



Financial Aid Training

Vermont Student Assistance
Corporation

Fall 2024





Session goals

Federal Updates

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

Free Application for Federal Student Aid - FAFSA

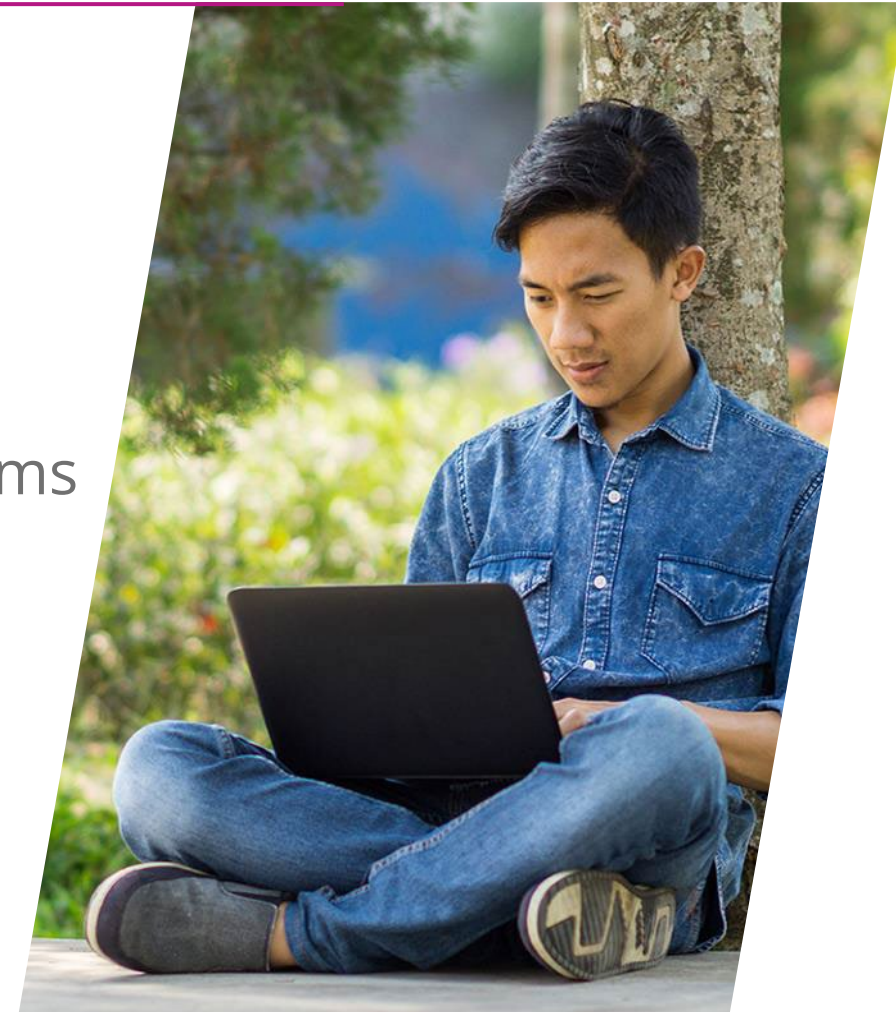
~~Why complete it?~~ Why bother?"

Students can qualify for:

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

May be required for:
Communicate special circumstances to college

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



Better FAFSA facts - 2024-2025

Two ways students can file a FAFSA:

- Using a computer or mobile device — fafsa.gov
 - More than 99% of FAFSA submitters file electronically
- Paper application — .pdf can be downloaded from studentaid.gov
 - Paper FAFSA is not "Better," 2024-2025 form is 22 pages,
 - Needs additional postage
 - Takes more time to process

Federal Aid Updates

So
Many
Updates...



Better FAFSA - How did it go?

