



What You Need to Know About Financial Aid

Slide Handout

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September 2025



What You Need to Know About Financial Aid

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 You Need to Know About Financial Aid

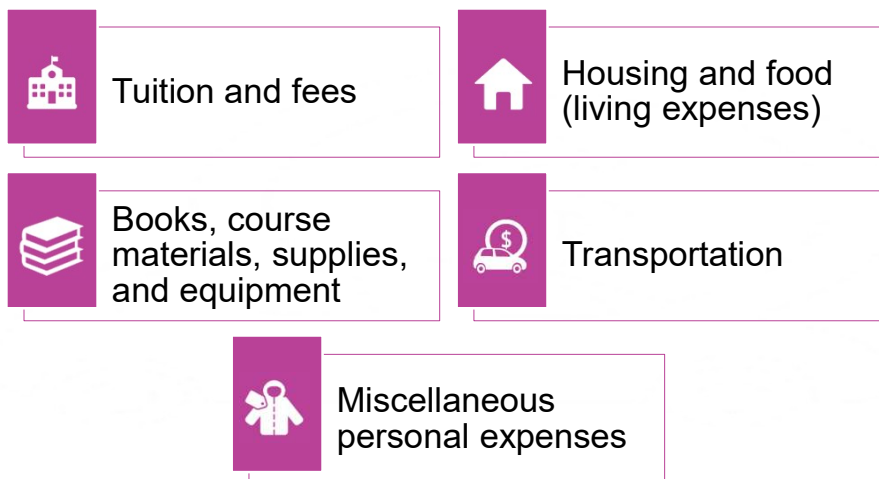
What Is Financial Aid?

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)?



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What You Need to Know About Financial Aid

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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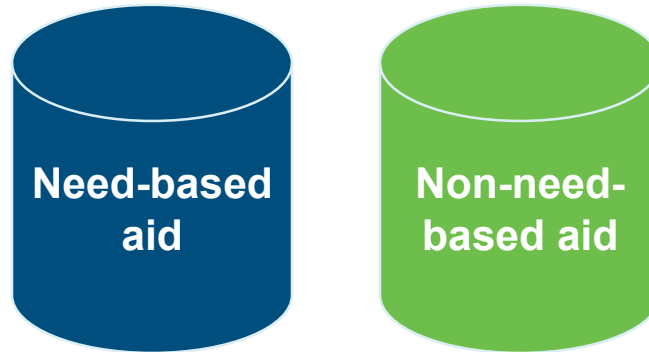
What Is Financial Need?

Cost of attendance (COA)
– Student aid index (SAI)
= Financial need

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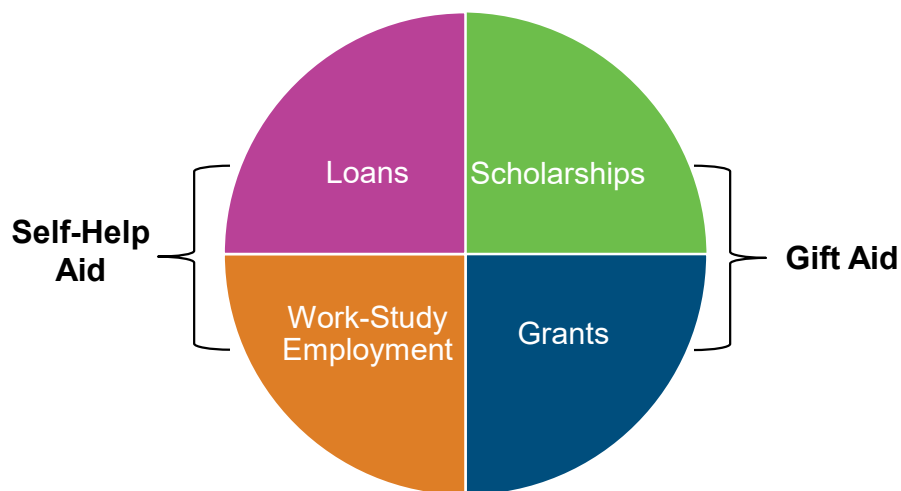
What You Need to Know About Financial Aid

