What You Need to Know About Financial Aid

Slide Handout

NASFAA FINANCIAL AID NIGHT

2026-27

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September 2025

National Association of Student
Financial Aid Administrators Presents …

What You Need to Know About Financial Aid

September 2025

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Topics We Will Discuss

- What is financial aid, cost of attendance (COA), student aid index (SAI), and financial need?
- Categories, types, and sources of financial aid
- Free Application for Federal Student Aid (FAFSA®)
- Special and unusual circumstances
- New for 2026-27

Unless otherwise noted, screenshots are taken from the U.S. Department of Education's 2026-27 FAFSA® Preview Presentation, August 2025

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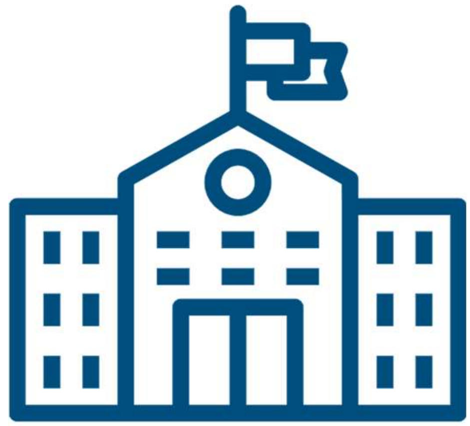
What Is Financial Aid?

Financial aid consists of funds provided to students and families to help pay for postsecondary educational expenses



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What Is Cost of Attendance (COA)?

- Tuition and fees
- Housing and food (living expenses)
- Books, course materials, supplies, and equipment
- Transportation
- Miscellaneous personal expenses

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What Is Student Aid Index (SAI)?

Number resulting from the evaluation of a student's (and family's) approximate financial resources for a student's postsecondary education

Student contribution

Parent contribution

(for dependent students)

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What Is Financial Need?

Cost of attendance (COA)

– Student aid index (SAI)

= Financial need

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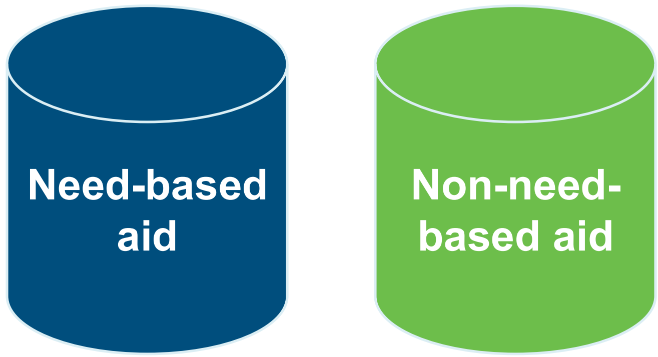
What You Need to Know About Financial Aid

Categories of Financial Aid



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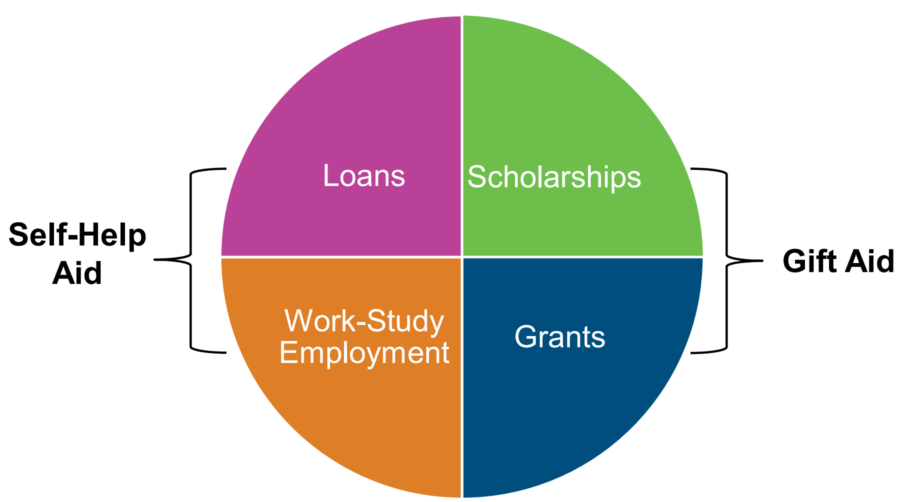
Types of Financial Aid



