



Financial Aid Training

Vermont Student
Assistance Corporation

Fall 2023





Session goals

Updates

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

Federal Aid Updates

So
Many
Updates...



Changes since we last met...

Public Service Loan Forgiveness (PSLF) Limited Waiver

- Expired October 31, 2022.
- Almost **\$33 Billion** forgiven as a result of PSLF limited waiver
 - Total forgiven of all PSLF programs so far: **\$34.3 Billion**

Final extension to the Federal Student Loan pause

- Interest Resumed September 1, 2023
- Repayment beginning/began October 2023

Changes since we last met...

Restore Pell Lifetime Eligibility Used (LEU) for successful Borrower Defense claims and certain loan discharges

Establish Pell eligibility for confined or incarcerated individuals in Prison Education Programs (PEP)

FAFSA delay announced for 2024-2025 school year

- FAFSA will be available in December 2023

Biden-Harris Administration's Student Debt Relief Plan defeated in Supreme Court judgement

Updates to the Federal Student Aid website studentaid.gov, including Federal Student Aid Estimator

Federal Student Aid

i Because of legislation passed by Congress, the student loan payment pause is ending. Interest resumes on Sept. 1, and payments are due in October. Borrowers can lower their payments, even to \$0, by enrolling in the new [SAVE Plan](#). Learn how the Administration is supporting borrowers.

An official website of the United States government. [Help Center](#) [Submit a Complaint](#) [English | Español](#)

FederalStudentAid an office of the U.S. DEPARTMENT OF EDUCATION [FAFSA® Form](#) [Loans and Grants](#) [Loan Repayment](#) [Loan Forgiveness](#) [Log In | Create Account](#)

Get Ready for Student Loan Payments

[Restarting Payments](#) [Making Payments for the First Time](#)

Considering School
I'm thinking about going to college or a career school.

In School
I'm in the process of earning a degree or certificate.

Parent
I want to help my child pay for college.

In Repayment
I have loans I need to repay.

POPULAR TOPICS

- [Apply for Aid Using the FAFSA® Form >](#)
- [Learn About Public Service Loan Forgiveness >](#)
- [Update on Student Loan Debt Relief >](#)
- [Complete a Master Promissory Note \(MPN\) >](#)
- [Complete Loan Entrance Counseling >](#)

We're here to help you access and manage your financial aid.

If you filled out the FAFSA® form, you may have been offered grants, work-study, and loans. Before you receive a Direct Loan, you must complete counseling and sign a *Master Promissory Note (MPN)*. Before you receive a TEACH Grant,

POPULAR TOPICS

- [Renew Your FAFSA® Form](#)
- [Apply for a PLUS Loan for Graduate School](#)
- [Complete a Loan Agreement \(*Master Promissory Note/MPN*\)](#)

