



FAFSA and Federal Updates

Vermont Student Assistance
Corporation





Session goals

Federal Updates

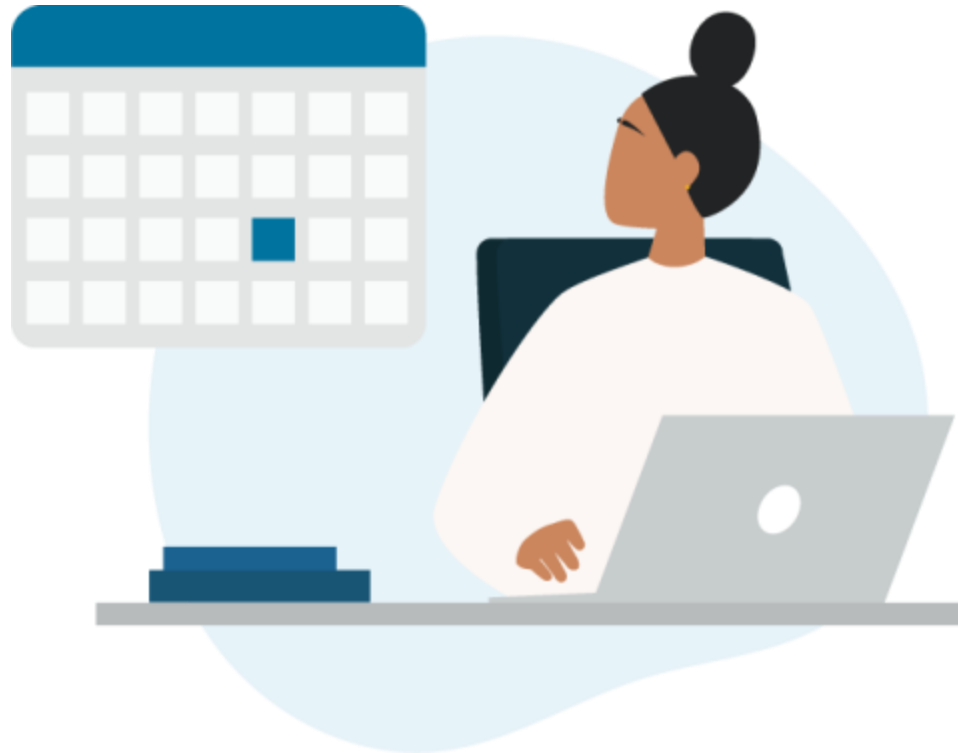
- FAFSA
- Federal Loan Updates
- Education loans
- Information resources

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.
 - Prompts available with web form – “are you certain...?” to prevent mistakes

FAFSA Updates



Better FAFSA, How's it going?

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

2026-2027:

- Nationally, almost 64%* of the Class of 2026 completed a FAFSA
- Vermont, 58.5%** of high school seniors attending VT public and public-serving high schools submitted a FAFSA for 2026-2027

*NCAN FAFSA Tracker tool, as of 9/4/2026

**VSAC Research Department using VT AOE Fall Enrollment Report, as of 8/31/26

Better FAFSA, How's it going?

Improved metrics from 2026-2027

FAFSA completion times:

- Less than **12 minutes** for Dependent Students
- Less than **8 minutes** for other Contributors
- 94% of FAFSA Contributors reported they were “satisfied,” with FAFSA filing.