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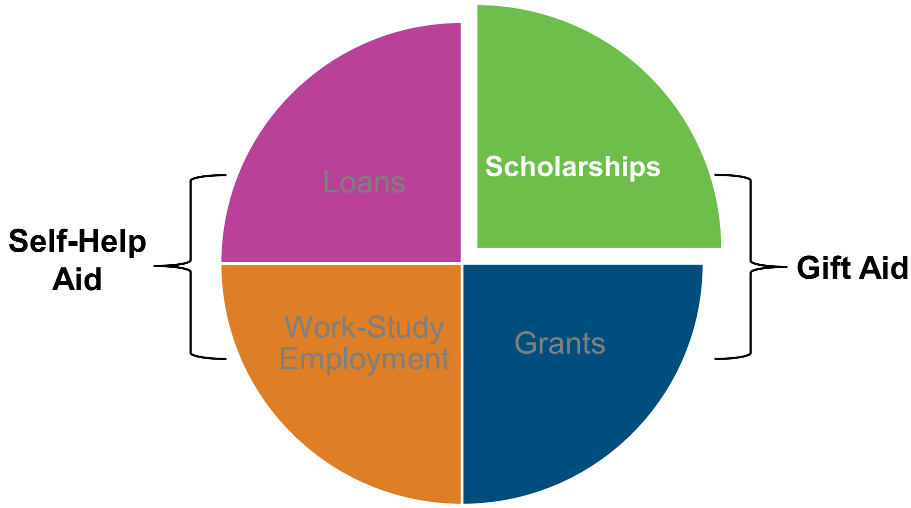
Scholarships



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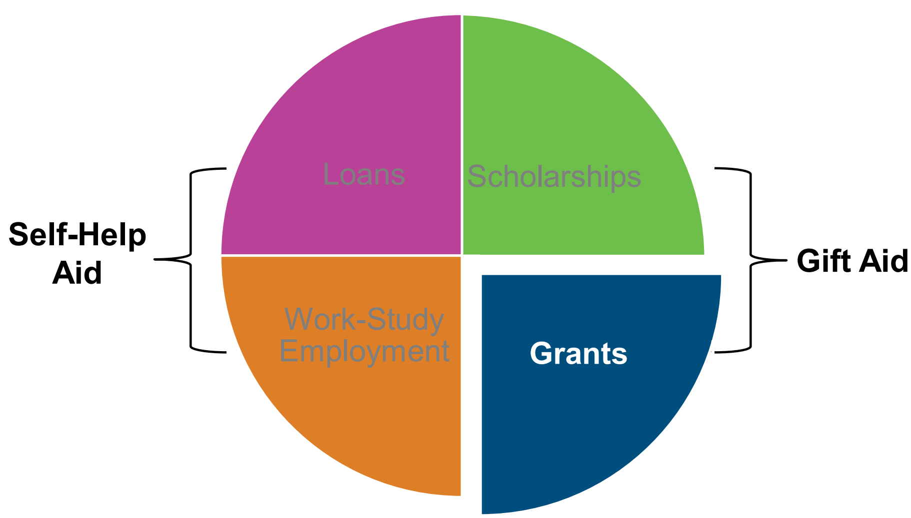
Grants



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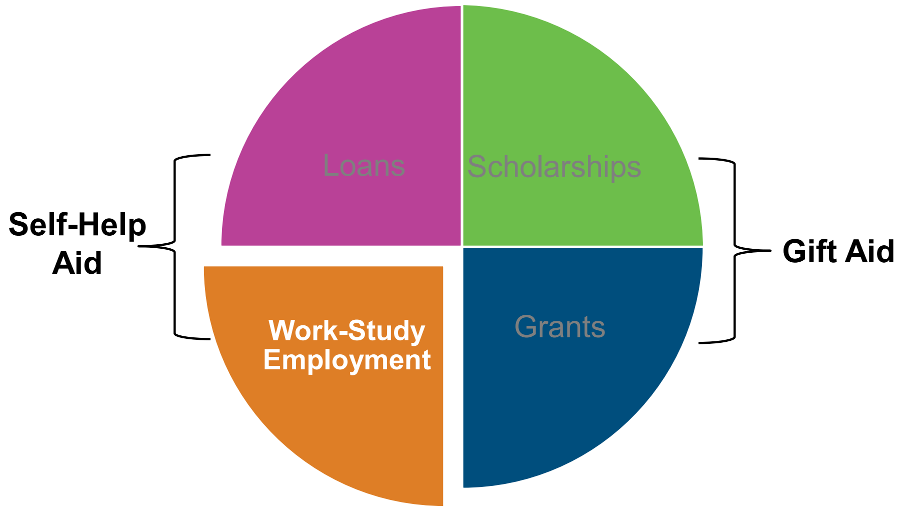
Work-Study Employment