FAFSA

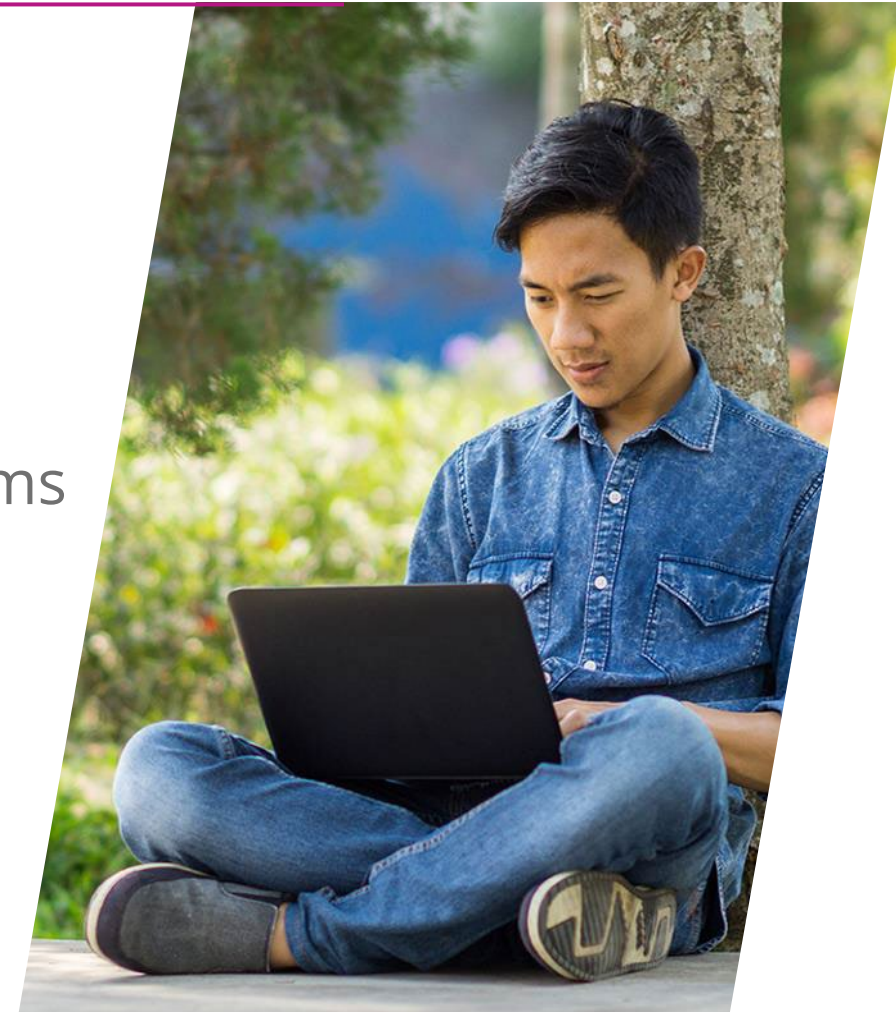
Why complete?

Required for:

- Federal Student Aid (FSA) programs (including loans)
- Vermont full-time and part-time Grant programs

May be required for:

- Institutional aid
- Scholarships



FAFSA

“We won’t qualify. Why bother?”

Students can qualify for:

- Federal loans
- Work-study
- Institutional aid
- Scholarships

Communicate special circumstances to college

- Change in family income
- Change in marital status
- Additional expenses not reflected on FAFSA



FAFSA facts for 2024-2025

Two ways students can file a FAFSA:

- Using a computer or mobile device — fafsa.gov
- Paper application — .pdf can be downloaded from studentaid.gov

New terminology to learn:

- *Contributor*
- *Student Aid Index (SAI)*
- *FUTURE Act - Direct Data Exchange (FA-DDX)*
- *FAFSA Submission Summary*

FAFSA.gov



An official website of the United States government. Help Center English | Español

Federal Student Aid AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION FAFSA Loans & Grants Repayment Loan Forgiveness Log In | Create Account


Get Money to Pay for School

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

2024-25 FAFSA Form

[Start a New Form](#) [Edit Existing Form](#)

Need to access last year's form? [Start or Edit a 2023-24 Form](#)



Check FAFSA® Deadlines for the State You Live In

Some states and colleges use FAFSA information to award their own grants, scholarships, and loans. Check your state's deadlines here!

School Year State of Residence [Find Deadlines](#)

[View All FAFSA Deadlines](#)

Who Should Complete This?

Any student, regardless of income, who wants to be considered for federal, state, and school financial aid programs, which includes scholarships, grants, loans, and Federal work-study.

How Long Will it Take?

It takes most people less than an hour to complete, including gathering any documents or data needed.

What Do I Need?


- Verified StudentAid.gov account
- Social Security Number
- Parent or spouse contributor email addresses
- Income and asset information, if required


Who's completing the form?

FAFSA[®] FORM 2024-25

Welcome, Raya,
to the FAFSA[®] Form

I am starting the FAFSA form as a

Student 

Parent 

Previous Continue

Contributor

What/Who is a contributor?