Categories of Financial Aid



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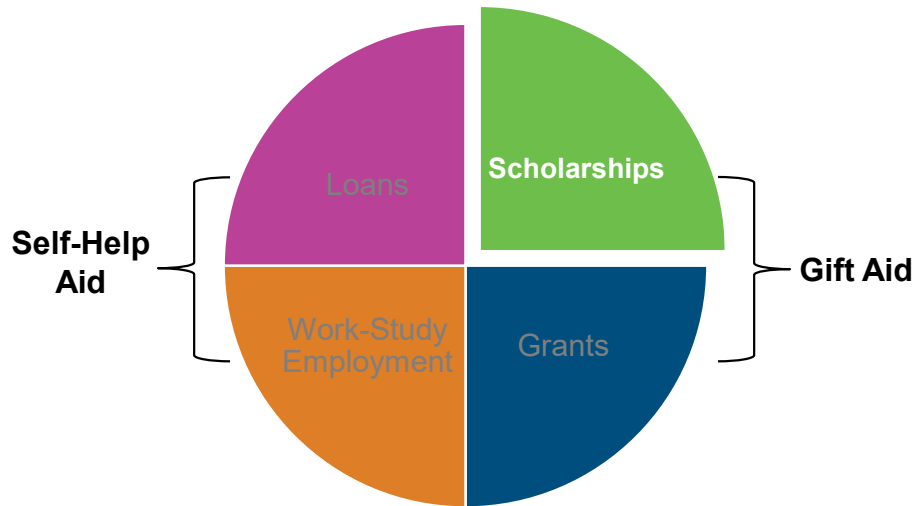
Types of Financial Aid



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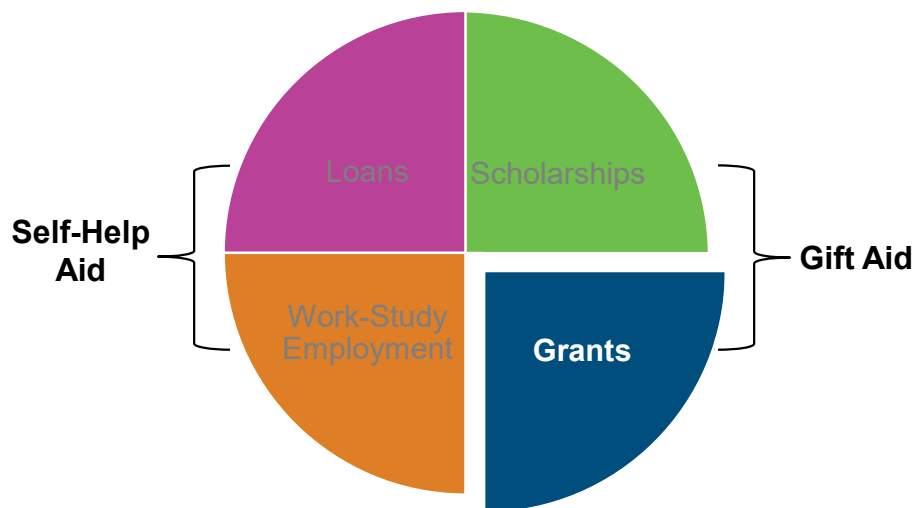
What You Need to Know About Financial Aid

Scholarships



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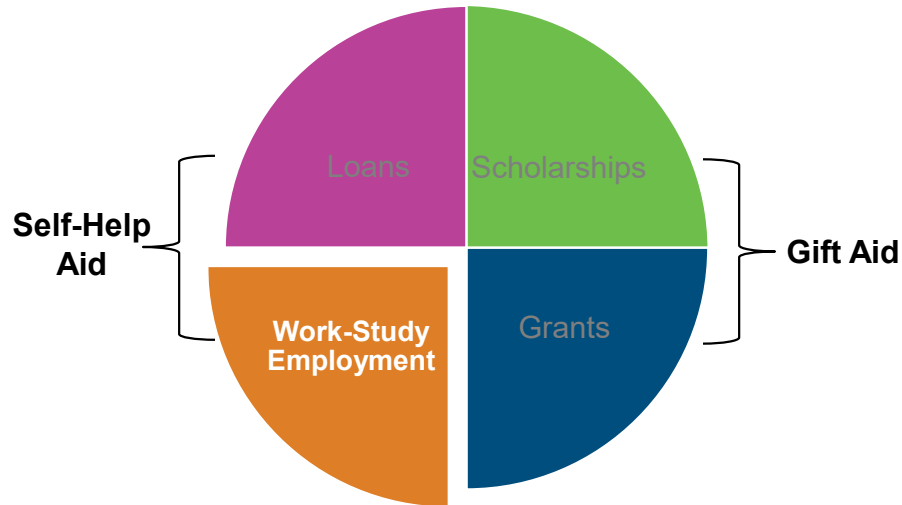
Grants