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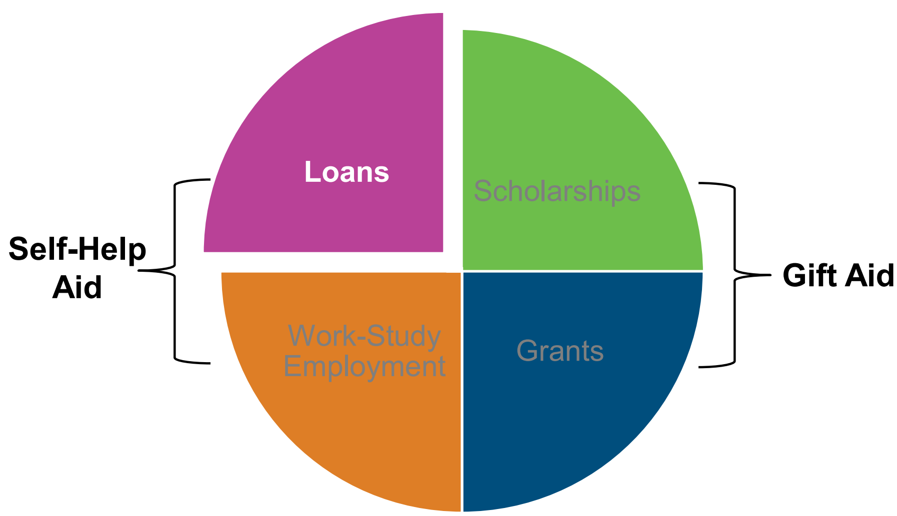
Loans



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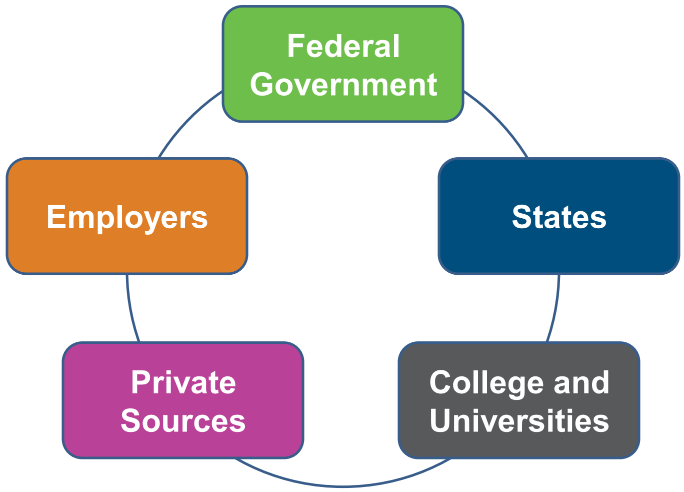
Sources of Financial Aid



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Federal Government

- Largest source of financial aid
- Aid provided primarily based on financial need
- Must apply each year using the FAFSA
- Eligibility requirements must be met

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Federal Student Aid Programs

Federal Pell Grant*	Federal Supplemental Educational Opportunity Grant (FSEOG)	Teacher Education Assistance for College and Higher Education (TEACH) Grant
Federal Work-Study (FWS)	Federal Direct Student Loans (Direct Loans)	**Federal Direct PLUS Loans***

