's a lot of overlap between verification, the topic of Tuesday's webinar and the application itself, and it's very detailed. David Futrell did a really good job on that webinar on Tuesday, and I'd recommend everybody watch it. It's two hours, but it's a lot of information, no way we can cover it in the 10 minutes we've got today. So I'd suggest watching and re-watching that webinar. There's four Davids on NASFAA's staff. I think we could distinguish him by Saint David the patron saint of verification because he does such a good job with it, so I will recommend that. But yeah, we're going to just stick with a narrow part of the Fun With FAFSA that we've been covering.

Allie Arcese:

Yeah. Is it still fun? Are we still having fun?

David Tolman:

Oh, yeah, we're still having fun. I think we're moving on from providers and parents to we can finally cover family size, right? No longer household size, but it's family size.

Allie Arcese:

Yeah, I made that mistake before we started recording, and I got an earful for it.

David Tolman:

I know, words matter, so family size for '24-'25. So family size is now based on, it's part of the federal tax information or FTI, that data that transfers to the FAFSA using the FADDX. So family size is now the tax filers and their dependents as claimed on the federal tax return. When I was in financial aid, and I know colleagues had long conversations with parents, it doesn't matter whether you have claimed this person on your tax return as a dependent, that does not make that person independent. We've always said, "Ignore what you did on the tax return," but now it's very relevant again, because the statute is now defining household size to be based on that and it makes it easier. But there's still not an effect on the student's dependency status, but definitely on family size. So online FAFSA, if you're doing the data

transfer of it, will come over FTI, but a question will pop up saying, "Is your current family size different from the number of individuals reported on the tax return?"

So there's a couple of issues for the '24-'25 award year and the FAFSA, the base year tax date is from 2022 calendar year. Obviously, changes can occur between then and when the FAFSA is submitted, but also the number of individuals that were claimed as dependents is not going to be displayed to the FAFSA applicant because it is considered FTI, so all of that FTI is masked. So I can see this being an issue, someone's completing it and they're like, "Well, I don't remember who I claimed," so they might put it in there anyways. We'll talk about that in a minute. But the language on the paper FAFSA, and we now have a final paper FAFSA and using this as an independent student as an example, and I imagine this wording will be similar, but include the student and the spouse, the student's dependent children, even if they live apart due to college enrollment and other people living with the student now. Then it goes on to say, "The student will provide more than half of their support between July 1, 2024 and June 30, 2025."

Now that wording is there, but it's meant as a proxy for the IRS-dependent instructions. So somebody who's completing the FAFSA and they're not sure what their family size is now because things have changed, rather than digging into IRS instructions, they can just follow these FAFSA instructions. ED designed it to line with IRS code, but still a proxy, but when manually updating, the applicant should use the FAFSA definition. So tax filers are always included. If they don't change the dependent calculation, then that FTI data is going to be used to calculate the student's student aid, Index or SAI. If it's manually input, the FAFSA data that they've manually input will be there to... or that will be used to calculate the SAI. But if they use a DDX and they manually input, when a financial aid administrator finally sees an ICER, both figures are going to show in different parts of the ICER. But if it's manually entered, then they'll know, okay, there's a figure there. That's the number that was used in the Student Aid Index calculation.

Allie Arcese:

Okay. You mentioned that others can be included in the family size even if they live apart due to college enrollment. So does that mean that only those enrolled in college can be included in the family size if they don't live with the parents or the student if independent?

David Tolman:

Yeah, it is confusing. The Department of Education's told us that because of college enrollment is just an example, and it's likely, it's likely given the population of who's completing the FAFSA that it's going to be the most common example. But even the IRS lists some conditions that others could be listed as a dependent or claimed as a dependent if they're not in the household. But it's all based on something temporarily such as an illness, somebody's hospitalized or somewhere or away on business or away on vacation, military service, detention in a juvenile's facility, and then it hits the one we're talking about, or education. So that's an IRS code. So IRS gives some examples as well, but those even are just examples, does not mean that it can only be limited to those reasons. There's still other conditions that could allow a student to be included in family size as long as that reason that they're away is temporary.

Allie Arcese:

Yeah, there could be a lot of unique circumstances-

David Tolman:

Oh, yeah.

Allie Arcese:

... to take into consideration. Can we do a round of what abouts-

David Tolman:

Oh, yes.

Allie Arcese:

... type questions?

David Tolman:

Oh, yes. I love that game.

Allie Arcese:

Okay.

These are all based on questions that NASFAA has received, so we'll start with this one. What about an unborn child?

David Tolman:

Okay, so Allie, you're starting with a hard one, and this is a change. It's a big change. An unborn child cannot be included regardless of when that child's expected to be born, so that's a big change.

Allie Arcese:

That's interesting. What's the reasoning behind that?

David Tolman:

Well, remember there's now a correlation, and this comes from statute between individuals claimed as dependents on the tax return and family size and then unborn child can't be claimed as a dependent on the tax return, so the unborn child cannot be included in family size.

Allie Arcese:

Okay. Is there any way around that? For example, could the financial aid administrator use professional judgment to include that child, that unborn child in the family size?

David Tolman:

Yeah. Well, no, unfortunately, the answer is no. NASFAA has confirmed that with the Department of Education who has told us that using PJ or professional judgment to add an unborn child to the family size would circumvent statute. But what can be done mirrors the former rules on updating household size. One is, the student has been selected for verification, and now at the time of verification, the child is born and meets all the other conditions of being able to be included in the family size. That's one time that it can be updated. Another one is if the newborn child changes the student's dependency status. Dependency status changes always have to be updated, and they'd have to report the new family size. Other than those two, though, yeah, you wouldn't be including an unborn child.