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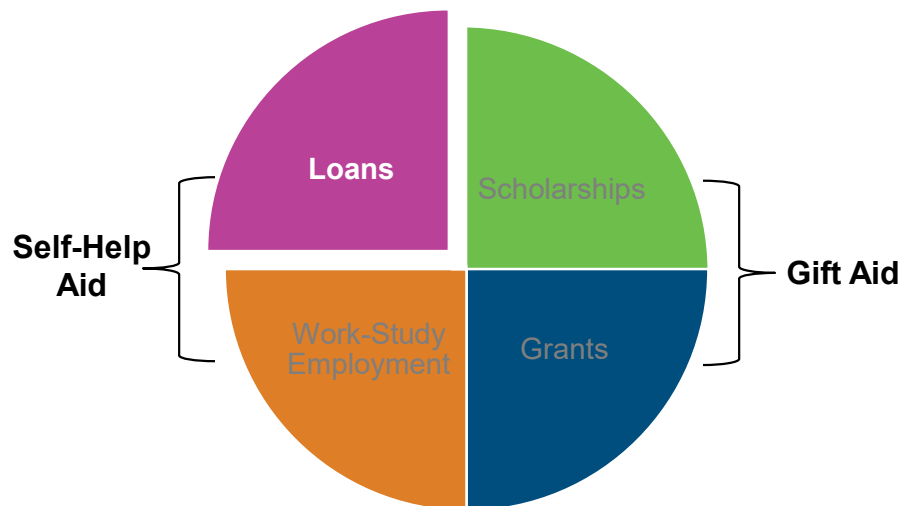
What You Need to Know About Financial Aid

Work-Study Employment



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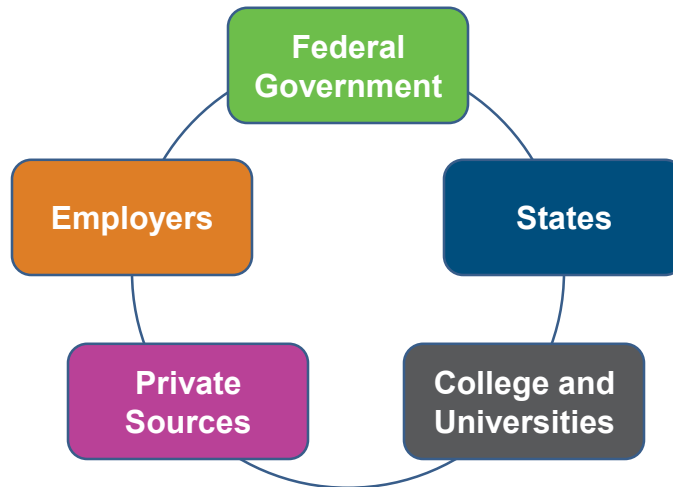
Loans



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What You Need to Know About Financial Aid

Sources of Financial Aid



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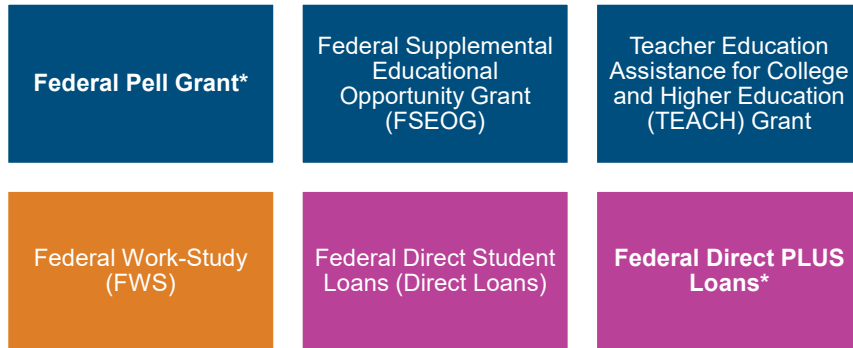
Federal Government