**Changes to program effective with 2026-27 award year*

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Federal Pell Grant Changes

NEW

- Creation of Workforce Pell Grant
- Limitations on Pell Grant eligibility
  - Student is not eligible for the Pell Grant if:
    - SAI exceeds twice the maximum Pell Grant amount; or
    - Student's nonfederal grants and scholarships cover entire COA (even if otherwise eligible)

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Parent PLUS Changes

NEW

- New borrowers on or after July 1, 2026:
  - Annual loan limit: $20,000 per dependent student
  - Aggregate loan limit: $65,000 per dependent student
- Legacy borrowers may borrow at previous loan limits for the shorter of:
  - 3 academic years; or
  - Time for student to complete program

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States

- Residency requirements usually apply
- Aid may be provided based on both merit and need
- Use information from the FAFSA and/or state aid applications
- Deadlines vary by state

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Colleges and Universities

- Aid provided based on both merit and financial need
- Aid may be gift aid or self-help aid
- Use information from the FAFSA and/or institutional applications
- Deadlines and application requirements vary by institution

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Private Sources

- Foundations, businesses, churches, civic, and charitable organizations
- Deadlines and applications procedures vary
- Begin researching private sources early

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Employers

May have scholarships available to the children of employees

May have educational benefits for their employees

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Federal Student Aid Estimator

- Early estimation regarding SAI and possible Title IV aid available
- Requires demographic, income, and asset information

https://studentaid.gov/aid-estimator

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Free Application for Federal Student Aid (FAFSA®)

- Collects demographic and financial information
- Information used to calculate the student aid index (SAI)
- Colleges use SAI to offer financial aid
- Available in English and Spanish
  - Assistance available in additional languages

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Free Application for Federal Student Aid (FAFSA)

- May be filed at any time during an academic year, but typically no earlier than October 1st prior to the academic year for which the student requests aid
- **For the 2026-27 academic year, the FAFSA will be available by October 1, 2025**
- Colleges may set FAFSA priority dates

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Free Application for Federal Student Aid (FAFSA)

- Online FAFSA
- PDF FAFSA

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Benefits of Using Online FAFSA

- Simplified application process
- Built-in edits to prevent costly errors
- Skip-logic allows student and/or parent to skip unnecessary questions
- No need to manually enter federal tax information (FTI)
- More timely submission of original application and any necessary corrections
- More detailed instructions and "help" for common questions
- Ability to check application status online

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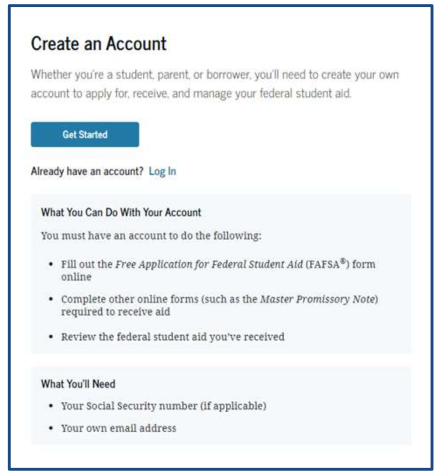
StudentAid.gov Account Username and Password (FSA ID)

- Used for FAFSA completion and access to certain U.S. Department of Education websites
- Student and parent must create own FSA ID
- May be used throughout financial aid process, including subsequent school years
- Only the owner should create an FSA ID



Apply at https://studentaid.gov/fsa-id/create-account/launch

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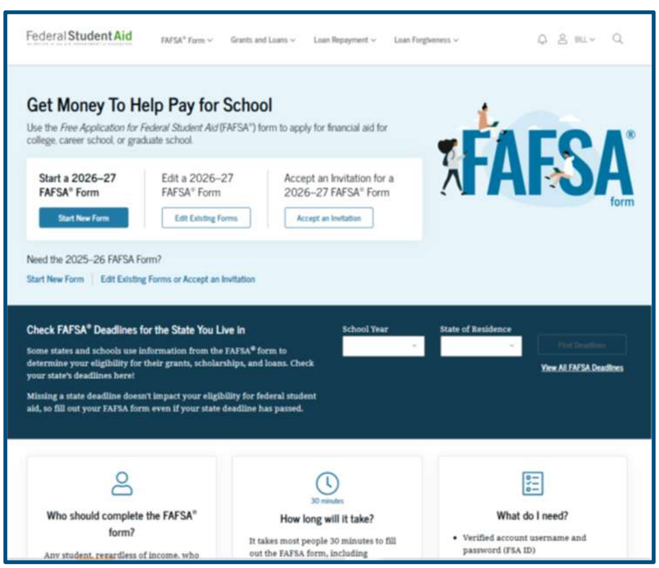
Online FAFSA