FAFSA Changes during 2026-27

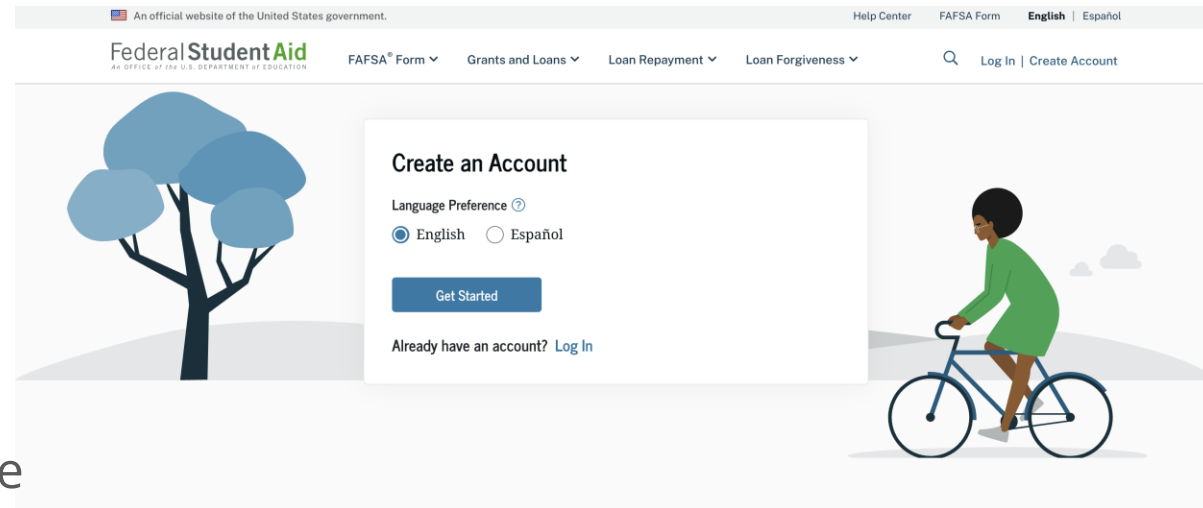
Some changes since we last met...

- Simplified Account Creation
- Cycle Year improvement
- Family Fast Pass
- Identity Verification
- Real-time results

FAFSA Changes

Simplified Account Creation: FSA ID or StudentAid.gov account

- Fewer screens
- NO MORE challenge questions
- Multiple accounts can use the same phone number for two-factor verification
 - Family members can share the same mobile number for verification.
 - This means applicants can now sign into their accounts with their username or email address only



FAFSA Changes

Cycle Year Improvement

One common mistake has been submitting FAFSA for the incorrect year

- Better visual prompt
- Dates of enrollment

The screenshot shows the FAFSA website interface. At the top, there is a navigation bar with links for 'Get Help', 'FAFSA Form', 'English', and 'Español'. Below this is a header with the 'Federal Student Aid' logo and a search bar. The main content area features a prompt: 'Which FAFSA® form do you need?'. There are two large buttons for selection: '2027-28' and '2026-27'. The '2027-28' button is highlighted with a blue border and a blue 'Start' button. The '2026-27' button has a white border and a white 'Start' button. Below the buttons, there is a section titled 'Attending school during a summer session?' with a note: 'If you're starting classes during a summer session, contact your school to verify what school year you should pick to apply for federal student aid.'

FAFSA Changes

Family Fast Pass

For families with multiple children in college OR parents in college who also have a child needing financial aid



No images available...apologies!

FAFSA Changes

Identity Verification

Prevention tool to keep identity fraud at bay

- If Identity Verification is needed, it will be for the student, while completing the FAFSA

Identity Verification Needed

We've flagged your FAFSA form for potential fraud. Clear this up right now by verifying your identity. You will need:



Your government-issued photo ID



Your smartphone or tablet

[Get started](#)

powered by  Secure

[Decline Identity Verification](#)

If you decline to verify your identity now, you won't be able to get federal student aid until a school verifies your identity.

