FAFSA Simplification Act – How It Impacts You!

The FAFSA Simplification Act represents a significant overhaul of the processes and systems used to award federal student aid starting with the 2024-2025 award year. This includes the Free Application for Federal Student Aid (FAFSA) form, need analysis, and many policies and procedures for schools that participate in federal student aid programs.

2024-2025 FAFSA Itinerary
Historically, the FAFSA has been available beginning October 1st each year. Due to the significant application changes and processing system overhaul, the 2024-2025 FAFSA is scheduled for release in December 2023.

How Things Are Changing

FAFSA Form
The 2024-2025 FAFSA will be streamlined to simplify the application process. The new format will reduce the number of overall questions and eliminate barrier questions, such as those related to Selective Service and drug-related convictions.

Terminology
New to the 2024-2025 FAFSA is the term contributor, which refers to anyone who must provide information on a student’s application. The FAFSA determines which contributors, if any, must provide information on the form based on a student’s or parent’s answers.

Although contributors may not be financially responsible for the student’s educational costs, they are required to provide information on the FAFSA or the application may be considered incomplete and the student will not be eligible for federal financial assistance.

Contributors may include any of the following:

- The student;
- The student’s spouse (if applicable);
- A biological or adoptive parent; or
- The spouse of the remarried parent who is on the FAFSA (Stepparent)

FSA ID
All federal student aid applicants and contributors are required to have an FSA ID, a username and password that allows students and parents to identify themselves electronically to access Federal Student Aid websites. If you or your contributor do not have an FSA ID, you will need to create an account at www.Studentaid.gov.

Federal Student Aid is still working on a process to allow individuals without a Social Security Number (SSN) to create an FSA ID. For more information, visit www.Studentaid.gov.
**FUTURE ACT**
According to the **Fostering Undergraduate Talent by Unlocking Resources for Education Act (FUTURE Act)**, a student's federal student aid eligibility must be determined using data received directly from the IRS, whenever possible. This will be implemented starting with the 2024-2025 FAFSA. As a result, all parties whose Federal Tax Information (FTI) is included on a student's FAFSA must consent annually to share IRS data or confirmation of non-filing with federal student aid programs using the FUTURE Act-Direct Data Exchange (FA-DDX).

**Estimated Financial Contribution (EFC) Replacement**
The Estimated Financial Contribution (EFC) is being replaced by the Student Aid Index (SAI) to determine a student's financial aid eligibility. The SAI is used to calculate need-based financial aid, such as grants and certain loans. The information you include on your FAFSA determines your SAI.

This new need analysis formula removed the number of family members in college from the calculation, allows for an SAI of -1500 and implements separate eligibility determination criteria for Federal Pell Grants.

**Pell Grant Award Modifications**
In addition to using SAI to determine Pell grant award eligibility, the **FAFSA Simplification Act** will expand the Federal Pell Grant eligibility based on family size (formerly household size) using IRS data and the federal poverty guidelines beginning with the 2024-2025 award year.

**What’s Staying the Same?**

**FAFSA**
The FAFSA application will still be required annually for consideration of federal and state financial aid.

**Dependency Status questions**
The series of questions that determine if your parent(s) must complete the FAFSA will remain unchanged.

**Prior-Prior Year Tax Data**
The FAFSA will still request federal income tax information from the return you filed two years before the current academic year (prior-prior).
**Federal Student Loan Programs and Loan Limits**

*Federal Direct Loan* programs (Subsidized/Unsubsidized/PLUS) and *loan limits* will not change and are still based on whether you are an undergraduate student, a graduate or professional student or a parent.

**Questions?**

For more information visit [www.Studentaid.gov](http://www.studentaid.gov) or contact the Office of Student Financial Services at  [Sfaregis@uth.tmc.edu](mailto:Sfaregis@uth.tmc.edu) or (713) 500-3860.

**Disclaimer**

Content will be updated as the Department of Education releases additional information and as changes are implemented in accordance with the [FAFSA Simplification Act](https://www.ed.gov/about/offices/list/foia/foia.gov/acts/2024/index.html) for the 2024-2025 academic year. The information provided is for general purposes and should not be interpreted as legally binding.