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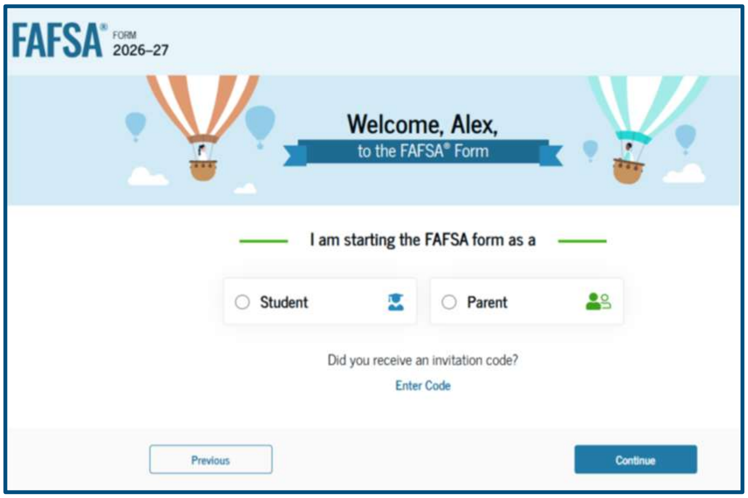
Online FAFSA



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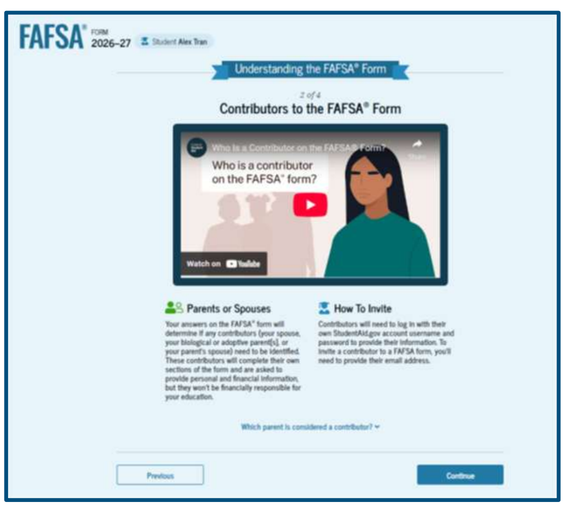
FAFSA Contributors



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FUTURE Act Direct Data Exchange (FA-DDX)

- Allows for an individual's federal tax information (FTI) to be directly transferred from the IRS to the FAFSA
- Consent is required by all contributors on FAFSA
- IRS transfers information to populate FAFSA income questions for most tax filers
- Eliminates manual entry of tax and income information

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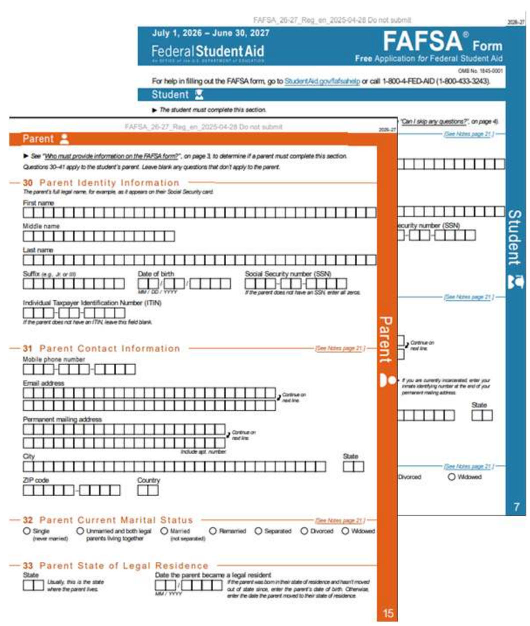
PDF FAFSA

