

FAFSA Changes for 2017-18

Summary

On Sept. 14, 2015, President Obama announced Significant changes to the *Free Application for Federal Student Aid* (FAFSA) process that will impact millions of students. Starting next year, students will be able to:

- **Submit a FAFSA® Earlier:** Students will be able to file a 2017-18 FAFSA as early as Oct. 1, 2016, rather than beginning on Jan. 1, 2017. The earlier submission date will be a permanent change, enabling students to complete and submit a FAFSA as early as October 1 every year.
- **Use Earlier Income Information:** Beginning with the 2017-18 FAFSA, students will report income information from an earlier tax year. For example, on the 2017-18 FAFSA, students (and parents, as appropriate) will report their 2015 income information, rather than their 2016 income information.

Background

The FAFSA is the application that college or career school students must complete to apply for federal student aid, which includes Pell Grants, federal student loans, and work-study opportunities. In addition to determining eligibility for federal student aid, FAFSA information is used by many states, colleges, career schools, and private organizations to determine eligibility for nonfederal student aid. Completing the FAFSA is the gateway to accessing funds for college for approximately 20 million students each year.

The FAFSA is currently available for applicants to complete on January 1 for the upcoming application cycle. However, many deadlines for state aid are as early as March. For some students, the current FAFSA application cycle is not aligned with college admissions application deadlines, which typically occur in the fall prior to the FAFSA launch. As a result, time is a critical factor for applicants qualifying for aid. Finally, in addition to the timing of the launch of the FAFSA, the availability of an applicant's income and tax information may lead students-and, where applicable, their parents-mistakenly think they are not able to file a FAFSA until they file their tax return. This may cause students to miss out on some federal, state and/or institutional financial aid.

FAFSA® Process Changes

Beginning with the 2017-18 FAFSA, the start date will move from January 1 to October 1 of the previous year. This means that students who complete the 2017-18 FAFSA will be able to submit the form anytime between Oct. 1, 2016, and June 30, 2018.

In addition to changing the FAFSA launch date, we are also changing the requirements for reporting income information. Currently, FAFSA applicants provide income information from the "prior tax year." For example, 2016-17 applicants must report 2015 income information. Beginning with the 2017-18 FAFSA, applicants will provide income information from one tax year earlier-the "prior-prior" year. This means that the 2017-18 FAFSA will collect 2015 income information. As a result of this change, more students and families will be able to complete their FAFSA using income information imported electronically from the IRS, using our IRS Data Retrieval Tool (DRT), rather than submitting applications

with income estimates that may need correcting, or worse, waiting until the previous year's tax return has been filed.

The following table provides a summary of key dates as we transition to using the early FAFSA submission timeframe and earlier tax information.

When a Student Is Attending College (School Year)	When a Student Can Submit a FAFSA	Which Year's Income Information Is Required
July 1, 2017- June 30, 2018	October 1, 2016- June 30, 2018	2015
July 1, 2018- June 30, 2019	October 1, 2017- June 30, 2019	2016

FAFSA ® Changes Impact

Recent research and the Department of Education's own data suggest that implementing an earlier start date and using earlier income information will benefit students. Benefits include

- (a) alignment- the financial aid application process may be more aligned with the college admission process,
- (b) certainty- applicants will not need to estimate income or taxes paid, and
- (c) less pressure- more time for students and parents to explore and understand financial aid options and apply for aid before state deadlines.