

The FAFSA: Free Application for Federal Student Aid

How Does FAFSA Work?

The FAFSA is designed to help even the playing field and give anyone interested in attending college a financial chance to do so. The forms are reviewed by officials in the U.S. Department of Education who analyze all the financial information you provide and use it to calculate your expected family contribution (EFC).

The FAFSA EFC is what the government and colleges, based on their somewhat complicated calculations, determine that your family can afford to pay out-of-pocket for college each year. This is a very important number.

The federal and state governments will use the FAFSA EFC and any other relevant information you provide to figure out what government grants you qualify for, and then they'll pass the information along to the colleges you've listed on the form.

Each college then has the opportunity to put together an awards package for you. The gap between the overall costs of attending the school (which include tuition, room, and board) and your EFC is the amount your award package seeks to fill in. Some schools require additional forms beyond the FAFSA (like the CSS Profile) to figure out their awards packages, but most of the colleges in the nation use the FAFSA.

The amount each school provides you in its award package isn't just about the FAFSA EFC, it's also influenced by how much they want you to attend and how much money they have to give. In other words, don't discount the prestigious colleges due to cost. They're often the ones with the most money to spend on attracting the students they want. If you're a good student, you may find it cheaper to attend an ivy league than your local state school.

How Do I Determine My FAFSA Eligibility?

Probably, most students are. If you can check off these boxes, you should fill out a FAFSA.

- I'm a U.S. citizen, a U.S. national, or an eligible non-citizen.
- I have a social security number.
- I have a high school diploma or GED.
- I don't currently owe refunds on federal student debts.
- I'm not in default on any student loans.

In addition, these types of students are also eligible:

- I have an unusual immigrant status
- I have a non-traditional family
- I don't depend on one or both parents

What the FAFSA Application Can Get You

By filling out the FAFSA you gain potential access to three types of aid:

- **Grants** – Aid that you don't have to pay back, including Pell grants.
- **Loans** – Money that you will have to pay back, plus interest. The interest rates for FAFSA loans will often be lower than for other types of debt, but many students still end up paying back double what they borrow by the time they pay it off, so be cautious with how much of this type of aid you accept.
- **Work Study** – The federal work-study program encourages students to find jobs either on campus or in fields related to their studies in order to earn part of their aid package. It's not free money like grants since you work for it, but you don't have to pay any of it back.

Where to Find the FAFSA

The FAFSA is available online at fafsa.gov If you need a paper copy, you can download a PDF at www.studentaid.ed.gov/PDFfafsa or call 800-4-FED-AID (433-3243).

FAFSA on the Web

You can complete, submit and track your application online. This is the easiest way to apply for federal aid. The online program (fafsa.gov) even checks your data before it is transmitted to the processing center, so there's less chance of making an error.

Before You Apply

Complete your income tax return. When completing your FAFSA, you and your family will be able to use your most recent completed tax returns. (For example, when completing your FAFSA early in fall 2022, you can use your 2021 tax returns.) You can transfer your income data directly from the IRS website to your FAFSA, making it easier to accurately complete the FAFSA.

Be sure to complete your FAFSA soon after it becomes available on Oct. 1. Filling out your FAFSA as early as possible can help you get a jump on other financial aid applications (state or institutional aid) that may have early deadlines. It also will give you more information earlier about the financial aid you qualify for and will help you make an informed decision about which college is the best financial fit for you.

Create an FSA ID. When you start your FAFSA on the web application, you will set up your account by creating a user ID and password. These will become your online identifiers for all federal student aid programs. You will need to provide your own email address and password. (Parents will create their own account using a different email address and password). Set up your user ID and password before you start your FAFSA.

Collect documents:

- Your social security number
- Your parents' social security numbers if you'll be filing as a dependent
- Your driver's license number (if you have one)
- Your alien registration number (for non-citizens)
- Your federal tax returns for you and anyone else you need to provide information for (potentially, your parents, husband and any dependents)
- Records of any untaxed income you've received – this may include child support payments, interest earned on your bank accounts, or veterans' benefits.
- Information on any other financial assets you have, such as cash, the money in your bank accounts, and the amount invested in stocks and bonds.

