



FAFSA and Federal Updates

Vermont Student Assistance
Corporation





Session goals

Federal Updates

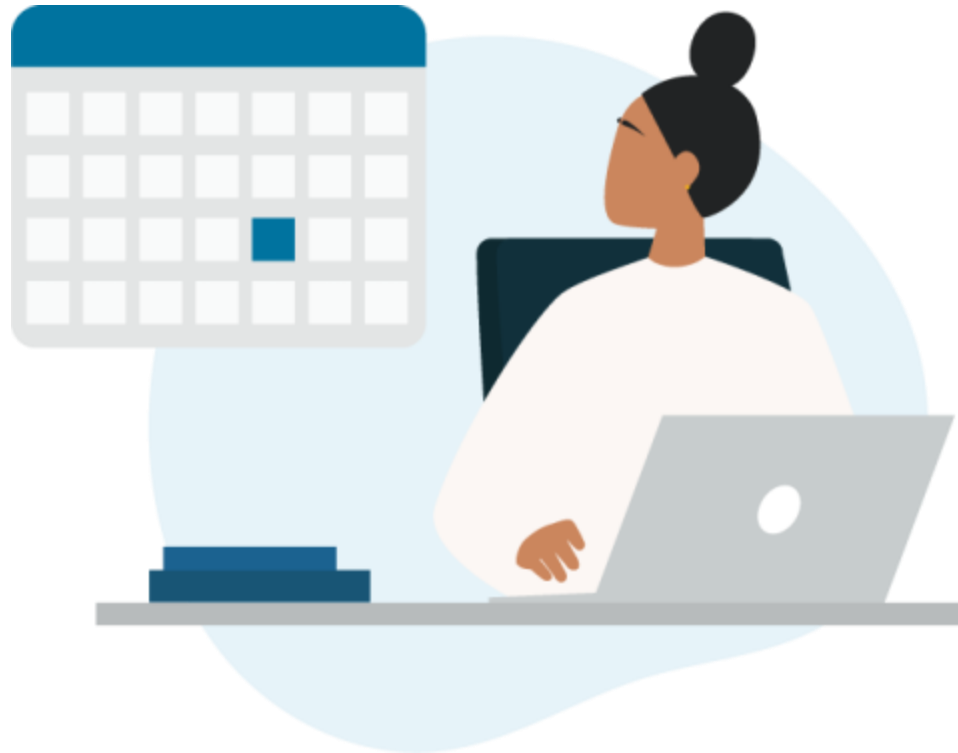
- FAFSA
- Federal Student Aid
- Education loans
- Information resources

FAFSA Filing

Two ways students can file a FAFSA:

- Using a computer or mobile device — fafsa.gov
 - More than 99% of FAFSA submitters file electronically
- Paper application — .pdf can be downloaded from studentaid.gov
 - Paper FAFSA is **not** "Better," 2026-2027 form is **23 pages**, with instructions – 14 pages to be filled out and mailed to the Federal Student Aid processor.
 - Needs additional postage
 - Takes more time to process
 - No “skip logic,” some questions do not need to be answered under certain circumstances – paper form means answering ALL questions.

FAFSA Updates



Better FAFSA, take 2 - How did it go?

2024-2025:

- Nationally, 53.5%* Class of 2024 completed a FAFSA
- Vermont, 47%** of High School Seniors attending VT Public and Public-serving high schools submitted a FAFSA for 2024-2025

2025-2026:

- Nationally, 59%* of the Class of 2025 completed a FAFSA
- Vermont, 54%** of high school seniors attending VT public and public-serving high schools submitted a FAFSA for 2025-2026

Vermont ranks 37th nationally in FAFSA completions for the 2025-2026 year, but 10th nationally in year over year increase in completions from the previous school year.*

*NCAN FAFSA Tracker tool, as of 8/29/2025

**VSAC Research Department using VT AOE Fall Enrollment Report, as of 8/31/2025

FAFSA Changes

Some changes since we last met...

February 2025

The Department of Education updated FAFSA Question 11 (sex question) to reflect two responses only: “Male” and “Female.”

- Students who had to make a correction to the 2025-2026 FAFSA had to update Question 11
- Students who did not make corrections did not have to update question
- Institutions making corrections did not need to update question
- 2024-2025 and 2025-2026 paper applications did not require a correction

[Executive Order 14168](#)

FAFSA Changes

August 2025

- Beta Testing 1 began (August 4)
- FSA ID/StudentAid.gov Account Instant Verification
 - As Contributor signs up
 - Guidance to double-check information if mistake/mismatch
- Retrieve Your Log-In Information
 - Using your last name, DOB and SSN
- Beta Testing 2 began (August 21)

FAFSA Changes – Retrieve your info

FederalStudentAid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

FAFSA® Form ▾

Grants and Loans ▾

Loan Repayment ▾

Loan Forgiveness ▾

Retrieve Your Log-in Information

Retrieve your email address, mobile phone number, or username by providing your personal information.