- A person required to *contribute information* to the student's FAFSA
 - Dependent students – student and parent(s)
 - **NEW** this year – if the dependent student's parents are divorced or separated, it is the parent *who provided more financial support in the last year – if equal then parent with higher income/assets*.
 - Embedded parent wizard tool.
 - Dependent students will invite parent(s) as contributors/Independent students may invite spouse as a contributor when appropriate.

Student Other Circumstances

No changes to questions determining student dependency status.

Update to the unaccompanied and homeless or at risk of being homeless question:

“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
- Financial aid administrator (FAA)
- **Director or designee of a project supported by a federal TRIO or GEAR UP program grant**
- None of these apply.

Contributor

What/Who is a contributor?

- Independent students – student – and spouse if married
- Provisional Independent – New to 2024-2025, Unusual circumstances preventing parent information sharing can be reported within FAFSA, formerly what we thought of as Dependency Override questions.
 - If student answers yes, they are categorized as Provisional Independent and a provisional SAI and award will be calculated. **Requires documentation and approval from a FAA.**

The screenshot shows the FAFSA 2024-25 interface for Student Raya Tran. The progress bar indicates the user is on step 1, Personal Circumstances. The current section is titled "Student Unusual Circumstances" and includes the following text: "This information will help us evaluate the student's ability to pay for school." Below this is a question: "Do unusual circumstances prevent the student from contacting their parents or would contacting their parents pose a risk to the student?" A list of examples follows: "A person experiencing unusual circumstances may have: • Left home due to an abusive or threatening environment; • Been abandoned by or estranged from their parents, and have not been adopted; • Been granted refugee or asylee status and are separated from their parents, or their parents are displaced in a foreign country; • Been a victim of human trafficking; • Been incarcerated, or their parents are incarcerated and contact with them would pose a risk to them; or • Been otherwise unable to contact or locate their parents, and have not been adopted." At the bottom, there are radio buttons for "Yes" and "No", with "No" selected. "Previous" and "Continue" buttons are also visible.

Parental Information on FAFSA

What if a student considered to be Dependent cannot get parental information?

- Student can also answer that there are no Unusual Circumstances should parents refuse to give information and the next page will ask if the student wants to be considered for unsubsidized loan only.

The screenshot shows the FAFSA 2024-25 application interface for Student Raya Tran. The progress bar at the top indicates the user is on step 1, 'Personal Circumstances', with other steps being 'Demographics', 'Financials', 'Colleges', and 'Signature'. The main section is titled 'Student Dependency Status' and contains a 'Dependent Student' notification box. Below this is a question about applying for a Direct Unsubsidized Loan Only, with radio buttons for 'Yes' and 'No' (selected).

FAFSA FORM 2024-25 Student Raya Tran Save FAFSA Menu

1 Personal Circumstances 2 Demographics 3 Financials 4 Colleges 5 Signature

Student Dependency Status

Dependent Student
Based on your answers, you're a dependent student, and since we assume parents of dependent students will help pay for your education if they are able, we need information about their finances and backgrounds. This information is used to determine how much financial aid you're eligible to receive.

Apply for a Direct Unsubsidized Loan Only

Are the student's parents unwilling to provide their information, but the student doesn't have an unusual circumstance that prevents them from contacting or obtaining their parents' information?

Select "Yes" if the student wants a financial aid administrator at their school to determine their eligibility for a Direct Unsubsidized Loan only.

Yes No

Previous Continue

FSA ID updates

- **FSA ID**

- Contributors to the FAFSA will need to have created and confirmed their FSA ID **BEFORE** completing the FAFSA.
 - Confirming the FSA ID usually takes **at least 5-7 business days**. Applicants will receive an email confirming the FSA ID has been processed.
- If contributors are married and file a married filing joint return, only one person in the couple needs an FSA ID.
- If contributor parents are unmarried, but living together, both parents will need an FSA ID.
- If contributor parents are married and file taxes separately, both parents will need an FSA ID.
- If contributors are recently married, and filed separate tax returns for 2022 (both parents of dependent students and independent students), both members of the couple need an FSA ID.
- If contributors are not US Citizens/Permanent residents, they will be able to get an FSA ID by using another service and process.