2024–25 FAFSA® CYCLE



FAFSA SUBMISSIONS

14.8 million submissions to date

[2024–25 FAFSA Updates](#)

[2024–25 FAFSA Issue Alerts](#)



PROCESSING PAPER FAFSAS

Started July 2024

Identify online duplicates

Request more information



FAFSA CORRECTIONS

Individual

Batch

Reporting disbursements flexibility



FAFSA COLLEGE SUPPORT STRATEGY

Personnel, funding, resources

CollegeSupportStrategy-FAFSA@ed.gov

Mixed status families

Identity Validation Updates

- Early release of the Better FAFSA prevented non-SSN holders from contributing until they've completed identify validation
- [April 30th](#): FSA allowed bypassing of manual identity validation allowing users to contribute immediately for the 24-25 FAFSA cycle
- [July 30th](#): FSA is extending this into the 25-26 FAFSA cycle until they've achieved both of the following:
 1. A manual identity validation process that avoids delay and confusion
 2. The ability for non-SSN holders to utilize Direct Data Exchange (DDX)



Create FSA ID early and attempt to complete manual identity validation to ensure successful FAFSA completion

[EA GENERAL-24-95](#)

[EA GENERAL-24-52](#)

2024-25 award year

FAFSA® FORM ISSUES



Issue Tracking and Resolution

[2024-2025 FAFSA Issue Alerts](#)

[Federal Student Aid Information Center \(FSAIC\)](#)

1-800-433-3243 (1-800-4 FED AID)

2024-25 award year flexibilities

AWARD YEAR FLEXIBILITIES

VERIFICATION REQUIREMENTS

Significantly reduced

Focused on identify fraud

GE REPORTING

Due date extended to January 15, 2025

Includes qualifying graduate and undergraduate programs

[EA GE-24-8](#)

What will be different for 2025-2026?

2025-2026 Free Application for Federal Student Aid (FAFSA)
will open **December 1, 2024**

- December 1 is the *first date* the form will be available, not the deadline
- Federal Student Aid (FSA) delayed the FAFSA to have a better working application

What will be different for 2025-2026?

2025–26 FAFSA BETA TEST

- New process for 2025–26 cycle
- “Beta” – introduce to limited number of users first
- Resolve FAFSA completion errors
- Ensure instructions are clear and easy-to-use



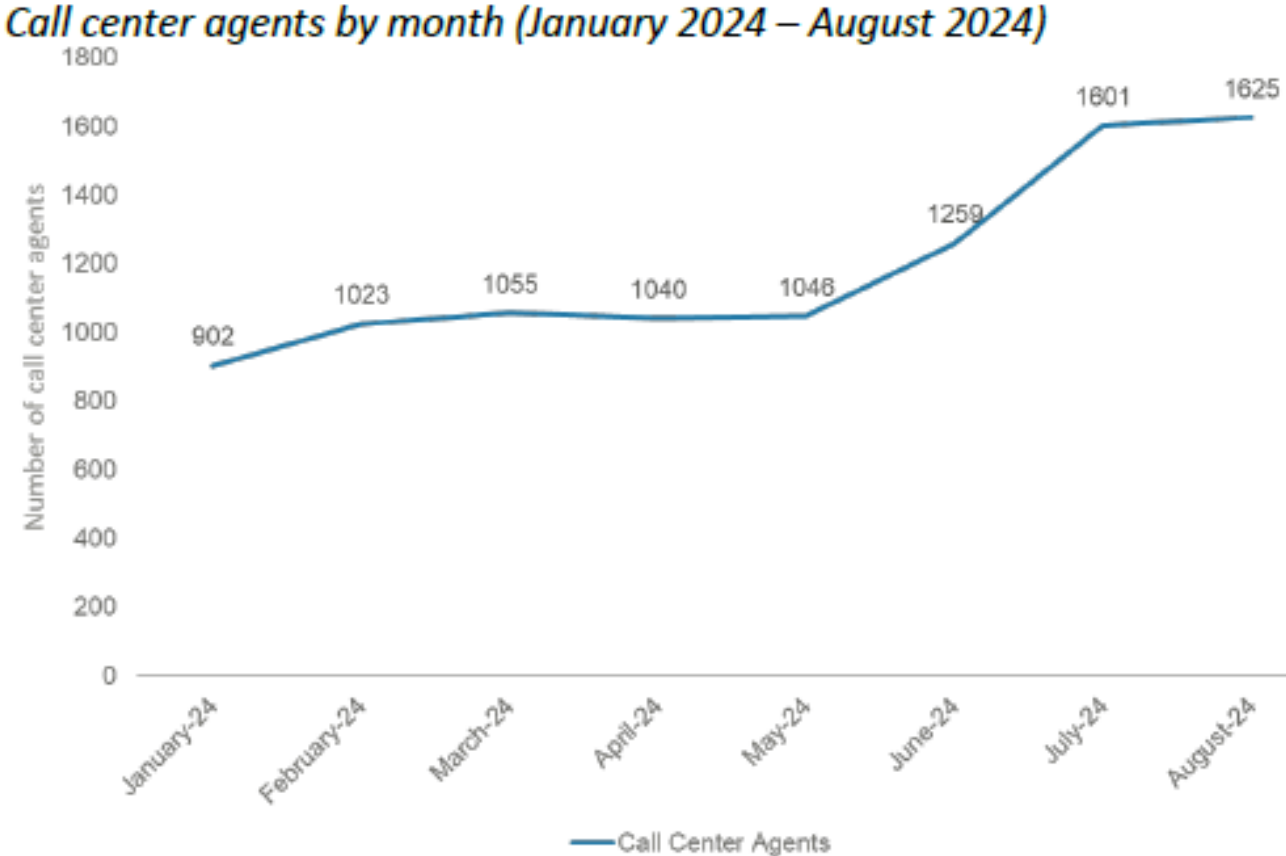
What will be different for 2025-2026?