Last Name

Date of Birth

Month Day Year

Social Security Number

☐ I don't have a Social Security number.

Cancel

Continue


FederalStudentAid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

FAFSA® Form ▾


Grants and Loans ▾

Retrieve Your Log-in Information


Select one of the following options:




Enter a secure code from my authenticator app.



Text a secure code to my mobile phone.
(...) ... 0381




Email me a secure code.
...@gmavt.net



Answer my challenge questions.

Can't use the above options?



Recover my account with a photo ID ⌚ 15 min

Cancel

Continue

Once the secure code is entered, you can see the email address, username and cell phone number associated with your account.

What is different for 2026-2027?

2026-2027 Free Application for Federal Student Aid (FAFSA) is open NOW

- This is the first time since the 2023-2024 FAFSA that we have an open date by/on October 1 for the upcoming school year applicants and the **earliest** the FAFSA has ever opened.
- An earlier than October 1 open date may relieve some stress previously encountered by the system on opening day.

2026–27 FAFSA® Form Now Available!

Use the *Free Application for Federal Student Aid* (FAFSA®) form to apply for financial aid for college, career school, or graduate school.

Start a 2026–27
FAFSA® Form

Start New Form

Edit a 2026–27
FAFSA® Form

Edit Existing Forms

Accept an Invitation for a
2026–27 FAFSA® Form

Accept an Invitation



Need the 2025–26 FAFSA® Form?

[Start New Form](#) | [Edit Existing Forms or Accept an Invitation](#)

Check FAFSA® Deadlines for the State You Live in

Some states and schools use information from the FAFSA® form to determine your eligibility for their grants, scholarships, and loans. Check your state's deadlines here!

Missing a state deadline doesn't impact your eligibility for federal student aid, so fill out your FAFSA form even if your state deadline has passed.

School Year

State of Residence

Find Deadlines

[View All FAFSA Deadlines](#)

FAFSA – Invite Contributor

Simplified Process

- Student invites parent or spouse contributor
- Parent can invite spouse (if needed)
- **Invitation is by email address only**

Personal Circumstances Demographics Financials Colleges **Contributor Invite** Signature

Invite Your Parent to This FAFSA® Form

To determine your student aid eligibility, we need more information on your household financial situation. You'll need to invite a contributor to provide this information.

As a dependent student, you need to invite a legal parent as a contributor. You only need to invite one parent. We may ask them to invite their spouse or partner.

[Who counts as a parent on the FAFSA form?](#)

Parent

Invite a Parent Contributor

Email

Send Invite

Previous Continue

Personal Circumstances Demographics Financials Colleges **Contributor Invite** Signature

Invitation Sent!

Once your parent accepts the invitation, they can complete the parent section of this FAFSA form.

They may be asked to invite their spouse as a contributor too. You can check the status of contributor invitations from your My Activity page.

Parent

Alcina Tran

Invite Accepted

Replace Contributor

Previous Continue

← FAFSA Homepage

Accept 2026-27 FAFSA Invitation

Enter the code from the student who invited you to join their FAFSA form.

Invitation Code

Submit

Need to accept an invitation for a different year?

Navigate to the [My Activity](#) page where you will see FAFSA forms from previous years where you've been invited as a contributor.

Don't have a contributor code?