FAFSA Changes

Identity Verification, con't Prevention tool to keep identity fraud at bay

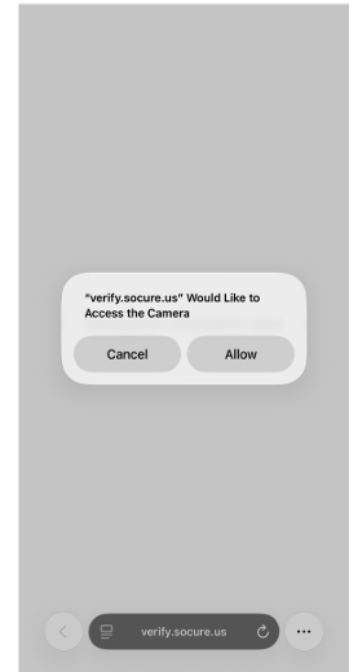
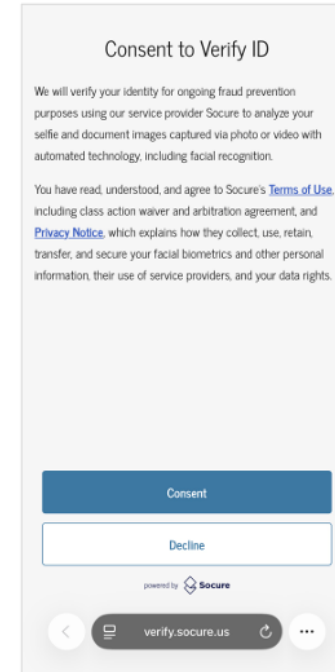
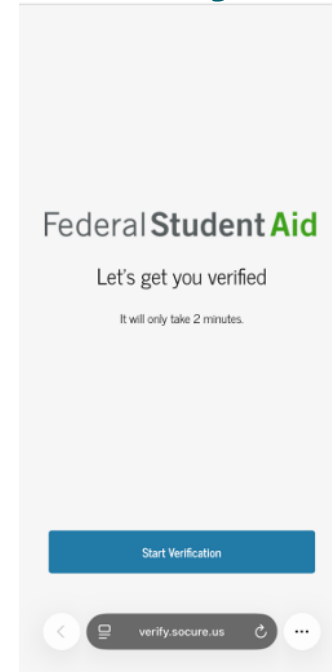
- The student will be prompted to shift to a mobile device to confirm identity
- Student can enter a mobile number or scan a QR code
- Student can also “Decline Identity Verification,” continue the FAFSA, and follow up with college/trade school

The screenshot shows a mobile interface for identity verification. At the top, it says "Continue on your mobile device". Below this, a note states: "No device? Select 'Decline Identity Verification.' Then contact any of your schools to be verified." There are two main options: "Option 1: Receive a link via SMS text message" and "Option 2: Scan QR code". Under Option 1, it says "We'll text a secure link to the number you enter." and shows a phone number input field with a country code dropdown (set to +1) and a "Send SMS" button. A small disclaimer "Standard messaging and data rates may apply" is below the button. Under Option 2, it says "Use your mobile device's camera to scan the QR Code below. Select the link that appears on your device's screen to continue." and displays a QR code. At the bottom, it says "powered by Socure". There is a link for "Decline Identity Verification" with a note: "If you decline to verify your identity now, you won't be able to get federal student aid until a school verifies your identity."