2025–26 FAFSA BETA TIMELINE

OCT 1, 2024	MID OCT	NOV	DEC 1, 2024
Beta 1	Beta 2	Beta 3 & 4	Full Launch
100s of Users	1,000s of Users	10,000s of Users	Launch 2025-26 FAFSA form to all users



What will be different for 2025-2026?



2025-2026 Timeline

This year's FAFSA delay mean changes to timelines

- **October 2024**
 - Early Decision (ED) and some Early Action (EA) students should be looking to colleges for CSS Profile application requirements and deadlines.
 - While waiting for FAFSA to open, students and first-time filing parents should create FSA IDs.
 - Create MyVSAC account for student and file 2025-2026 Vermont Grant application.
- **November 2024**
 - Research and apply for VSAC- assisted scholarships

2025-2026 Timeline

FAFSA delays mean changes to timelines

- December 1, 2024
 - FAFSA will open *on or before* December 1, per Federal Student Aid
- December 2024 - January 2025
 - Watch for Financial Aid Forms Nights at high schools
 - VSAC will offer virtual and in-person FAFSA help through the VSAC Resource Center
- February 12, 2025
 - VSAC-Assisted Scholarships deadline. FAFSA's must be filed by midnight for scholarships with a financial need component.

Federal Student Aid



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 official website 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.gov

Get Money To Help Pay for School

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

Start a 2025–26
FAFSA® Form

Start New Form

Edit a 2025–26 FAFSA®
Form or Accept an Invitation

Edit Existing Forms



Need the 2024–25 FAFSA form?

Start New Form | Edit Existing Forms

Check FAFSA® Deadlines for the State You Live in

Some states and schools use information from the FAFSA® form to determine your eligibility for their grants, scholarships, and loans. Check

School Year

State of Residence

Find Deadlines

[View All FAFSA Deadlines](#)

Who's completing the form?

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION


FAFSA ▾ Loans & Grants ▾ Repayment ▾ Loan Forgiveness ▾


🔍 🔔 👤 Raya ▾

FAFSA® Form 2025-26

Welcome, Raya,
to the FAFSA® Form

I am starting the FAFSA form as a

Student 

Parent 

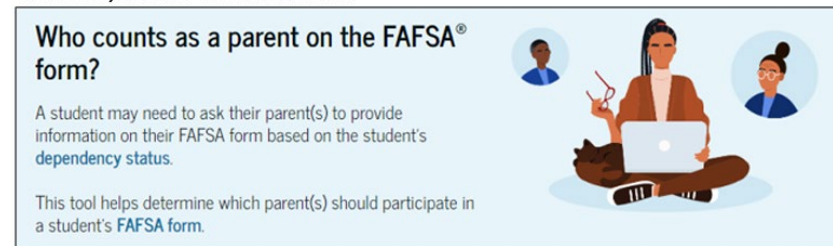
Previous Continue

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 – last year's embedded [parent contributor wizard tool](#) for dependent students is now available on the FSA website – as well as on the FAFSA.

"Who's My Parent" contributor tool



- Dependent students will invite parent(s) as contributors/Independent students may invite spouse as a contributor when appropriate.



Pop Quiz!!

Parental Information on FAFSA

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

- If the student has Unusual Circumstances which prevent contact with parent(s), they can choose to say yes and receive a provisional SAI . This requires follow up with the institution as well as documentation.