- Can use the PDF FAFSA to review questions that will be asked on online FAFSA for student and parent(s), if applicable



Source: 2026-27 FAFSA Draft

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Student Information

- Identity and contact information
- Consent for FTI transfer from IRS
- Marital status
- College plans
- Personal and unusual circumstances

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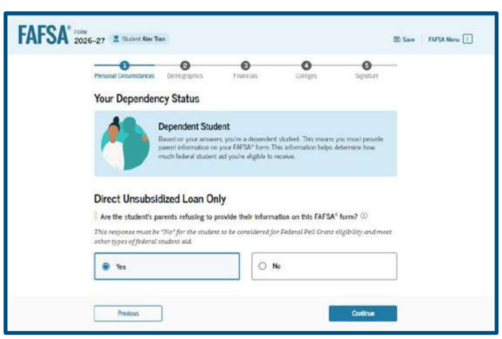
Student Dependency Status



- Born before January 1, 2023?
- Married?
- Graduate or professional student?
- Active-duty military?
- Veteran?
- Children or legal dependents?
- Orphan, ward of the court, foster care?
- Emancipated minor or legal guardianship?
- Homeless or self-supporting and at risk of homelessness?

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Unusual Circumstances

- Conditions that justify an institution making an adjustment to a student's dependency status
  - Cannot contact parent or contact poses risk to student
- Student does not provide parental data on FAFSA
  - Considered provisionally independent
- Student follows institution's process for dependency override determination

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Student Information

- Demographic information
- Citizenship status
- Parents' education status
- Parent killed in line of duty
- High school information

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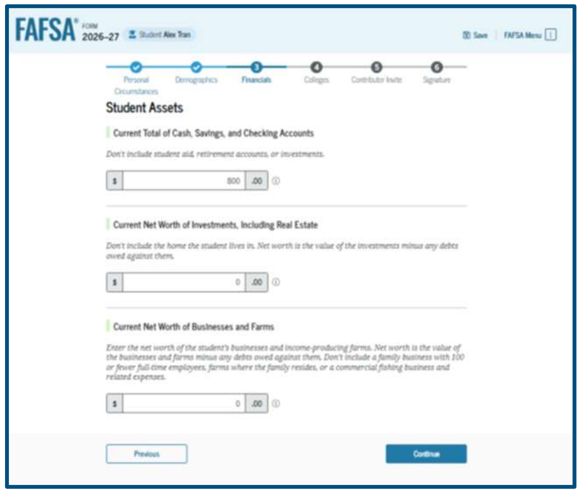
Student Financial Information

- Tax return information
  - Minimal questions if FTI transferred from IRS
- Asset information



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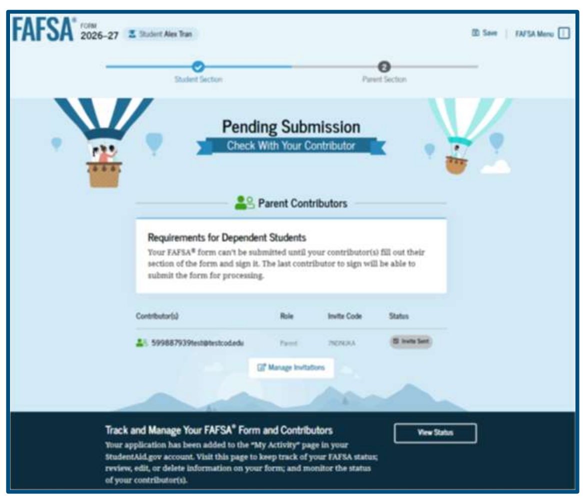
Student Section Completion

- College selection
- Parent invitation
- Review of information
- Signature



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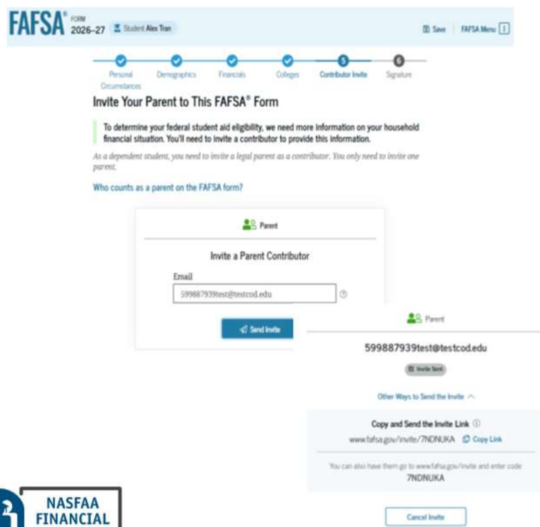
Student Invites Parents to FAFSA