FAFSA Changes

Identity Verification, con't Prevention tool to keep identity fraud at bay

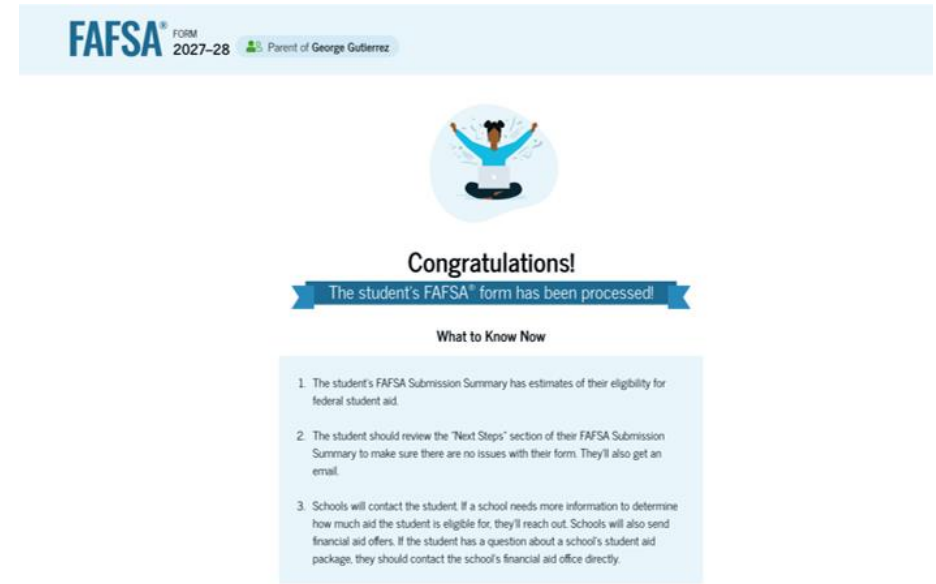
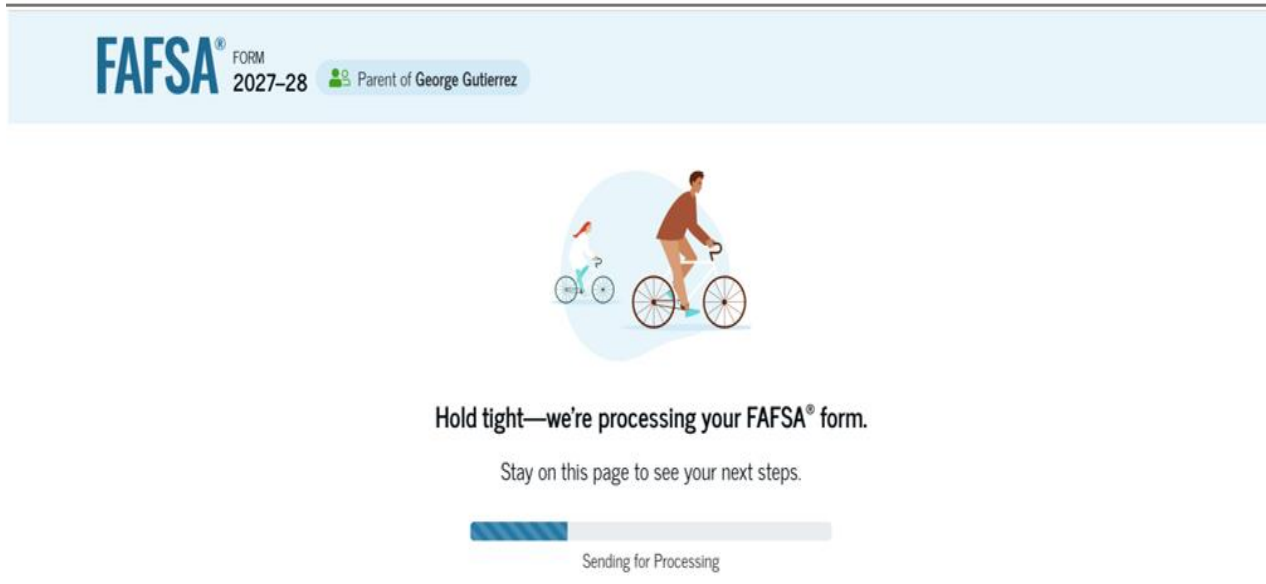
- The student will be given a link on the mobile device to connect to Federal Student Aid
- The student will need to both consent to verification and access to the camera to continue the process
- Student **must** appear on-camera and share a valid government-issued ID.



FAFSA Changes

Real-time Results INSTANT Processing after Submission

- After the last contributor clicks on Submit, the FAFSA is **processed immediately**.