The screenshot shows the FAFSA 2025-26 form for Student Jenny Price. The progress bar indicates the user is on step 1, 'Personal Circumstances'. The current section is 'Student Unusual Circumstances'. A green box contains the text: 'This information will help us evaluate the student's ability to pay for school.' Below this, a question asks: 'Do unusual circumstances prevent the student from contacting their parents or would contacting their parents pose a risk to the student?' with a help icon. A list of examples follows: 'A student may be experiencing unusual circumstances if they' followed by bullet points: 'left home due to an abusive or threatening environment;', 'are abandoned by or estranged from their parents;', 'have refugee or asylee status and are separated from their parents, or their parents are displaced in a foreign country;', 'are a victim of human trafficking;', 'are incarcerated, or their parents are incarcerated and contact with the parents would pose a risk to the student; or', and 'are otherwise unable to contact or locate their parents.' A note states: 'If the student's circumstances resulted in not having a safe and stable place to live, they may be considered a homeless youth and should review the answer to the previous question about being unaccompanied and homeless.' At the bottom, there are two radio button options: 'Yes' (unselected) and 'No' (selected). Navigation buttons for 'Previous' and 'Continue' are also visible.

Parental Information on FAFSA

Confusion on 2024-2025 form on the unsubsidized loan question

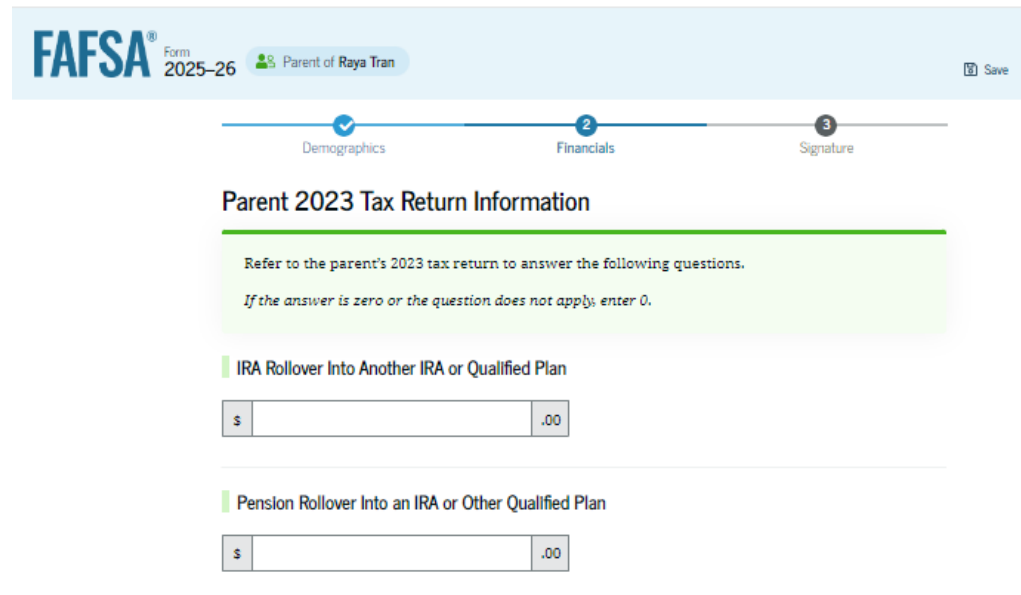
- Students – and some parents – were very confused by the wording of the question for students whose parent(s) refuse to complete the FAFSA. The wording was altered a number of times during the 24-25 aid year, but still proved to be confusing.
- FSA took comments in September to improve FAFSA experience – this could change again.

The screenshot shows the FAFSA 2024-2025 form interface. At the top, there is a progress bar with five steps: 1. Personal Circumstances, 2. Demographics, 3. Financials, 4. Colleges, and 5. Signature. The current step is 'Your Dependency Status'. A warning message is displayed in a white box with a blue border, stating: 'You WILL NOT Be Eligible for Most Federal Student Aid'. Below the message, it reads: 'By changing the answer to "Yes" you'll be considered for a limited amount of Direct Unsubsidized Loans ONLY. Any existing parent information will be returned. Do you want to continue?'. There are two buttons: 'Continue' (light blue) and 'Return to Form' (dark blue). Below the warning box, there are radio buttons for 'Yes' (selected) and 'No'. At the bottom of the form, there are 'Previous' and 'Continue' buttons.