Allie Arcese:

Those are instances of happenstance, and it sounds like you can't intentionally go and change that.

David Tolman:

No. You can intentionally select someone for verification if they hadn't already been selected-

Allie Arcese:

Interesting. Okay.

David Tolman:

... and the school's policy allows for that.

Allie Arcese:

Okay. Good to know. Let's move on to our next what about question. What about a sibling who is older than 24. Can that student be included in family size?

David Tolman:

Yeah. If the family member meets the criteria to be considered independent for FAFSA purposes, that doesn't preclude that person from being included in the family size as long as all the other criteria are met, they could be claimed on the tax return or the parents of the sibling provide more than half of their support during that award year. Primarily, that student would live with the family, but they're temporarily absent because they're attending school. So just because over 24 doesn't alone exclude that person.

Allie Arcese:

Gotcha. Can a school have a policy to exclude an independent sibling from family size?

David Tolman:

No, and we have been asked that question. You cannot have a policy to exclude someone who otherwise would be eligible for being included in family size and then that goes into the SAI calculation. That's for the same reason that you cannot include an unborn child is it circumvents statute.

Allie Arcese:

Okay.

David Tolman:

The statute intended family size to be based on a certain definition, so a policy to exclude it would go against statute.

Allie Arcese:

Got it. All right. Next question. What about foster children? Are they included in family size?

David Tolman:

Yeah. So the family size criteria is going to apply again. Primarily, you're going to be looking at that financial support question. So for foster children, if the state, the foster care system or some other

source is providing more than half of the financial support of that foster child, then the foster child could not be included.

Allie Arcese:

Okay.

David Tolman:

But there's not a rule that says foster children cannot be if they otherwise meet the criteria.

Allie Arcese:

Okay, that makes sense. What about an exchange student?

David Tolman:

Again, nothing automatically excludes an exchange student, although in reality, it's unlikely for an exchange student to be included because of that criteria for providing more than half of the student's support during the entire award year, which would be from July 1, 2024 through June 30, 2025. In most cases, an exchange student is not there for that full 12-month period. But if they were and they meet all the other criteria, then, yeah, they could be included in the family size.

Allie Arcese:

Okay, and last question. What about verification? Do schools always verify family size?

David Tolman:

Yeah, if it's FTI data and unchanged, no, that's not subject to verification. If it's manually input either because it's a paper FAFSA or it's an online FAFSA and they updated it, then it is subject to verification unless the FTI data and the manually input data match, if they're the same number. This could be a common occurrence because applicants might not remember the number of dependents on their tax returns. So they think about it, they put in a number when they're completing the FAFSA, and it turns out to be the same number. Well, it's already come over from the FTI. Even though the manual number is the one that's being used, if they match, there's no reason to reverify it. So it's going to be interesting to see how many applicants manually input that family size because they just-

Allie Arcese:

Yeah, definitely.

David Tolman:

... don't know. They don't remember.

Allie Arcese:

So if a student is not selected for verification and the FTI number does not match the number that they manually input, is that conflicting information?

David Tolman:

No. No. A difference in those numbers is not considered conflicting information on its own. Like we talked about, the circumstances can change between the base tax year and what the family size looks like when the FAFSA is submitted, so there could be a real good reason. So no, it's not conflicting information and financial aid administrators don't need to go looking for differences, nor are they required to take any action if they happen to come across a difference.

Allie Arcese:

That was certainly a fun Fun With FAFSA session as always.

David Tolman:

We pretty much just got the parents and family size down now, but yeah, we've had a lot of fun with it.

Allie Arcese:

There's still so much stuff to go over, but the FAFSA will be coming in a matter of days, weeks, we don't know. It could be today, could be tomorrow.

David Tolman:

Could be. Could be. Yeah.

Allie Arcese:

What's the general timeline here, David?

David Tolman:

Okay, so in stages, but the online FAFSA we've been told will be available by December 31, 2024. In Wednesday's policy webinar, I had my eye on the chat and there was a lot of fun with this. The comments that the community was making in the countdown on New Year's Eve, "10, 9, 8, 7, and the FAFSA is now live, 3, 2, 1," and then people saying, "Yeah, well, it's Page 404, Not Found Errors," or whatever show up. But yeah, so the online FAFSA by December 31st. Schools won't see an ICER until probably the end of January 2024. No specific date on that. Schools will be able to start making corrections beginning in February 2024. Again, not a specific date for that.

Students won't be able to immediately make corrections either in the electronic announcement. The timeline for when the ICERs will be made available is going to also be about the timeframe where students can start making corrections on their FAFSA. So that may create some confusion, some delays for the financial aid offices 'cause the student has submitted it, but the ICER might be who knows how many weeks behind and they're like, "I think I made a mistake. Can you tell me what I..." Anyway, FAFSA submitted by paper can be submitted, but they won't begin processing until sometime in February 2024.

Allie Arcese:

Ooh, there's a lot to take in there.

David Tolman:

All these can be seen in the November 15th electronic announcement.

Allie Arcese:

Thank you. I know everyone is on the edge of their seats with this stuff. Again, this is our last episode for 2023, but be sure to keep an eye on Today's News, NAFSAA's social media channels. We will have updates with what we know whenever the FAFSA does go live. Other than that, that wraps up this episode of "Off the Cuff." That wraps up 2023. We hope you all have a wonderful holiday season, a happy New Year, and we're just very grateful for all of our members and everything you do. We will see you guys in 2024. So in the meantime, reach out with questions, comments, tell a friend, and we'll see you next year.