FAFSA Changes

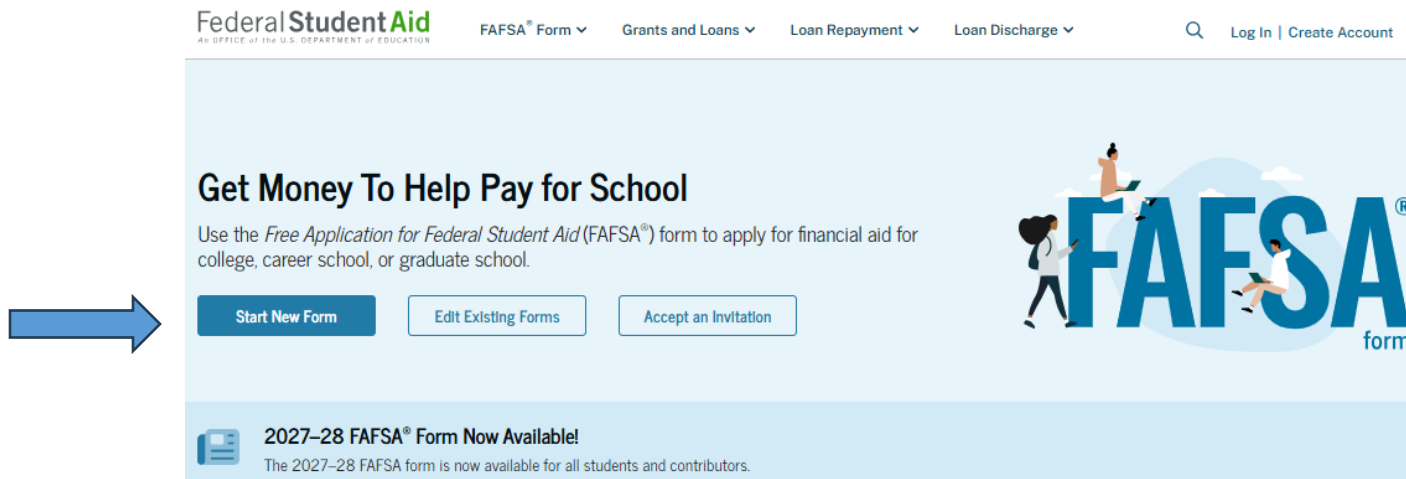
Real-time Results, con't INSTANT Processing

- Students could now potentially attend a forms night/meeting with their parent(s) and complete all steps – start to finish
 - Create and Verify Account
 - Complete/Sign FAFSA
 - Invite contributor(s)
 - Last contributor submits
 - FAFSA Processed Immediately

FAFSA Updates – Now Live!

August through September 2026

- Beta Testing 1 began (August 4)
- Beta Testing 2 began (August 21)
- OPEN Beta testing began Sept 15th – hot minute to 50K apps!
- 2027-2028 FAFSA launch – September 23



FAFSA: What is different for 2027-28?

2027-2028 Free Application for Federal Student Aid (FAFSA) is open NOW

- This is the **second** time since the 2023-2024 FAFSA that we have an open date by/on October 1 for the upcoming school year applicants.
- An earlier than October 1 open date - along with fewer system changes to accommodate together on the first day of availability - may relieve some stress previously encountered by the system on opening day.

FAFSA Updates for 2027-2028

Missing Signature Fix Combined Terms & Conditions/Signature and Submit on one page

Terms and Conditions

Confirm that you understand the terms and conditions of the FAFSA® form and filled out your section of the form accurately to the best of your ability.

[View Terms & Conditions](#) Viewed

Sign and Submit Your FAFSA® Form

☒ I, George Gutierrez, agree to the terms outlined above.

The Form Isn't Ready To Submit

One or more contributors still need to complete their section. After the other contributor(s) complete their section, they can submit the form.

- Finish your section now.
- Reach out to the other contributor(s) and ask them to complete their section and submit the form.

[Previous](#) [Finish Student Section](#)

FAFSA FORM 2027-28 Parent of George Gutierrez Save FAFSA Menu

Demographics Financials **Review & Sign**

Review and Sign Your Section

If you need to change any of your responses, select the question to return to that page. Otherwise, sign and finish your section.

Scroll To Continue

After reviewing your answers, scroll to the bottom of the page to continue.

Parent Sections Expand All

- Introduction
- Personal Identifiers
- Section 1: Demographics
- Section 2: Financials

Terms and Conditions

Confirm that you understand the terms and conditions of the FAFSA® form and filled out your section of the form accurately to the best of your ability.