- 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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What You Need to Know About Financial Aid

Federal Student Aid Programs



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

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Federal Pell Grant Changes



- 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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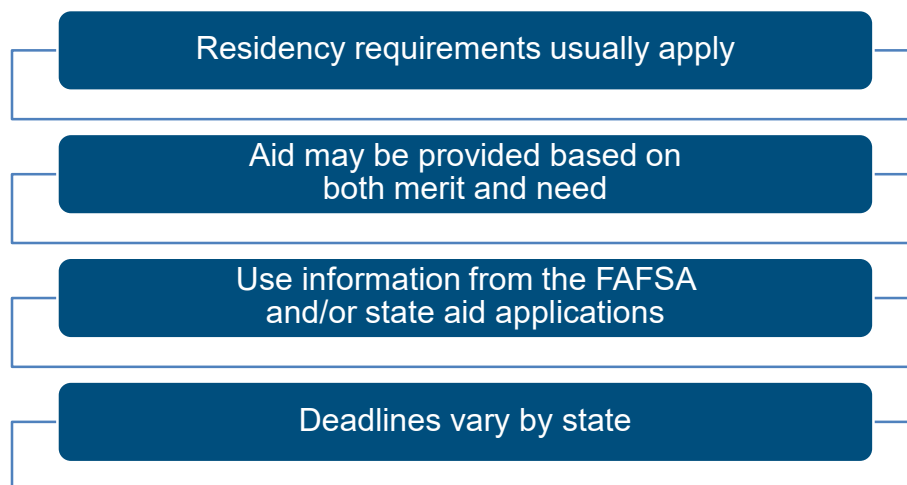
Parent PLUS Changes



- New 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



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What You Need to Know About Financial Aid

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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What You Need to Know About Financial Aid

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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What You Need to Know About Financial Aid

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

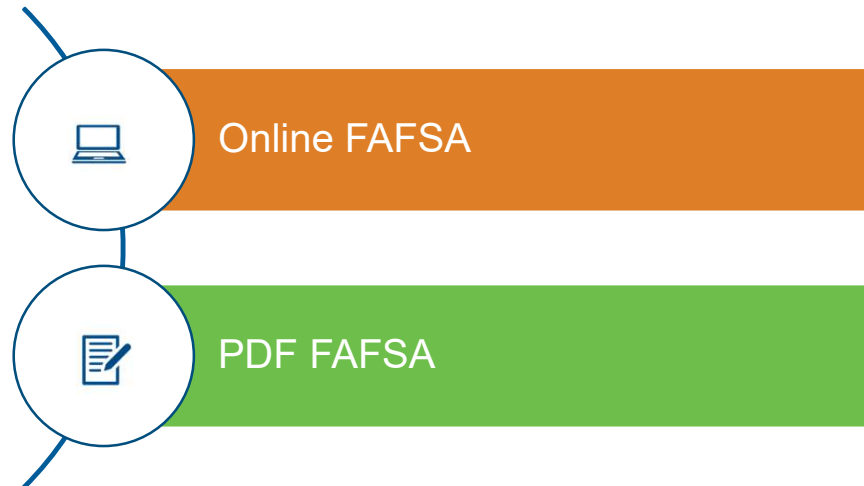


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What You Need to Know About Financial Aid

Free Application for Federal Student Aid (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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What You Need to Know About Financial Aid

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

Create an Account

Whether you're a student, parent, or borrower, you'll need to create your own account to apply for, receive, and manage your federal student aid.

[Get Started](#)

Already have an account? [Log In](#)

What You Can Do With Your Account

You must have an account to do the following:

- Fill out the *Free Application for Federal Student Aid (FAFSA®)* form online
- Complete other online forms (such as the *Master Promissory Note*) required to receive aid
- Review the federal student aid you've received