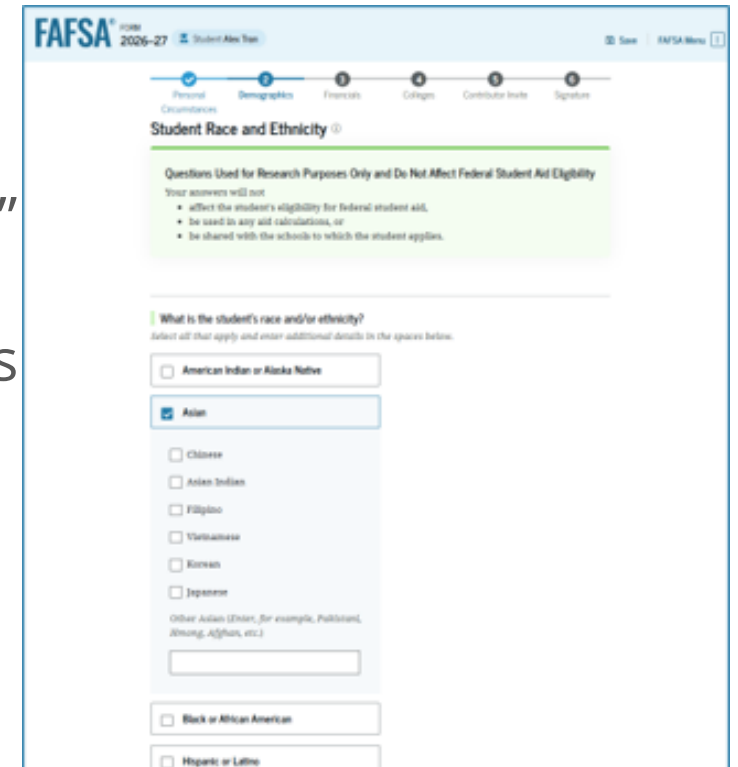
Please speak with the student who invited you to their form and ensure they have sent it to your email. Check your inbox for your contributor code.

FAFSA Student Race and Ethnicity

Question 12:

- Separate Hispanic, Latino or Spanish origin question removed
- “Hispanic or Latino,” and “Middle Eastern or North African” categories added.
- Student is asked to identify their race – selects checkboxes that apply
 - Second drop-down box appears and the student can further select checkbox(es) that apply to them.

The answers to these questions will not affect a student’s eligibility for federal or Vermont need-based financial aid.

A screenshot of the FAFSA 2026-27 application interface, specifically the 'Student Race and Ethnicity' section. The page has a blue header with the FAFSA logo and navigation tabs: Personal Circumstances, Demographics, Financials, Colleges, Contributor Info, and Signature. The 'Demographics' tab is active. Below the tabs, a green box contains a disclaimer: 'Questions Used for Research Purposes Only and Do Not Affect Federal Student Aid Eligibility'. The main question is 'What is the student's race and/or ethnicity?'. Below this, there are several checkboxes: 'American Indian or Alaska Native', 'Asian' (which is checked), 'Chinese', 'Asian Indian', 'Filipino', 'Vietnamese', 'Korean', 'Japanese', 'Other Asian (Enter, for example, Pakistani, Bangladeshi, etc.)', 'Black or African American', and 'Hispanic or Latino'. A second drop-down box is visible next to the 'Asian' checkbox, indicating further selection options.

Changes from One Big Beautiful Bill Act - Public Law No: 119-21

FAFSA/SAI Changes *Effective 7/1/2026 for 2026-2027 award year*

- Exempts certain assets from Student Aid Index (SAI) calculation:
 - Small business (<100 employees)
 - Family farm (farm on which the family resides)
 - Commercial fishing business
- Changes income calculation for maximum/minimum Pell Grant
 - Adds in foreign earned income exclusion
 - If income-eligible for minimum Pell grant, an applicant with an SAI equal to two times maximum Pell or greater, will **not** be eligible for Pell – for 2026-2027, this figure is 14,790 *NOTE: does not apply for descendants of deceased servicemembers or public safety officers*
- Pell changes for students already receiving gift aid = to Cost of Attendance

Federal Aid Changes from Public Law No: 119-21

New Aid Program – Workforce Pell Grant -
Effective 7/1/2026 for 2026-2027 award year

Short-term training: eligible programs

- 150-600 clock hours
- Running at least 8 weeks, fewer than 15 weeks
- Title IV institutions only
- Students cannot receive both regular Pell and Workforce Pell at the same time
- Workforce Pell counts toward overall Pell limit.



Pop Quiz!!



Questions

Federal Loan Updates



Loan changes from Public Law No: 119-21

Federal Loan Changes

- Prorates annual **federal student loan** limits based on enrollment status
 - Part-time students no longer eligible for full student loan
- Eliminates **Direct PLUS Loans** for graduate and professional students
- Revises **Direct Loan annual and aggregate limits** for graduate and professional students:
 - Annual limits: Grad students: \$20,500 / Professional students: \$50,000
 - Aggregate limits: Grad students: \$100,000 / Professional students: \$200,000
- **Parent PLUS Loan limits**: \$20,000 annual limit (per student), \$65,000 aggregate limit (without regard to amounts forgiven, repaid, cancelled or discharged)
- **Legacy Provisions** for those who borrowed before 2026-2027 academic year.