FAFSA Simplification

- Shorter electronic form with fewer questions starting with 2024–2025 year.
- Contributors will consent to direct transfer information of from the IRS – called FA-DDX. Direct transfer exceptions include:
 - Recent marital status change since filing taxes (separation/divorce)
 - Victims of identity theft
- Consent must be given, regardless of whether the contributor filed taxes or has an exception preventing direct transfer of information.
- Without consent from all required contributors, no federal aid will be awarded.
- Family size comes from persons claimed on taxes. If different, student/parent need to answer family size question on FAFSA.



FAFSA Simplification - SAI

- Expected Family Contribution (EFC) will change to **Student Aid Index (SAI)** using a new formula to calculate eligibility for need-based aid except Maximum Federal Pell Grant eligibility.
 - [Eligibility for Maximum Pell will be based on Adjusted Gross Income \(AGI\), single or dual-parent household, household size, and poverty guidelines.](#) (p 2)
 - Eligibility for Minimum Pell will be based on Adjusted Gross Income (AGI), single or dual-parent household, household size, and poverty guidelines and the amount of the maximum Pell Grant. (same link above, p 4)
 - Pell-eligible students will receive the higher of Minimum Pell or SAI determination of Pell

MORE FAFSA changes

- **Up to 20 colleges can be listed** electronically(!)
- **Asset information**
 - FAFSA filers will now have to report business and/or farm equity
 - **These items will no longer need to be reported on VT Grant application**
 - On the FAFSA they call this “net value,” the amount they could expect if they sold the business/farm, minus the debt held against those assets.
 - IF parent has completed consent and Federal Adjusted Gross income is below \$60,000, generally assets are not counted in SAI calculation.
 - If parent indicates any federal, means-tested benefits in prior 2 years, assets also not counted – including if in 100% Free or Reduced Lunch

MORE FAFSA changes

Process Changes

- Students and parents will enter the FAFSA separately, fill out their information, invite contributors, and sign. Contributors will not see other contributor information.
- Student needs CORRECT date of birth, SSN, and legal name(s) of contributors, in order to invite parent contributors. Any viable email is fine. Errors must be fixed by student.
- Contributors with verified FSA IDs can also log in and see the invite on their dashboard (if email was incorrect for example or they cannot access email).
- The last contributor in will have the option to Submit the FAFSA – it will not appear until all contributors have consented and completed section(s).

FAFSA Submission Summary

- Student Aid Report (SAR) is now FAFSA Submission Summary

The screenshot shows the top portion of the FAFSA Submission Summary page. It includes a navigation bar with 'Eligibility Overview' (underlined), 'FAFSA Form Answers', 'School Information', and 'Next Steps' (with a red notification icon). The main header area contains the FAFSA logo, the text 'FORM 2024-25 FAFSA Submission Summary', and a 'Print This Page' button. Below the header, a student profile for 'Raya Tran' is shown, along with application dates (Received: Sept. 10, 2024; Processed: Sept. 12, 2024) and a Data Release Number of 2572. The current view is identified as 'Submission 1'.

The screenshot displays the 'Estimated Federal Student Aid' section. It lists three types of aid with their respective maximum amounts and eligibility information:

- Federal Pell Grant**: Up to **\$4,556**. Description: A Federal Pell Grant is awarded to undergraduate students who have financial need and who have not earned a degree or are in a teacher certification program. Federal Pell Grants don't need to be repaid.
- Federal Direct Loans**: Up to **\$4,556**. Description: A federal direct loan is money lent by the government to you that you must repay with interest.
- Federal Work-Study**: **You May Be Eligible**. Description: Federal Work-Study is a way for students to earn money to pay for school through part-time jobs on or off campus.

A note at the bottom states: 'Amounts shown here are only estimates of federal student aid based on full-time enrollment and the average cost of attendance. Your school will determine how much student aid to offer you, which may include additional aid from your school or state.' A link 'Learn more about financial aid' is provided. A green callout box with a lightbulb icon says: 'Keep in mind, this is only an estimate. Always refer to your school's financial aid offer for a final determination of financial aid available.'