Completing the Application

If you are considered a *dependent student* for purposes of the FAFSA[®], you will need to provide information about your legal parent(s) on the application. A legal parent is your biological or adoptive parent, or your parent as determined by the state (for example, if the parent is listed on your birth certificate). If you have a stepparent, you generally also must provide information about him or her.

Do I need to apply for financial aid every year?

Yes, you must reapply for aid every year. Also, if you change schools, your aid doesn't automatically transfer with you. Check with your new school to find out what you need to do to continue receiving financial aid.

What kind of information must my parents provide for the FAFSA?

For each parent, you'll report similar information to that you report for yourself: basic information about your parent's identity (e.g., name, Social Security number—if he or she has one, date of birth); living situation (e.g., marital status, state of residence, household size); and financial circumstances (e.g., tax information, certain assets, certain untaxed income).

What if my parents are concerned about providing their information because of their citizenship status?

Your parents' citizenship status does not affect your eligibility for federal student aid. In fact, the FAFSA doesn't even ask about your parents' status.

Reminders and Resources

Oct. 1 is the first day you can file the FAFSA. You should try to file as close to this date as possible. College, state and private aid deadlines may be much earlier than federal deadlines. You should pay attention to your colleges' priority financial aid deadlines. It's a good idea to file your FAFSA as early as possible, so that you can get a jump on other financial aid applications (state or institutional aid) that might have earlier deadlines.

The IRS Data Retrieval Tool

You can save time and effort if you qualify to use the IRS Data Retrieval Tool. It will transfer your income tax data directly from the IRS to your online FAFSA.

You and your parents may be eligible to use this tool if:

- Your family income tax returns were filed electronically at least two weeks before you complete the FAFSA.
- Your family income tax returns were mailed to the IRS at least eight weeks before you complete the FAFSA.

If you are eligible to use the IRS Data Retrieval Tool and choose to do so, you'll be transferred from the online FAFSA to the IRS website, which will guide you through the transfer of your tax information. When you're done, you'll be sent back to your FAFSA.

You don't have to use this tool, but it's recommended that you do. If you must complete the FAFSA using estimated income tax information, you can always return to FAFSA on the Web to use the IRS Data Retrieval Tool once you have filed your tax forms.

What Happens After You Apply

Once you submit the FAFSA, your family's financial information is analyzed using the federal need formula.

Where does my FAFSA information go once I submit it?

Once you submit your FAFSA your information is shared with the colleges or career schools you included on your FAFSA, and in some cases with your state's higher education agency.

The financial aid office at a school to which you applied for admission uses your FAFSA information to determine how much federal aid you may receive at that school.

If the school has its own funds to use for financial aid, it might use your FAFSA information to determine your eligibility for that aid. (The school might also have other forms it wants you to fill out to apply for aid there, so check with the school's financial aid office to be sure.)

The FAFSA information also goes to the higher education agencies in the states where your chosen schools are located. Many states have financial aid funds that they give out based on FAFSA information.

The Student Aid Report (SAR)

After the information you provided is analyzed, you will receive a SAR that contains the data you entered on the FAFSA. The U.S. Department of Education will send this form to you either by email or by postal mail. You'll get your SAR within three days (if you complete your FAFSA online), to three weeks (if you mail your paper FAFSA) after you submit your FAFSA.

Review the SAR carefully for errors (the form highlights items that may need attention) and follow directions for making and submitting corrections. Submit corrections promptly. Make sure to keep a copy of the SAR for your records.

The SAR won't tell you how much financial aid you'll get; it's a summary of the information being sent to the schools you list on your FAFSA.

Expected Family Contribution (EFC)

On the front page of the SAR, you'll find a figure called the expected family contribution (EFC). Your EFC is an indicator of your family's financial strength. It is sent to your state scholarship agency as well as to the colleges you listed on the FAFSA. They use this number to determine your financial aid award.

Although the EFC is based on dollar figures, it is not the exact amount you will have to pay for college, and it is only used as an index to determine your eligibility for federal awards. Other factors, the largest being the cost of your school, play in to the amount and type of aid you can receive. Additionally, each school has its own formula for determining aid, so you may owe less than the EFC calculated on the FAFSA.

Other Financial Aid Forms

After you complete the FAFSA, make sure you submit any additional financial aid forms that your colleges require. For example, some colleges require you to submit the CSS/Financial Aid PROFILE® or their own forms.