[View Terms & Conditions](#) Viewed

Sign for yourself and submit the application for George Gutierrez (Student).

☒ I, Ben Gutierrez, agree to the terms outlined above.

The Form is Ready To Submit

All contributors have completed their sections. You can now submit the FAFSA® form for processing.

[Previous](#) [Submit FAFSA Form](#)

FAFSA Wording Improvements

High School Completion

Improved wording to reduce errors

Student High School Completion Status

Will the student be done with high school when they start their college classes for the 2027–28 school year? ⓘ

If the student completed high school outside of the U.S., select "Yes (high school diploma)."

☒ Yes (high school diploma)

☐ Yes (GED or other state-recognized high school equivalent)

☐ Yes (homeschooling under state law)

☐ No, none of the above

Previous

Continue

FAFSA Wording Improvements

Homeless, Unaccompanied Youth questions Additional FAFSA questions easier to understand

FAFSA[®] FORM 2027-28 Student John Martinez Save FAFSA Menu

1 Background 2 Demographics 3 Financials 4 Colleges 5 Signature

Student Homelessness

On July 1, 2026 or after, did the student face one of these situations? ⓘ

☒ They didn't live with a parent or guardian, and they were homeless.

☐ They didn't live with a parent or guardian, were supporting themselves, and were at risk of becoming homeless.

☐ They didn't face either of these situations.

Did any of the following determine the student was homeless or at risk of becoming homeless?

Select all that apply.

☐ Director or designee of an emergency or transitional shelter, street outreach program, homeless youth drop-in center, or other program serving those experiencing homelessness

☐ The student's high school or school district homeless liaison or designee

☐ Director or designee of a project supported by a federal TRIO or GEAR UP program grant

☐ Financial aid administrator

☒ None of these apply.

Previous Continue

FAFSA Wording Improvements

Homeless, Unaccompanied Youth questions Additional FAFSA questions easier to understand

The screenshot displays the FAFSA 2027-28 application interface for Student John Martinez. At the top, a progress bar shows five steps: Background, Demographics, Financials, Colleges, and Signature. The 'Financials' step is currently active. Below the progress bar, the section is titled 'Your Dependency Status'. It features an icon of a person and the heading 'Provisionally Independent or Unaccompanied Homeless Youth You Can Proceed without Parent Information'. The text explains that based on the student's answers, they can submit the application without answering questions about their parent(s). It further states that to complete the financial aid process, the student will need to contact the financial aid office at the school they wish to attend. Two paragraphs provide additional context: one for students not in contact with a parent or at risk of being homeless, and another for unaccompanied homeless or self-supporting students. A final note mentions that the Student Aid Index (SAI) will be estimated until the financial aid office confirms the student's circumstances. At the bottom of the section, there are 'Previous' and 'Continue' buttons.

FAFSA[®] FORM 2027-28 Student John Martinez Save FAFSA Menu

1 Background 2 Demographics 3 Financials 4 Colleges 5 Signature

Your Dependency Status

 **Provisionally Independent or Unaccompanied Homeless Youth**
You Can Proceed without Parent Information

Based on your answers, you can submit your application without answering questions about your parent(s).

To complete the financial aid process, you'll need to contact the financial aid office at the school you wish to attend.

If you are not in contact with a parent, or contacting a parent would pose a risk to you, you are considered a provisionally independent student. You will need to speak with the financial aid office at your school about your circumstances.

If you have indicated that you are unaccompanied and either (1) homeless or (2) self-supporting and at risk of being homeless, the financial aid office at your school is required to make a determination of your status based on a written statement from you or a documented interview with you. Please contact your school's financial aid office to complete this process.

We won't be able to calculate your Student Aid Index (SAI) until your financial aid office confirms your circumstances. Until then, we will provide only an estimate of your federal student aid eligibility as an independent student.