What You'll Need

- Your Social Security number (if applicable)
- Your own email address

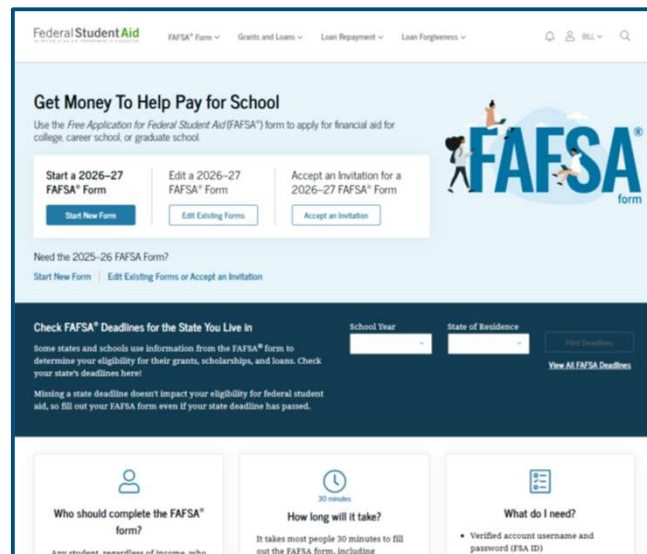


Apply at <https://studentaid.gov/fsa-id/create-account/launch>

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Online FAFSA



The screenshot shows the Federal Student Aid website interface. At the top, there's a navigation bar with links for FAFSA® Forms, Grants and Loans, Loan Repayment, and Loan Forgiveness. The main heading is "Get Money To Help Pay for School". Below this, there's a subheading: "Use the Free Application for Federal Student Aid (FAFSA®) form to apply for financial aid for college, career school, or graduate school." There are three main buttons: "Start a 2026-27 FAFSA® Form", "Edit a 2026-27 FAFSA® Form", and "Accept an invitation for a 2026-27 FAFSA® Form". Below these, there's a section for "Need the 2025-26 FAFSA Form?" with links to "Start New Form", "Edit Existing Forms", and "Accept an Invitation". There's also a section for "Check FAFSA® Deadlines for the State You Live in" with dropdown menus for "School Year" and "State of Residence", and a "Find Deadlines" button. At the bottom, there are three informational cards: "Who should complete the FAFSA® form?", "How long will it take?", and "What do I need?".

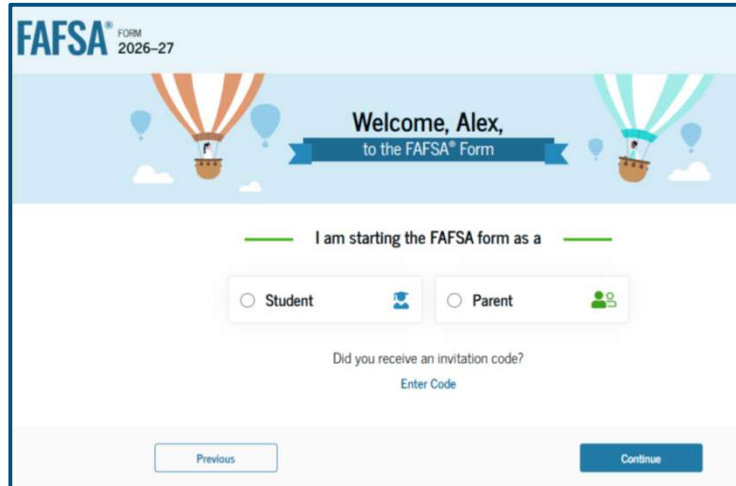


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What You Need to Know About Financial Aid

Online FAFSA



FAFSA[®] FORM 2026-27

Welcome, Alex,
to the FAFSA[®] Form

I am starting the FAFSA form as a

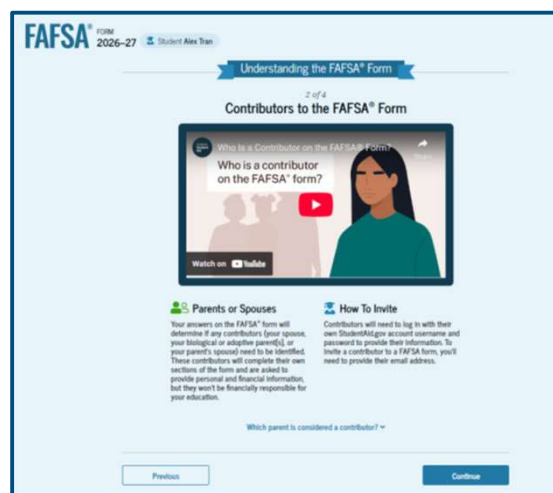
☐ Student  ☐ Parent 

Did you receive an invitation code?
Enter Code

Previous Continue

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FAFSA Contributors



FAFSA[®] FORM 2026-27 Student Alex Tran

Understanding the FAFSA[®] Form

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Contributors to the FAFSA[®] Form

Who is a contributor on the FAFSA[®] form?