SAVE Repayment Plan

- Saving on a Valuable Education (SAVE)
 - Replaces Revised Pay as You Earn (REPAYE)
 - Calculates monthly payment amount based on family size
 - Increases income exemption above poverty line.
 - Eliminates 100% of required scheduled payment is made.
 - Excludes spouses of borrowers who are married and file separately
 - Eligible for income-based repayment plans
 - Includes unsubsidized loans
 - Loans made to graduate or professional students
 - Consolidation loans that did not repay any PLUS loans made to parents.

Cancelled

Student Loan Repayment – Changes Coming Soon

From Public Law No: 119-21

- New federal loans made on or after 7/1/2026 will have two choices for repayment: Standard Repayment and Repayment Assistance Plan (RAP).
 - Standard Repayment has 4 fixed terms of 10, 15, 20, or 25 years based on amount borrowed
 - RAP is based on borrower AGI and number of dependents.
 - PLUS loans, Consolidation loans that paid off PLUS, and Consolidation loans that paid off previous Consolidation loans that paid off PLUS are **not eligible** for RAP.
- All federal loans must be under same repayment plan for the borrower – this means borrowers with loans made before 7/1/2026, who borrow after 7/1/2026, will also only have the choice of Standard Repayment or RAP.
- While current Consolidation borrowers have access to IBR, ICR and PAYE and no longer need to show a financial hardship for IBR, borrowers who receive new disbursements or consolidate after 7/1/2026, will not have access to these repayment plans.

Federal Aid Changes from Public Law No: 119-21

INSTITUTIONAL ACCOUNTABILITY

A program would lose Federal Direct Loan eligibility if it fails earnings outcomes measure 2 out of 3 years

Undergraduate programs: Compares the median earnings of graduates 4 years after program completion with the earnings of “working adults” with only a high school degree or GED who are not enrolled in higher education

Graduate programs: Compares the median earnings 4 years post-enrollment with the earnings of “working adults” with only a bachelor’s degree who are not enrolled in higher education

Federal Direct loans

2025–2026 Direct loan interest rates & origination fees

Loan rates will change annually, based on the Treasury rate.

	Interest rate	Origination fee
Direct subsidized & unsubsidized loan		
Undergrad	6.39%	1.057%
Graduate/professional degree students (unsubsidized loan only)	7.94%	1.057%
Direct PLUS loan		
Parents & graduate/professional degree students	8.94%	4.228%

Student loan options

Federal or non-federal	Available from	Loan type	Interest rate 2025–2026	Accept or compare?
Federal	Your college	Direct loans for students	6.39%*	Accept these first.
Non-federal	VSAC	VT Advantage Student —fixed rate	5.26-9.07% APR	Compare these loans.
Non-federal	Nonprofit organizations, banks, credit unions, other private lenders	Alternate loans (often called private loans)	Varies by lender (variable and fixed).	Compare these loans.

** Each year on July 1, the U.S. Department of Education sets a new rate.*

Parent loan options

Federal or non-federal	Available from	Loan type	Interest rate 2025-2026	Accept or compare?
Federal	Your college	PLUS loan for parents	8.94%*	Compare these loans.
Non-federal	VSAC	VT Advantage Parent — fixed rate	5.26-9.48% APR	Compare these loans.
Non-federal	Nonprofit organizations, banks, credit unions, other private lenders	Alternate loans (often called private loans)	Varies by lender (variable and fixed).	Compare these loans.

** Each year on July 1, the U.S. Department of Education sets a new rate.*



Pop Quiz!!



