

## **Session 12 - The Free Application for Federal Student Aid (FAFSA)**

*By the end of this session, you will be able to:*

- *complete a 1997-98 FAFSA,*
- *identify potential problem areas within the FAFSA, and*
- *analyze information provided in a sample FAFSA.*

### **RESOURCES**

- *The 1997-98 Free Application for Federal Student Aid (FAFSA)*
- *The 1997-98 Counselor's Handbook for Postsecondary Schools*

### **SESSION CONTENTS**

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## NEED TO KNOW

### Lecture notes on the FAFSA

#### **Section A**

More information about **Social Security numbers** can be found in Chapter 2 of the *Federal Student Financial Aid Handbook*.

#### **Section B**

Some state agencies use the information in Section B to award grants and scholarships.

#### **Section C**

See page 4 of the FAFSA instructions for the list of programs you must include as **veterans' education benefits**.

#### **Section D**

To be classified as an **independent student**, a student must:

- be at least 24 years of age by December 31, 1997; or
- be a veteran of the U.S. Armed Forces; or
- be enrolled in a graduate or professional program course of study; or
- be married at the time the student signs the application; or
- be an orphan or ward of the court or have been a ward of the court until reaching the age of 18; or
- have legal dependents, other than a spouse.

See page 4 of the FAFSA instructions for the definitions of "veteran," "legally married," "orphan," and "legal dependent."

## **NEED TO KNOW (cont'd)**

Students whose dependency status changes after the FAFSA is filed must update their dependency status information by making corrections on the SAR or through the Electronic Data Exchange (EDE).

- A dependent applicant may not change his or her dependency status because of a change in his or her marital status.
- An applicant cannot change dependency status on a Direct Loan origination record or for an FFEL Program loan application that has been previously certified.

### ***Section E***

See pages 4 and 5 of the FAFSA instructions that explain “Household Information.”

### ***Section F***

Worksheet #1 on page 11 of the FAFSA instructions helps students calculate income.

Worksheet #2 on page 11 of the FAFSA instructions helps students calculate their untaxed income and benefits.

Worksheet #3 on page 12 of the FAFSA instructions helps students calculate exclusions for amounts included in taxed income. (See FAFSA, Section F.)

## NEED TO KNOW (cont'd)

### *Section G*

A **dependent student** qualifies for the Simplified Needs Test when:

- the student and his or her parents have not filed and will not file an IRS Form 1040; **or**
- the student and his or her parents are not required to file an IRS Form 1040; **and**
- the parents' AGI or earned income is less than \$50,000.

An **independent student** qualifies for the Simplified Needs Test when:

- the student (and spouse, if applicable) has not filed and will not file an IRS Form 1040; **or**
- the student (and spouse, if applicable) is not required to file an IRS Form 1040; **and**
- the student's (or couple's) AGI or earned income is less than \$50,000.

A student who **does not** qualify for the Simplified Needs Test must complete Section G.

### ***“School Use Only Box” and Dependency Overrides***

The box at the bottom of Section B tells students to notify the financial aid administrator at the school(s) to which they are applying of any unusual circumstances they may have such as:

- the family pays elementary school or secondary school tuition expenses; **or**
- the family has unusual medical or dental expenses not covered by insurance; **or**
- a family member recently became unemployed; **or**

## NEED TO KNOW (cont'd)

- the family has other unusual circumstances that are not covered in the form and that might affect eligibility for student financial aid.

When a student fills out an original FAFSA, the financial aid administrator can use professional judgment to change the student's dependency status from dependent to independent.

To override and change a student to independent status, the FAA must complete the "School Use Only" box in Section H.

- Fill in the oval to show that the student's status is being overridden and changed to independent,
- Enter the school's Title IV institution code, and
- Sign the box.

Note: Dependency overrides cannot change students from independent to dependent status.

If you become aware of a student's unusual circumstances after the FAFSA has already been submitted, a dependency status override can still be implemented by having the student submit a corrected SAR in which you have completed the "School Use Only" box or through the Electronic Data Exchange (EDE).

## PRACTICE

### FAFSA Quiz — Find the Mistakes

Chris Jackson submitted her application for processing, but it came back unprocessed. Find the five possible mistakes on Chris's FAFSA, which begins on the next page.

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

Insert Chris' FAFSA, page 1, here

Insert Chris FAFSA, page 2

Chris' FAFSA, page 3

Chris' FAFSA, page 4

## BACK AT THE OFFICE

Back at the office, you should:

- Review the FAFSA and its instructions.
- Obtain a copy of *The 1997-98 Counselor's Handbook for Postsecondary Schools* by calling 1-800-4-FED-AID.
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

## ANSWER KEY

### FAFSA Quiz

**#8 Your Social Security number.** Chris left this blank. A student must have a Social Security number to apply for federal financial assistance. If a student fails to fill in his or her Social Security number, the FAFSA will be returned to the student unprocessed.

**#9 Your date of birth.** The year that Chris reported as her birth date was for the current year. This will not cause her application to be returned unprocessed, but she will receive a reject on her SAR that asks her to correct this information.

**#19 First bachelor's degree.** Chris stated that she would have her first bachelor's degree before July 1, 1997. This is conflicting information since she also stated that she is a first-year/never attended college student. If true, which is unlikely, it also means she will not be eligible for a Federal Pell Grant or a Federal Supplemental Educational Opportunity Grant (FSEOG). Her SAR would come back and ask her to clarify this information.

**#104 Sending information to state agencies to be considered for state aid.** Most students leave this blank even if the student has missed the deadline because it's possible the student could qualify for state aid from other sources. The date Chris signed the FAFSA should have been within state limitations, so Chris may want to reconsider.

**#106 Signatures.** Chris is a dependent student; therefore, her mother or father would have to sign and date the application.