Watch on YouTube

Parents or Spouses
Your answers on the FAFSA[®] form will determine if any contributors (your spouse, your biological or adoptive parent(s), or your parent's spouse) need to be identified. These contributors will complete their own sections of the form and are asked to provide personal and financial information, but they won't be financially responsible for your education.

How To Invite
Contributors will need to log in with their own StudentAid.gov account username and password to provide their information. To invite a contributor to a FAFSA form, you'll need to provide their email address.

Which parent is considered a contributor? *

Previous Continue

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What You Need to Know About Financial Aid

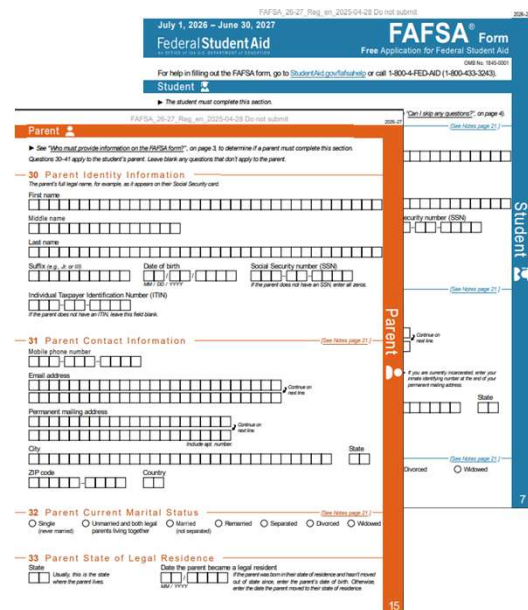
FUTURE Act Direct Data Exchange (FA-DDX)

- 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

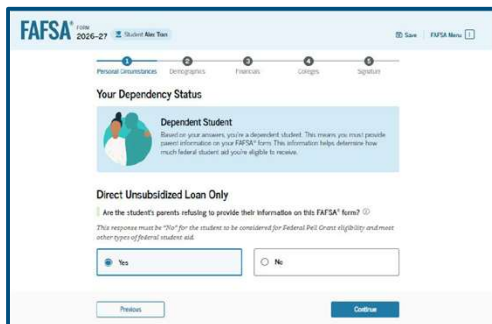
- Identity and contact information
- Consent for FTI transfer from IRS
- Marital status
- College plans
- Personal and unusual circumstances



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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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What You Need to Know About Financial Aid

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

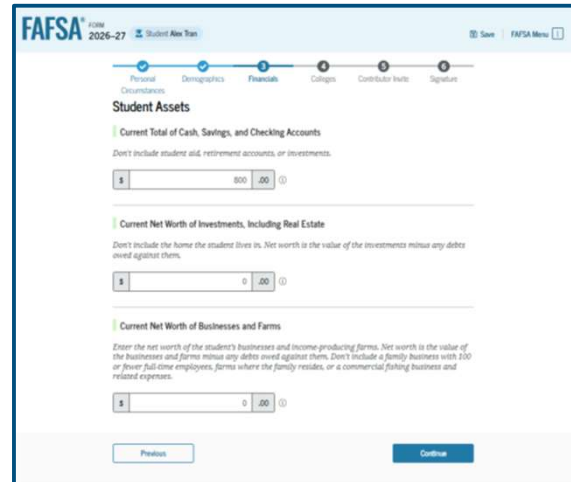


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Student Financial Information