NEW



- Student enters parent email address to invite them to complete parent portion of the FAFSA
- Invitation link or invitation code can be shared directly

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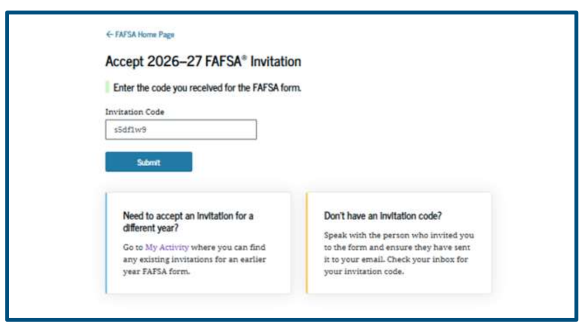
Parent Invitation

NEW

- Accept email invitation or use invitation link or invitation code to complete parent portion of student's FAFSA
- Parents must use FSA ID to access FAFSA



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Parent Information

- Identity and contact information
- Consent for FTI transfer from IRS
- Marital status
- State of residence

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Parent Financial Information

- Receipt of means-tested federal benefits in the previous two years
- Tax filing status
- Family size and number in college
- Tax return information
  - Minimal questions if FTI transferred from IRS
- Assets
- Other parent information

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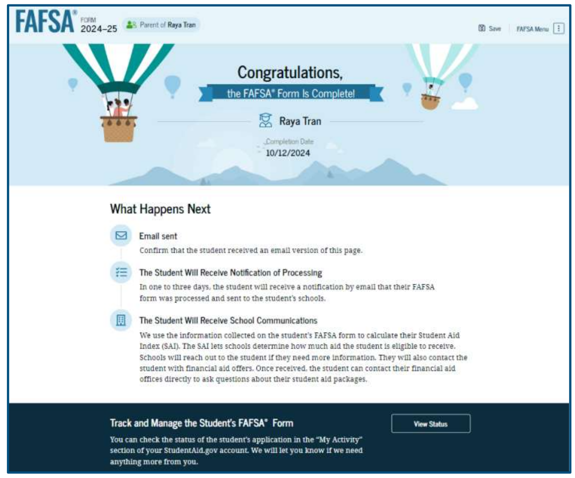
Parent Section Completion

- Review of information
- Signature and submission of FAFSA



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Other Considerations

- If independent student is married, spouse information is required as well
- Consent to transfer FTI from the IRS is required for <u>all</u> contributors
  - Including student, student's spouse (if applicable), parent, and other parent (if applicable)
- Students, parents, and preparers may start, complete, and submit a FAFSA

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Who Is Included in Family Size?

Dependent Applicants	Independent Applicants
• Student • Parent (and spouse) • Parent's dependent children, even if they live apart from the parent because of college enrollment* • Other people if they live with the parent*	• Student (and spouse) • Student's dependent children, even if they live apart from the student because of college enrollment* • Other people if they live with the student*