Income Information on FAFSA

New on 2025-2026 form after taxes have been transferred

- Parents – and some students have an IRA or Pension Rollover. Federal Student Aid (FSA) cannot tell the difference between a Rollover and a non-taxable distribution in the tax info transferred from the IRS. This will be a question to clarify on the 2025-26 FAFSA:



The screenshot shows the FAFSA 2025-26 interface for a parent of Raya Tran. The progress bar indicates the user is on the 'Financials' step (2 of 3). The section is titled 'Parent 2023 Tax Return Information' and includes instructions to refer to the parent's 2023 tax return. Two questions are visible, each with a text input field and a '.00' suffix:

- IRA Rollover Into Another IRA or Qualified Plan
- Pension Rollover Into an IRA or Other Qualified Plan

FSA ID updates

- FSA ID
 - Contributors to the FAFSA will need to have created and confirmed their FSA ID **BEFORE** beginning their part of the FAFSA.
 - Confirming the FSA ID usually takes **at least 3-5 business days**. Applicants will receive an email confirming the FSA ID has been processed.
 - Invites on FAFSA must match up with invitee's name (exact match to Social Security Card).
 - Information must match up with information on the invitees FSA ID – *email address is the only exception*.
 - Date of birth
 - SSN

FAFSA Simplification - SAI

- Expected Family Contribution (EFC) changed to **Student Aid Index (SAI)** using a multiple step 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. 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.
 - SAI calculation for all students not eligible for Maximum Pell Grant
 - Pell-eligible students will receive the higher of Minimum Pell or SAI determination of Pell.
 - **CLARIFICATION** came in December 2023 regarding means-tested program questions on FAFSA – Free or Reduced Lunch (FRL) question should be answered “Yes,” *only* if the family was found eligible for FRL based on the family’s income, *not* when all students receive Free Lunch.

Fall financial aid support

Financial Aid Application Support

1:1 FAFSA Completion and VT Grant Support
(December 10, 2024 – end of February 2025)

- In-person and virtual opportunities available
- Dates and times at vsac.org/events
- Sign-ups opened week of November 18

Financial Aid info at vsac.org/financial-aid-options

FAFSA info at vsac.org/fafsa

FAFSA hotline Monday–Friday, 8:00 am–4:30 pm for quick questions (833-802-8722)



"Self-service" videos:

vsac.org/financial-aid-videos

- Financial Aid and Managing College Costs
- Financial aid appeals
- How to Choose an Education Loan

Additional form(s) to fill out

Institutional Forms

- Check college websites for forms required, deadlines and resources for help
- ### CSS Profile
- For need-based financial aid at some colleges
 - Much more in-depth questions than the FAFSA
 - Fee for filing
 - fee waiver for families making less than \$100,000 per year
 - Early Action and Early Decision have earlier deadlines
 - Questions about completing the form can be found on college/university websites and on the College Board/CSS Profile web page



Pop Quiz!!



Questions



Education loans

SAVE Repayment Plan

- Saving on a Valuable Education (SAVE)
 - Replaces Revised Pay as You Earn (REPAYE)
 - Calculates monthly payment amount based on family size
 - Increases income exemption above poverty line.
 - Eliminates 100% of required payment if scheduled payment is made.
 - Excludes spouses of borrowers who are married and file separately.
 - Eligible for consolidation loans
 - Unsubsidized loans
 - Loans made to graduate or professional students
 - Consolidation loans that did not repay any PLUS loans made to parents.

ON HOLD

SAVE Repayment Plan Forbearance

- All loans enrolled in SAVE Repayment Plan placed in Interest-free forbearance until at least April 2025
- Borrowers in the SAVE interest-free forbearance do not receive credit toward Public Service Loan Forgiveness (PSLF)
 - Payments chosen to be made during Forbearance will not count toward PSLF payments, unless:
 - Borrower submits a [Buyback Request](#), for those that are close to satisfying the 120 qualifying monthly payments, or
 - Borrower changes SAVE repayment program to another [eligible PSLF repayment plan](#)

Federal Direct loans

2024–2025 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	6.53%	1.057%
Graduate/professional degree students (unsubsidized loan only)	8.08%	1.057%
Direct PLUS loan		
Parents & graduate/professional degree students	9.08%	4.228%

Student loan options

Federal or non-federal	Available from	Loan type	Interest rate 2024–2025	Accept or compare?
Federal	Your college	Direct loans for students	6.53%*	Accept these first.
Non-federal	VSAC	VT Advantage Student —fixed rate	4.75%–8.57% 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 2024-2025	Accept or compare?
Federal	Your college	PLUS loan for parents	9.08%*	Compare these loans.
Non-federal	VSAC	VT Advantage Parent —fixed rate	4.75%–8.93% 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.

