

FAFSA® Simplification Fact Sheet

Summary of Early Changes for 2023-24

FAFSA® Simplification Act

On Dec. 27, 2020, Congress passed the *Consolidated Appropriations Act*, which included provisions that amended the *Fostering Undergraduate Talent by Unlocking Resources for Education (FUTURE) Act* and included the FAFSA Simplification Act—a sweeping redesign of the processes and systems used to award federal student aid. The law makes it easier for students and families to complete and submit the Free Application for Federal Student Aid (FAFSA®) form and expands access to federal student aid.

Phased Implementation of Changes

Due to the magnitude of the upcoming changes under the *FAFSA Simplification Act*, Congress extended the full implementation deadline until the 2024-25 Award Year, as outlined in the *Consolidated Appropriations Act, 2022*. In June 2021, the U.S. Department of Education office of Federal Student Aid (FSA) announced a phased approach to implementation of the *FAFSA Simplification Act*.

Certain changes began in the 2021-22 Award Year and full implementation of major provisions will occur during the 2024-25 Award Year. As part of this process, FSA is implementing the new rules around cost of attendance (COA) changes, professional judgment updates, expanded Federal Pell Grant eligibility, certain FAFSA form changes, and additional assistance for certain student populations for the 2023-24 Award Year. Other provisions of the *FAFSA Simplification Act* will be implemented by 2024-25 and announced in the future.

2023-24 Award Year: Changes to be Implemented Early

New rules for cost of attendance (COA)

Institutions of higher education must update the components included in their COA, which is an estimate of a student's educational expenses for a period of enrollment (typically one year). Institutions will also make a list of all COA components publicly available and share this information on their website where tuition and fee costs are published.

The COA components for the 2023-24 Award Year and beyond include

- tuition and fees;
- books, course materials, supplies, and equipment;
- transportation between campus and home or work;
- personal expenses;
- living expenses, including food and housing costs; and
- may also include allowances for
 - student loan fees; dependent care; disability expenses; study abroad program fees; remote instruction costs; correspondence program costs; experiential learning program costs; or costs related to obtaining a professional credential or license.

Expanded rules for professional judgment

Financial aid professionals at institutions will have additional flexibility in adjusting a student's eligibility for financial aid—known as professional judgment—due to special or unusual circumstances. Examples of special circumstances include a loss of income, change in family size, or additional expenses due to a student's disability. Unusual circumstances most often require an adjustment to a student's dependency status and the information they provide on their FAFSA form based on a unique situation, such as being a homeless or foster youth.

The *FAFSA Simplification Act* provides examples of possible adjustments and acceptable documentation that may be submitted by the student, but ultimately institutions will develop their final policies for reviewing requests for professional judgment.

Find additional guidance for assisting homeless youth, former foster youth, orphans, and students with other unusual circumstances in the **Students with Unusual Circumstances Fact Sheet.*

FAFSA form changes

The *FUTURE Act* removed financial aid eligibility restrictions related to certain drug convictions and the failure for males to register with Selective Service. Starting with the 2023-24 FAFSA form, questions related to these criteria will be completely removed. A demographic data survey will be added to the form in 2023-24 with questions related to race, ethnicity, and gender.

Expanded eligibility for Pell Grants

Pell Grant lifetime eligibility (often referred to as “Lifetime Eligibility Used”) will be restored to students whose school closed while they were enrolled, who were victims of identity theft or false certifications, or who had a successful borrower defense claim. FSA will automatically review and update its systems for impacted students. Schools and students will not have to take further action to restore Pell Grant eligibility.

Students who are incarcerated in federal or state penal institutions (and other involuntary commitments) will also regain the ability to receive a Pell Grant. Basic eligibility requirements include enrolling in an eligible prison education program, completing a FAFSA form, and meeting specific eligibility requirements for Pell Grant awards.

Additional Resources:



1. **FSA Partner Emails** - Subscribe to receive ongoing email updates from Federal Student Aid: outreach.fsapartners.ed.gov



2. **Financial Aid Toolkit** - Find outreach tools to help guide others through the FAFSA simplification changes: financialaidtoolkit.ed.gov/bfbf



3. **FSA Training Center** - Gain access to on-demand training courses, tools, and videos for financial aid professionals: fsatraining.ed.gov



4. **Knowledge Center** - Obtain official policy guidance and access to other FSA administrative websites for financial aid professionals: fsapartners.ed.gov/knowledge-center



5. **Customer Service Center** - Connect with FSA service centers to assist students, parents, and borrowers: fsapartners.ed.gov/help-center/fsa-customer-service-center