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

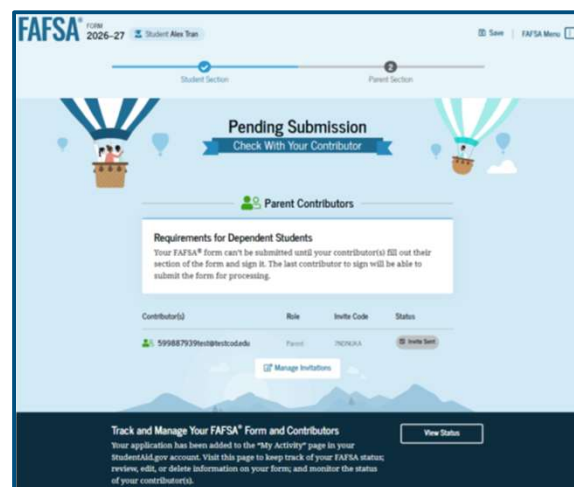


The screenshot shows the FAFSA Student Assets section. It includes three main input areas: 'Current Total of Cash, Savings, and Checking Accounts', 'Current Net Worth of Investments, Including Real Estate', and 'Current Net Worth of Businesses and Farms'. Each section has a text input field and a currency dropdown menu. The 'Previous' and 'Continue' buttons are at the bottom.

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Student Section Completion

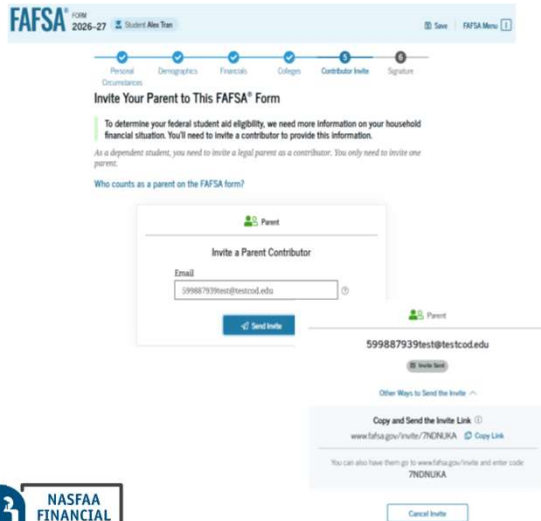
- College selection
- Parent invitation
- Review of information
- Signature



The screenshot shows the FAFSA Pending Submission screen. It features a progress bar at the top indicating the 'Student Section' is complete and the 'Parent Section' is in progress. The main heading is 'Pending Submission Check With Your Contributor'. Below this, there is a section for 'Parent Contributors' with a table listing contributors, their roles, invite codes, and status. A 'Manage Invitations' button is also present. At the bottom, there is a 'Track and Manage Your FAFSA Form and Contributors' section with a 'View Status' button.

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Student Invites Parents to FAFSA

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



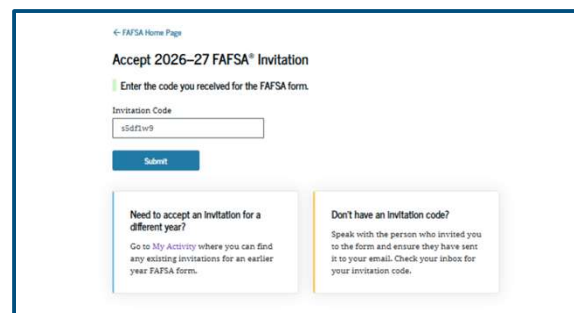
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Parent Invitation



- 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

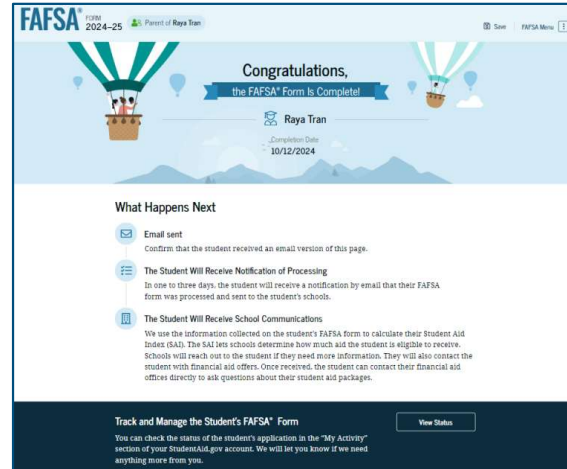


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Parent Section Completion

- 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 all 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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What You Need to Know About Financial Aid

Who Is Included in Family Size?