**Include only if providing more than half of their support between July 1, 2026 and June 30, 2027*

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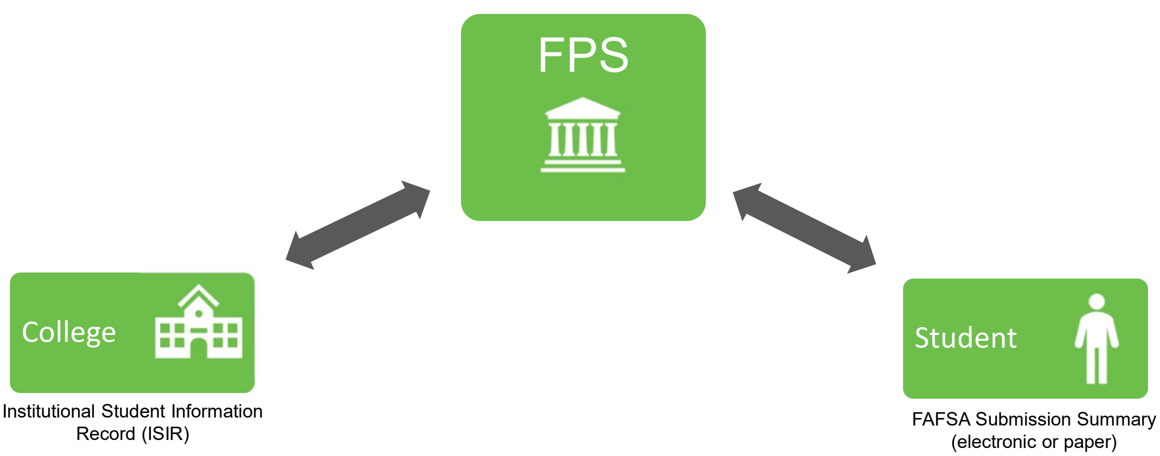
FAFSA Processing Results



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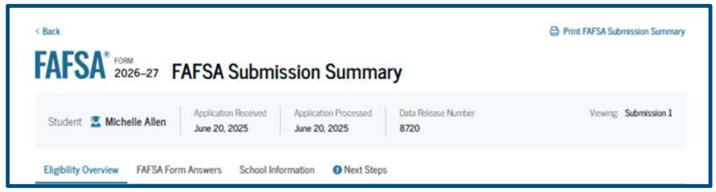
FAFSA Submission Summary

- Four sections:
  - Eligibility Overview
  - FAFSA Form Answers
  - School Information
  - Next Steps
- Ability to print summary



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Making Corrections

If necessary, corrections to FAFSA data may be made by:

- Using online FAFSA;
- Updating paper FAFSA Submission Summary; or
- Submitting documentation to college’s financial aid office

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Special Circumstances

- Different than unusual circumstances (dependency overrides)
- Unique conditions exist that cannot be documented with the FAFSA, or circumstances have changed since filing
- Student should contact institution's financial aid office for more information
- Decisions are final and cannot be appealed to U.S. Department of Education

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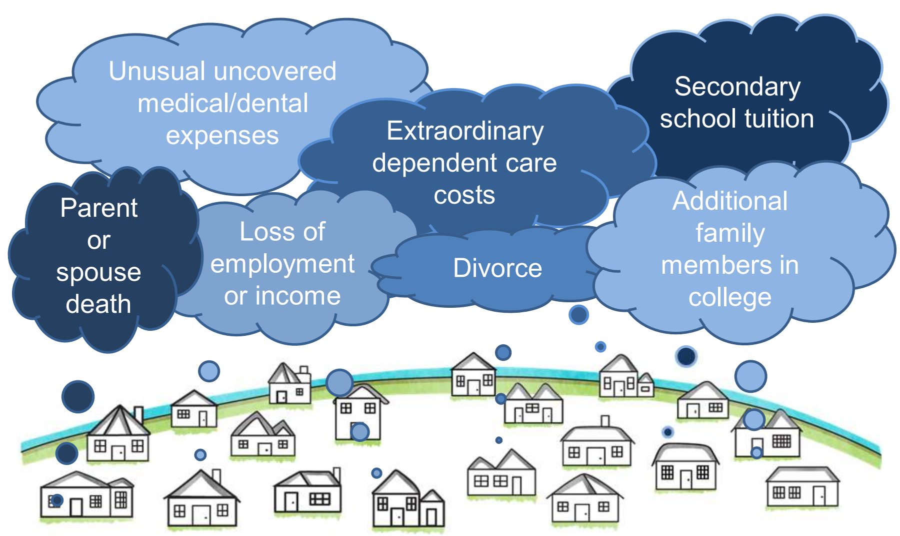
Special Circumstances



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The National Association of Student Financial Aid Administrators (NASFAA) provides professional development for financial aid administrators; advocates for public policies that increase student access and success; serves as a forum on student financial aid issues; and is committed to diversity throughout all activities.

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