2024-2025 Timeline

This year's FAFSA delay mean changes to timelines

- **October 2023**

- Early Decision (ED) students should be looking to colleges for CSS Profile application requirements and deadlines.
- While waiting for FAFSA open, students and first-time filing parents need to create FSA IDs.
 - VSAC is offering virtual and in-person FSA ID sign-up help at the VSAC Resource Center.
- Create MyVSAC account for student and file 2024-2025 Vermont Grant application.

- **November 2023**

- Research and apply for VSAC- assisted scholarships

2024-2025 Timeline

FAFSA delays mean changes to timelines

- **December 2023**
 - FAFSA opens (*sometime TBD*)
- **January 2024**
 - Watch for Financial Aid Forms Nights at high schools
 - VSAC will offer virtual and in-person FAFSA help through the VSAC Resource Center.
- **February 14, 2024**
 - VSAC-Assisted Scholarships deadline. FAFSA's must be filed by midnight for scholarships with a financial need component.



Questions



Education loans

Federal Direct loans

2023–2024 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	5.50%	1.057%
Graduate/professional degree students (unsubsidized loan only)	7.05%	1.057%
Direct PLUS loan		
Parents & graduate/professional degree students	8.05%	4.228%

Student loan options

Federal or non-federal	Available from	Loan type	Interest rate 2023–2024	Accept or compare?
Federal	Your college	Direct loans for students	5.50%*	Accept these first.
Non-federal	VSAC	VSAC Student Loan — fixed rate	4.70%–8.16% 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 2023–2024	Accept or compare?
Federal	Your college	PLUS loan for parents	8.05%*	Compare these loans.
Non-federal	VSAC	VSAC Parent Loan — fixed rate	4.70%–8.49% 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.*

SAVE Repayment Plan

- Saving on a Valuable Education (SAVE)
 - Replaces Revised Pay as You Earn (REPAYE) plan
 - Calculates monthly payment amount based on income and family size
 - Increases income exemption from 150% to 225% of poverty line.
 - Eliminates 100% of remaining interest after a scheduled payment is made.
 - Excludes spousal income for those borrowers who are married and file separately.
 - Eligible federal loans
 - Direct Subsidized and Unsubsidized loans
 - Direct PLUS loans made to graduate or professional students
 - Direct Consolidation loans that did not repay any PLUS loans made to parents.