Dependent 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*

Independent Applicants

- 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*

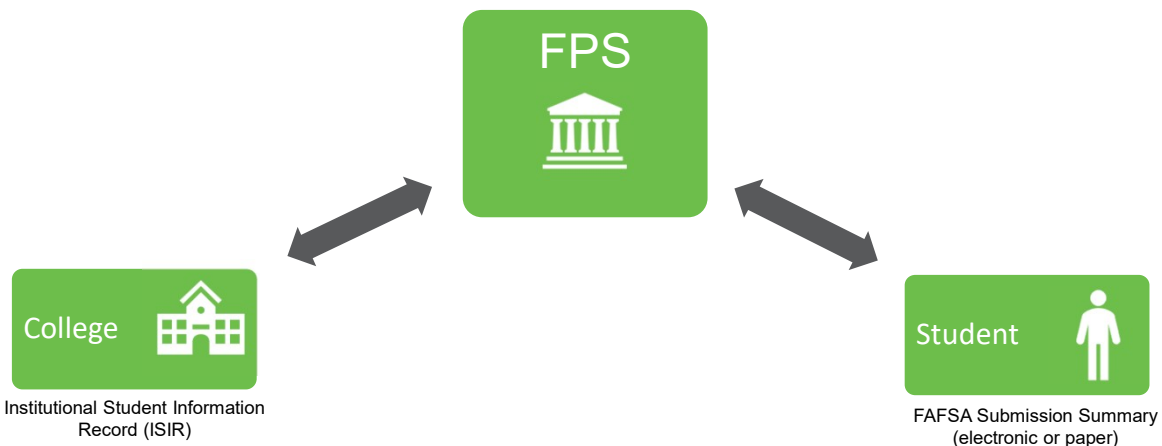


**Include only if providing more than half of their support between July 1, 2026 and June 30, 2027*

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FAFSA Processing Results



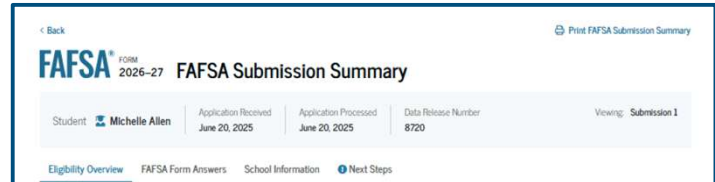
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What You Need to Know About Financial Aid

FAFSA Submission Summary

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



FAFSA FORM 2026-27 FAFSA Submission Summary

Student: Michelle Allen Application Received: June 20, 2025 Application Processed: June 20, 2025 Data Release Number: 8720 Viewing: Submission 1

Eligibility Overview FAFSA Form Answers School Information Next Steps

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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

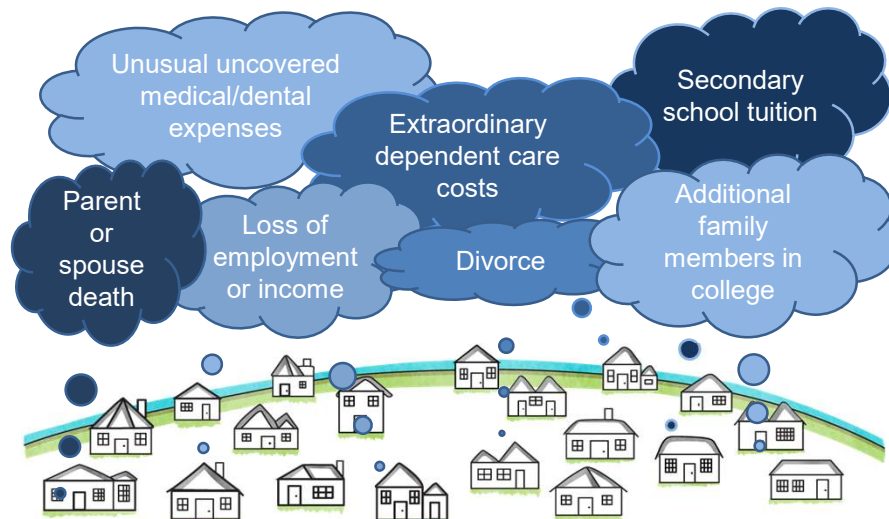
- Different than unusual circumstances (dependency overrides)
- Unique conditions exist that cannot be documented with the FAFSA, or circumstances have changed since filing
- Student should contact institution's financial aid office for more information
- Decisions are final and cannot be appealed to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



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Special Circumstances



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What You Need to Know About Financial Aid



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This image shows a full page of white paper with horizontal dashed lines, typical of primary-ruled notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

**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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