Previous Continue

FAFSA Wording Improvements

More question wording improvements

Additional FAFSA questions easier to understand

- State of residence ("State, Country or Military Location")
- Year in college and degree
- Federal Benefits clarified
- Tax Filing Status clarification
- Asset question indicates to **NOT** report cash less than \$1000. *Still must report checking, savings accounts.*

FAFSA Coming Soon

RENEWAL APPLICATIONS!!!!

Pop Quiz!!



True or False: All Free Application for Federal Student Aid (FAFSA) changes take place when the FAFSA opens on October 1.

Pop Quiz!!



True or False: All Free Application for Federal Student Aid (FAFSA) changes take place when the FAFSA opens on October 1.

Answer:

False. Updates and changes now can occur during the application year

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 maximum student loan borrowing for that year in school.
- 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.

Student Loan Repayment Changes

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:
 - 10 years for student loans
 - 10-30 years for consolidation loans, depending on amount borrowed
- 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.

Student Loan Repayment Changes

Repayment Assistance Program Calculation

Sliding % of AGI (capped at 10%) / 12
- \$50 per tax dependent

Min payment **\$10/month**

Interest subsidy prevents balance from growing

Federal Direct loans

2026–2027 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	6.52%	1.057%
Graduate/professional degree students (unsubsidized loan only)	8.07%	1.057%
Direct PLUS loan		
Parents & graduate/professional degree students	9.07%	4.228%

Undergraduate Student loan options

Federal or non-federal	Available from	Loan type	Interest rate 2026–2027	Accept or compare?
Federal	Your college	Direct loans for students	6.52%*	Accept these first.
Non-federal	VSAC	VSAC Student loans—fixed rate	4.49-8.34% 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 2026-2027	Accept or compare?
Federal	Your college	PLUS loan for parents	9.07%*	Compare these loans.
Non-federal	VSAC	VSAC Parent loans — fixed rate	4.49-8.68% 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.*

Graduate/Professional Student loans

Federal or non-federal	Available from	Loan type	Interest rate 2026–2027	Accept or compare?
Federal	Your college	Direct loans for students	8.07%*	Accept these first.
Non-federal	VSAC	VSAC Student loans—fixed rate	4.49-8.34% 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!!



True or False: All VSAC non-federal loans require a credit-worthy cosigner.

Pop Quiz!!



True or False: All VSAC non-federal loans require a credit-worthy cosigner.

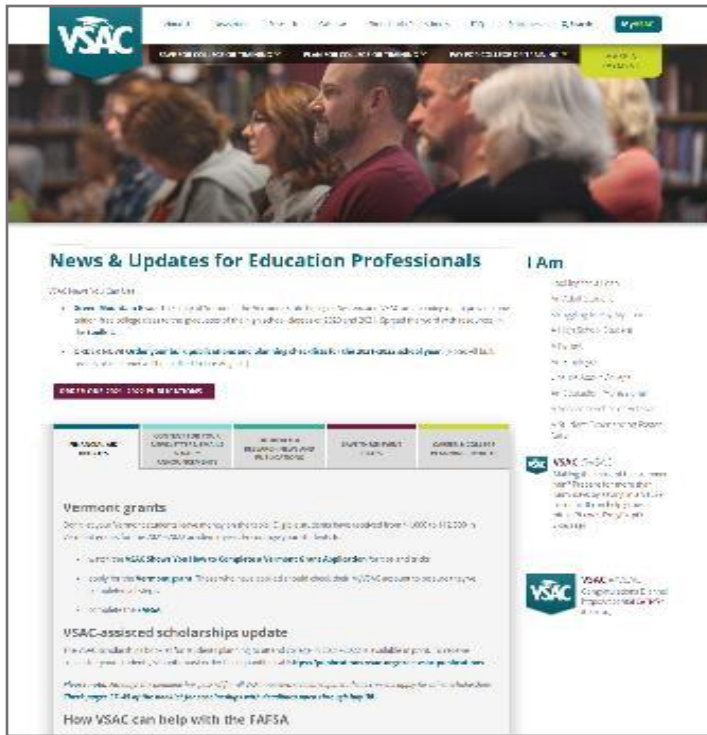
Answer: False – While Undergraduate and Graduate VSAC loans DO require a co-signer, Parent loans do not.