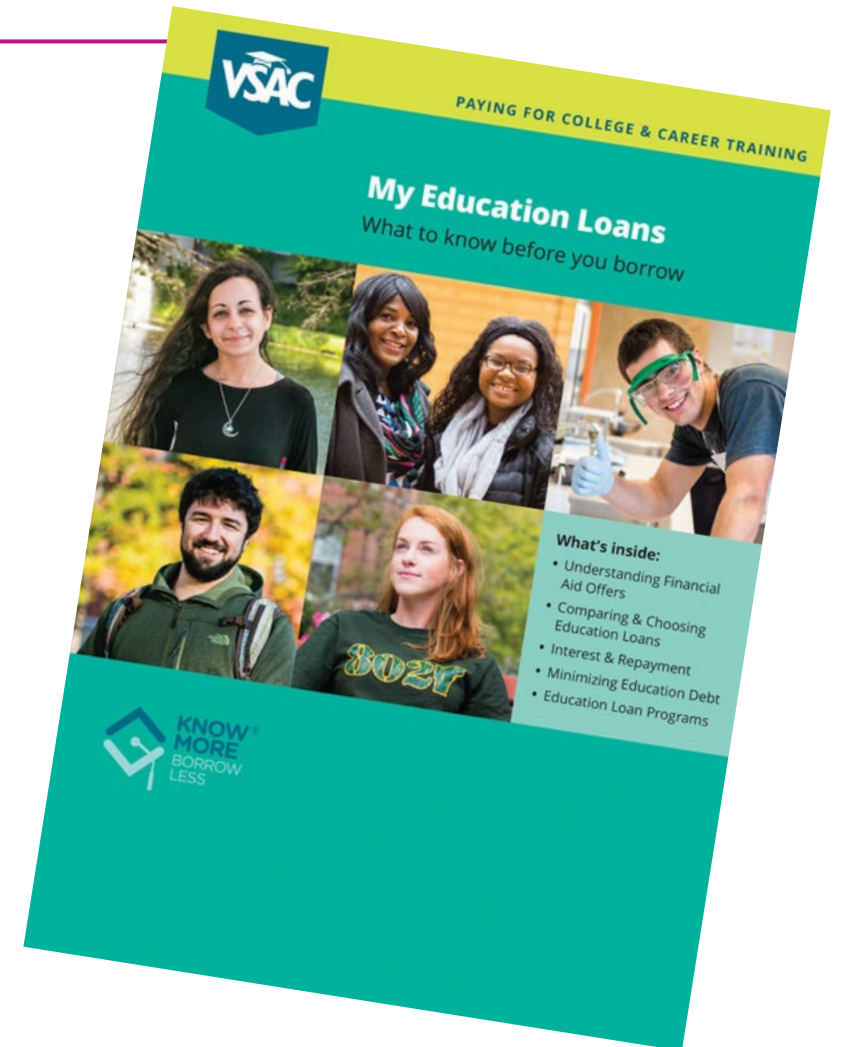
VSAC's student & parent loans

Available for eligible students who need education financing *beyond* what they can borrow in federal Direct student loans.

How to choose a private loan?

Visit www.vsac.org/learn for:

- VSAC's education loan guide
- loan calculators to compare total costs
- VSAC Student Loan
- VSAC Parent Loan



Loan resources

mappingyourfuture.org/paying/debtwizard
for student loan debt/salary wizard

studentaid.gov/loan-simulator
to view different federal student loan repayment options