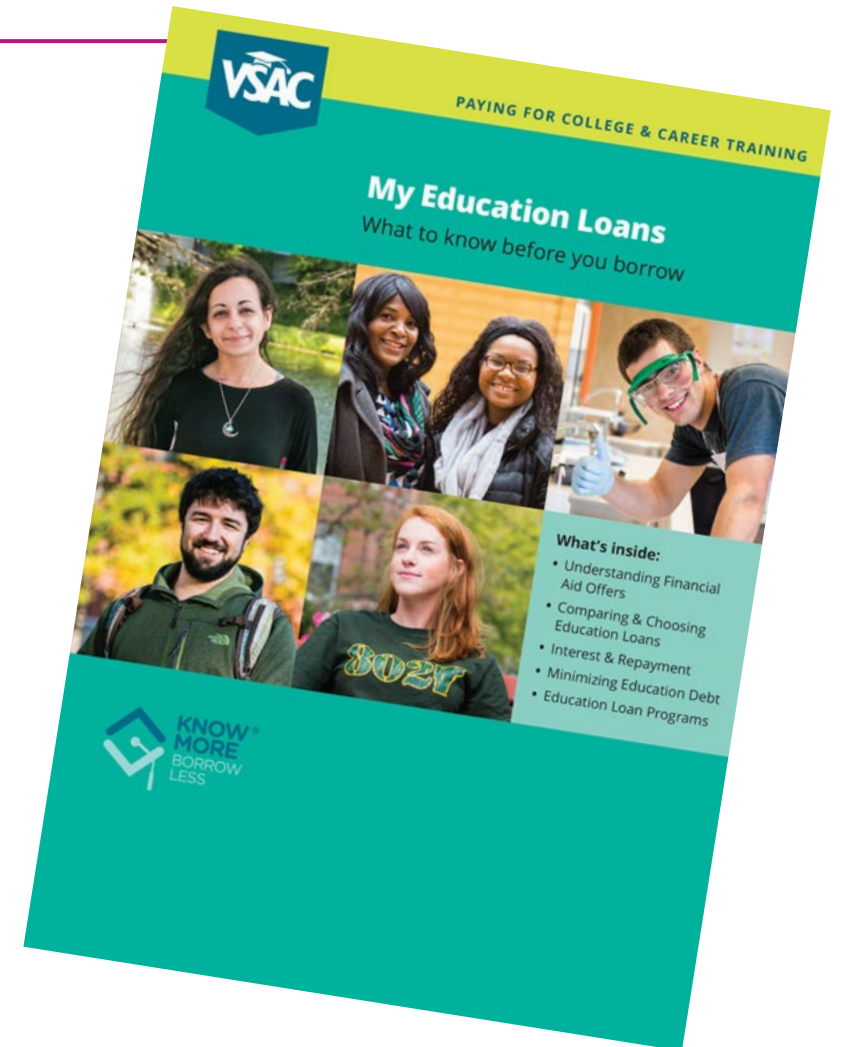
VSAC's student & parent loans

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.vvac.org/learn for:

