

FAFSA 2024 -25 SIMPLIFICATION



Updated January 4, 2024

On Dec. 27, 2020, Congress passed the *FAFSA Simplification Act*. This act will offer a major redesign of the processes and systems used to award federal financial aid. Below is an overview of the current proposed changes as of Sept. 2023. Please visit [StartWithFAFSA.org](https://startwithfafsa.org) for the most up-to-date information.

- On December 31, a “soft launch” of the 2024-25 FAFSA was released. During the soft launch, the FAFSA form will be available for short periods of time to allow Federal Student Aid to monitor site performance and update the form.
- The number of questions on the FAFSA has been greatly reduced.
- New on the Federal Student Aid ID, or FSA ID:
 - ⇒ Every student, parent, or spouse that is required to complete a section of the FAFSA will need to have a verified FSA ID, even if they do NOT have a Social Security Number (SSN). [Instructions for those creating the FSA ID without an SSN can be found here.](#)
 - ⇒ All FSA IDs must be set up **3-5 days** before starting the FAFSA.
 - ⇒ Married students and parents who filed their taxes separately must each create their own FSA ID to enter information and sign the FAFSA.
 - ⇒ Everyone creating an FSA ID will need their own individual email address.
 - ⇒ The FSA ID will encourage a two-factor authentication each time the user logs in to the FAFSA.
- Everyone who enters their information on the FAFSA must give the U.S. Department of Education consent to access their federal income tax information from the IRS, even if they did NOT file a tax return.
- The parental information used on the FAFSA will be from the parent who provided the most financial support in the last 12 months.
- Each person completing the FAFSA will only be able to see questions related to their role. For instance, students will only see questions that should be answered by the student and parents will only see questions related to their role.
- Family size will come from the number of exemptions reported on the federal tax return used to complete the FAFSA. Some exceptions will be allowed.
- Families with an adjusted gross income of \$60,000 and higher will be required to answer asset questions on the FAFSA form.
- There is no longer an exemption for small businesses with fewer than 100 employees or family farms. The net value of the business and family farm will need to be reported in the asset section of the FAFSA. The latest definition of determining farm value was stated as this: *Net worth of a farm now includes the value of a family farm. However, the value of a family's primary residence is still excluded. The net worth of a farm may include the fair market value of land, buildings, livestock, unharvested crops, and machinery actively used in investment farms or agricultural or commercial activities, minus any debts held against those assets.*
- The Expected Family Contribution, or EFC, has been renamed as the Student Aid Index, or SAI.
- The Student Aid Index (SAI) formula will no longer be divided by the number in college. Students with multiple siblings in college have the potential to have a much larger SAI with no change in income.
- The Student Aid Report, or SAR, has been renamed as the FAFSA Submission Summary.
- An incomplete FAFSA that has shown no activity for 45 days must be restarted and all contributors must redo their sections. Reminder emails will be sent to contributors after seven and 14 days.

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