Resources and help



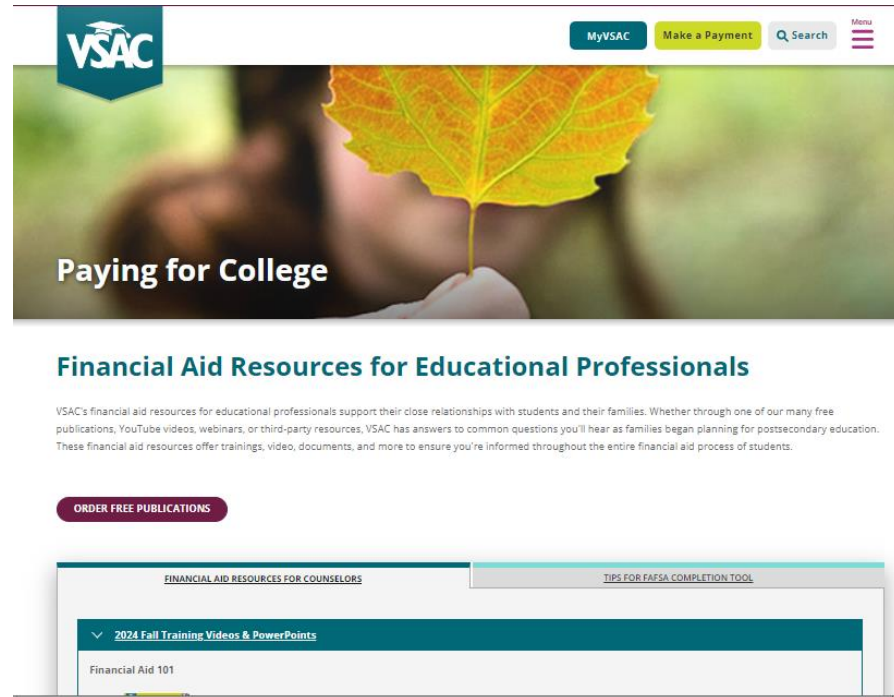
VSAC.org resources

News and Updates



The screenshot shows the VSAC.org website with a focus on news and updates for education professionals. The header includes the VSAC logo and navigation links. The main content area is titled "News & Updates for Education Professionals" and features a list of recent news items, including "Vermont grants" and "VSAC-assisted scholarships update". A sidebar on the right lists various resources and services. The bottom of the page includes a section titled "How VSAC can help with the FAFSA".

Financial Aid Resources



The screenshot shows the VSAC.org website with a focus on financial aid resources for educational professionals. The header includes the VSAC logo and navigation links. The main content area is titled "Paying for College" and features a section titled "Financial Aid Resources for Educational Professionals". Below this, there is a paragraph explaining that VSAC's financial aid resources support their close relationships with students and their families. A section titled "ORDER FREE PUBLICATIONS" is also visible. The bottom of the page includes a section titled "FINANCIAL AID RESOURCES FOR COUNSELORS" and a link to "2024 Fall Training Videos & PowerPoints".

FAFSA and VT Grant support - VSAC

VSAC Financial Aid Application Support

1:1 FAFSA Completion and VT Grant Support
(October 5, 2026 – mid-February 2027)

- 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

- Managing Education and Training Costs
- How to fill out your FAFSA
- Applying for Grants & Scholarships

FAFSA support – StudentAid.gov

Free Application for Federal Student Aid 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
- [FAFSA filing support in other languages](#)



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 2027-2028
- 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: prototype2728

And please remember...

Award Advisor[®]





Contact information

Carrie Harlow

VSAC Career and Education Outreach

- harlow@vsac.org
- 802-542-2603

Stacey King

VSAC Career and Education Outreach

- king@vsac.org
- 802-542-2269



Questions