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



Other 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



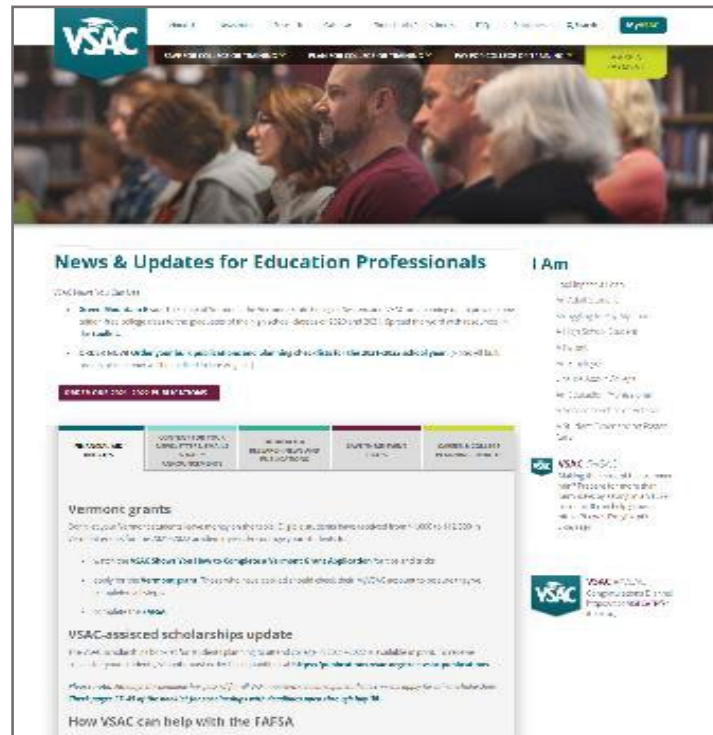
Questions



Information resources

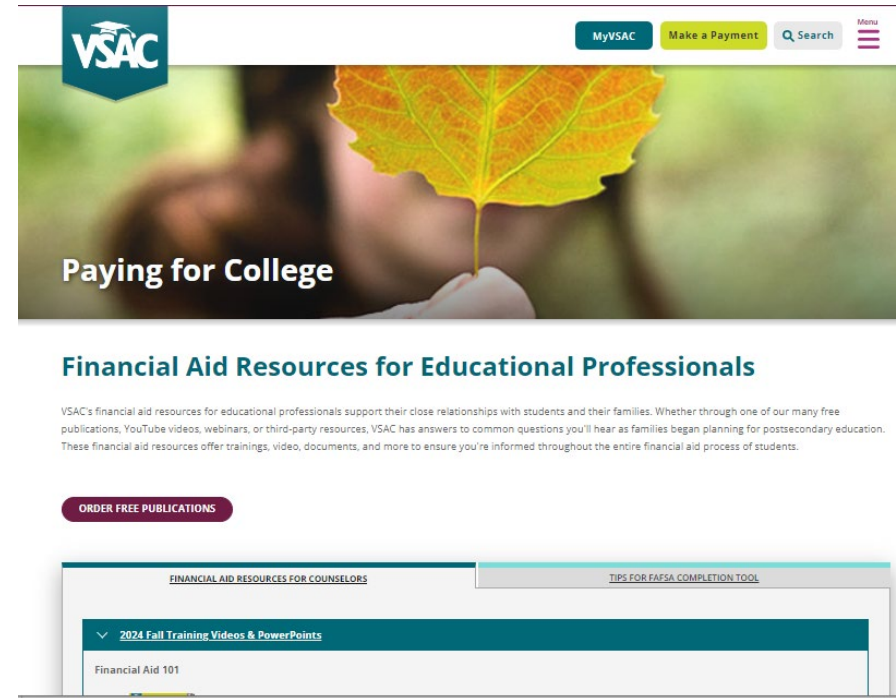
VSAC.org resources

News and Updates



The screenshot shows the VSAC.org website's news section for education professionals. The header includes the VSAC logo and navigation links. The main content area is titled "News & Updates for Education Professionals" and features a "Vermont grants" article with a list of bullet points. Below the article is a navigation bar with tabs for "Vermont grants", "2024 Fall Training Videos & PowerPoints", "Financial Aid 101", "Financial Aid Resources for Counselors", and "TIPS FOR FAFSA COMPLETION TOOL".

Financial Aid Resources



The screenshot shows the VSAC.org website's financial aid resources section for educational professionals. The header includes the VSAC logo and navigation links. The main content area is titled "Paying for College" and features a "Financial Aid Resources for Educational Professionals" section. Below this section is a "ORDER FREE PUBLICATIONS" button and a navigation bar with tabs for "FINANCIAL AID RESOURCES FOR COUNSELORS" and "TIPS FOR FAFSA COMPLETION TOOL".

Federal Student Aid resources

Federal Student Aid Estimator:

- Updated for 2025-2026
- NOT the FAFSA, but gives estimates of
 - Federal student aid – Pell, Direct Loans, work-study
 - SAI

FAFSA Prototype:

- Tool to better understand the FAFSA experience
- NOT a demonstration site
- May vary slightly from actual FAFSA (still being tested/in development)
- Needs access code: `prototype2526`



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Questions