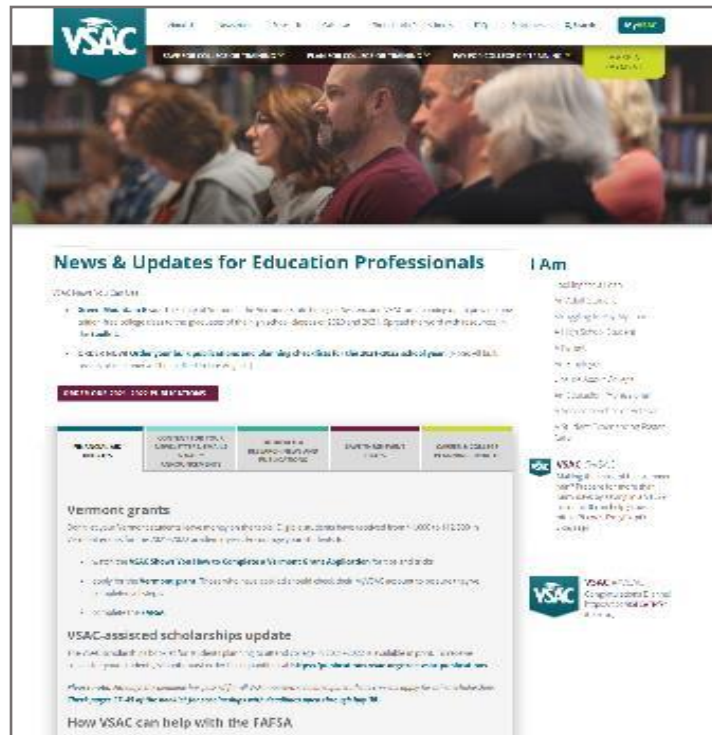
Questions

Resources and help

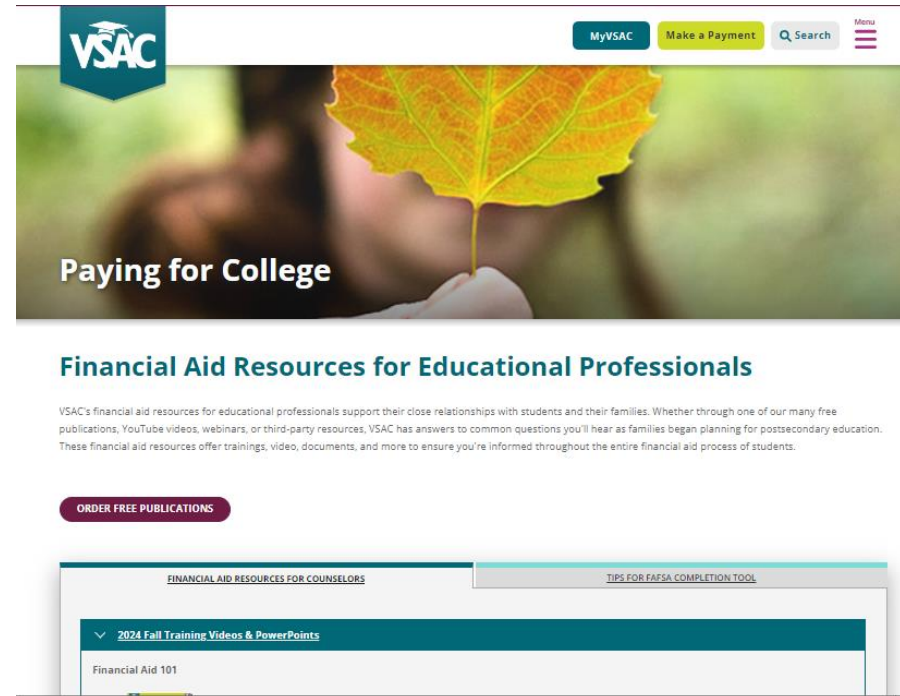


VSAC.org resources

News and Updates



Financial Aid Resources



FAFSA and VT Grant support - VSAC

VSAC Financial Aid Application Support

1:1 FAFSA Completion and VT Grant Support
(October 6, 2025 – first week of February 2026)

- In-person and virtual opportunities available
- Dates and times at vsac.org/events

Financial Aid info at vsac.org/financial-aid-options

FAFSA info at vsac.org/fafsa

FAFSA hotline Monday–Friday, 8:00 am–4:30 pm for quick questions (833-802-8722)



Financial Aid Videos

Learn about financial aid options and find more funds for college and career training.

"Self-service" videos:

vsac.org/financial-aid-videos

- Financial Aid and Managing College Costs
- How to fill out your FAFSA
- Applying for Grants & Scholarships

FAFSA support – StudentAid.gov

Federal Financial Aid Application Support

- [FAFSA Help](#) on StudentAid.gov website
- Chatbot available while completing the FAFSA
- Phone - Federal Student Aid Information Center (FSAIC) 800-4 FED AID (800-433-3243)
 - Monday 8 am- 9 pm ET
 - Tuesday/Wednesday 8 am – 8 pm ET
 - Thursday/Friday 8 am – 6 pm ET



Federal Student Aid Tools

FAFSA Parent Wizard:

- Can be used to determine which parent(s) information needs to be used on the FAFSA.

Federal Student Aid Estimator:

- Updated for 2026-2027
- NOT the FAFSA, but gives estimates of
 - Estimated Federal student aid - Pell, Direct Loans, work-study
 - SAI

FAFSA Prototype:

- Tool to better understand the FAFSA experience
- NOT a full demonstration site
- May vary slightly from actual FAFSA – no skip logic, information links not operable
- Requires access code: prototype2627



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Questions