[“VSAC Shows You How”](#)
YouTube video about choosing an education loan



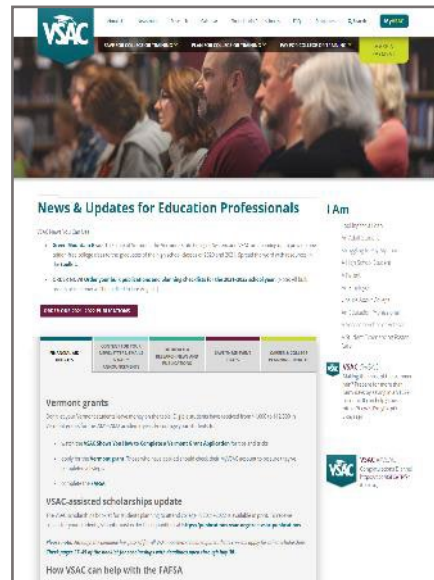
Questions



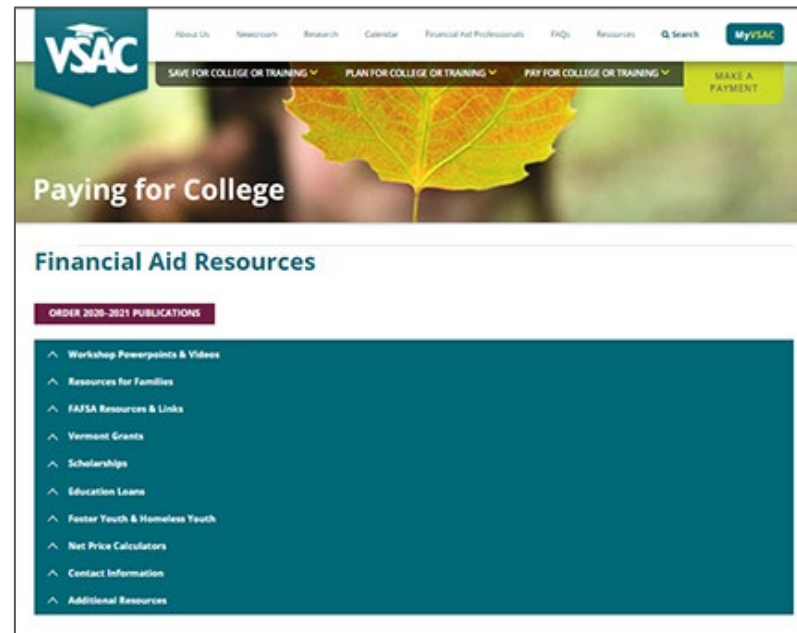
Information resources

VSAC.org resources

vsac.org/edpronews



vsac.org/financial-aid-resources

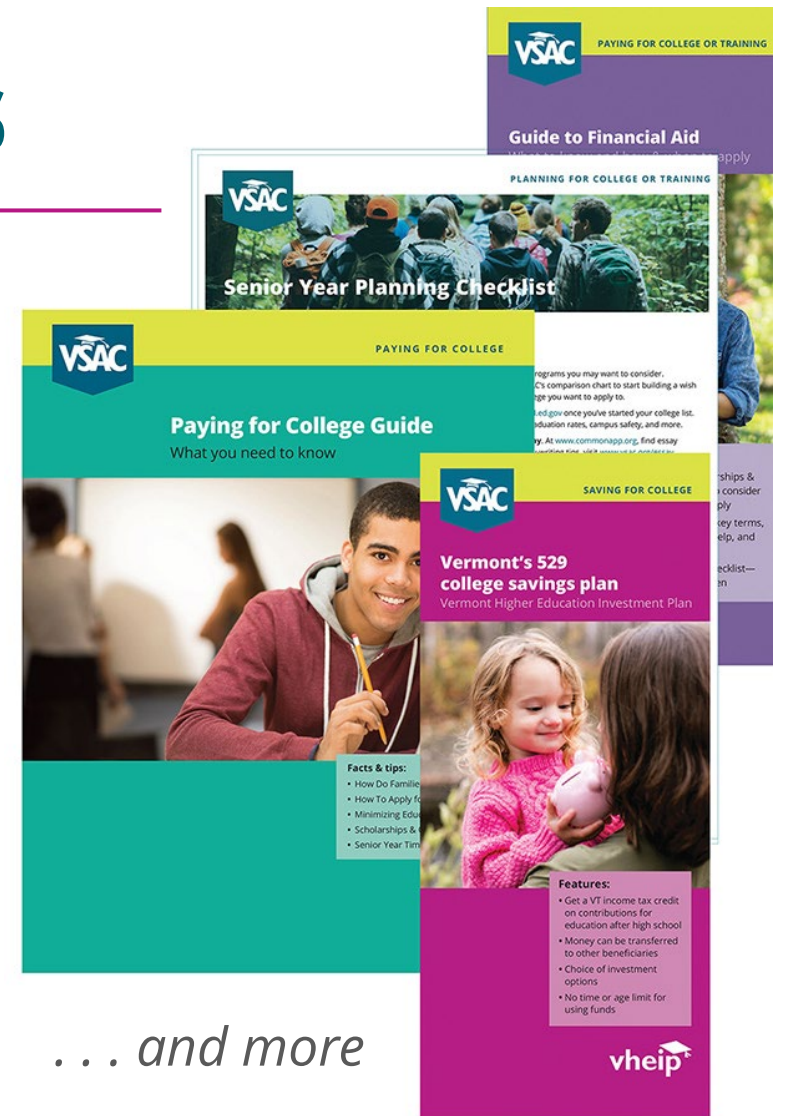


VSAC publications orders

Online order platform

- Request printed pieces for your families.
- Download digital versions for your website.
- Track pre-order or shipping status.
- Receive order reminders from VSAC.

<https://publications.vsac.org>



... and more

FAFSA demo system

Demonstration site

fafsademo.test.ed.gov

- Update for 2024-25 projected for December 2023.



Questions



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