

## FAFSA Frequently Asked Questions

The following list of Frequently Asked Questions (FAQs) was compiled by the Ohio Association of Student Financial Aid Administrators and can be found on their organizational website at [http://www.oasfaa.org/docs/outreach/SectionFour\\_FrequentlyAskedQuestions.pdf](http://www.oasfaa.org/docs/outreach/SectionFour_FrequentlyAskedQuestions.pdf).

***Q. When should I apply for financial aid?***

**A.** You should complete the FAFSA as soon as possible after January 1. Make sure to have your FAFSA results sent to all colleges to which you applied, as well as any colleges that you may be interested in attending. You will not be awarded with aid at any college, however, until you have been admitted. You should also complete whatever applications are required for institutional scholarships when applying for admission to a particular college or university. Once you have enrolled, make sure to complete the FAFSA by your school's priority deadline, and have your FAFSA results sent to the college you are attending.

***Q. What if my parents are divorced? Which parent provides his/her financial information on the FAFSA?***

**A.** If you are a dependent student, the parent with whom you lived the most during the past 12 months would provide their information on the FAFSA. If you lived with both parents an equal amount of time, the parent who provided you the most financial support during the past 12 months would complete the FAFSA.

***Q. My parents are divorced, but I live with my mom and my stepfather. Does my stepfather have to provide his income and tax information on the FAFSA?***

**A.** Yes, if you are a dependent student and you live with a birth parent and stepparent, the stepparent's financial information must be reported on the FAFSA under the parental income section, even if they file taxes separately.

***Q. I actually live with my aunt and uncle, rather than my parents. Should their financial information be reported on the FAFSA?***

**A.** Generally, no—you would report your birth or adoptive parents' financial information. You would report on the FAFSA any cash support that you received from your aunt and uncle as untaxed income, excluding food and housing. If your aunt and uncle have legally adopted you, then you would report their information on the FAFSA.

***Q. Is it better to wait until after our tax returns are completed to complete the FAFSA?***

**A.** No, it is best to complete the FAFSA as soon as possible after January 1. You may use estimated financial information on the FAFSA. Many colleges and universities have priority deadlines for the FAFSA, and these are usually in February or March—make sure to check with your school and complete the FAFSA by their deadlines. After you have submitted your FAFSA to your school, you may update the financial information once you have completed your tax returns.

***Q. Does the EFC number represent exactly what my family will have to pay for college?***

**A.** No, think of the EFC as more of an index that colleges use to determine the amount of financial aid, from federal, state, and institutional sources, that you would receive if you attended that particular school.

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***Q. What should I do if my family has unusual circumstances that the FAFSA does not account for?***

**A.** If you or your family experienced an unusual circumstance (such as a job loss, loss of benefits, a divorce, death of a wage earner, excessive medical expenses not covered by insurance, etc.), complete the FAFSA as is and then contact the financial aid office at the college you are attending or plan to attend, and let them know of your special circumstance.

***Q. How do I know if either of my parents is a dislocated worker?***

**A.** Generally, a person may be a dislocated worker if he or she:

- is receiving unemployment benefits due to being laid off or losing a job and is unlikely to return to the previous occupation;
- has been laid off or received a lay-off notice from a job;
- was self-employed but is now unemployed due to economic conditions or natural disaster;
- is a displaced homemaker—a displaced homemaker is generally a person who previously provided services to the family, is no longer supported by the husband or wife, is unemployed or underemployed, and is having trouble finding or upgrading employment.

**Note:** *If a person quits a job, generally he or she is not considered a dislocated worker, even if that person is receiving unemployment benefits.*

***Q. My parents do not believe I will qualify for any need-based aid. Why should I complete the FAFSA?***

**A.** You should complete the FAFSA because, regardless of income level, all students who complete the FAFSA are eligible for at least an unsubsidized federal student loan. Also, some colleges and universities award institutional financial aid based upon the FAFSA; so, even though you may not qualify for any federal or state grants, you may still be eligible for some institutional awards from your school. Also, if your family is interested in applying for a federal Parent PLUS loan, you must first complete a FAFSA to be eligible for this loan.

***Q. How does a 529 savings plan affect my FAFSA results?***

**A.** If owned by either you or your parent(s), the value of a 529 plan will need to be reported under the parent asset section of the FAFSA if you are a dependent student (and under the student asset section if you are an independent student per FAFSA guidelines). This has a relatively low impact on the EFC and your eligibility for need-based aid.

If owned by a third party—for instance by a grandparent—any distributions from a 529 plan are not reported as an asset on the FAFSA, but rather as untaxed income for the student. This can have a high impact on the EFC, and could reduce eligibility for need-based aid.

***Q: Is the FAFSA- IRS Data Match Retrieval required?***

**A:** Although the FAFSA- IRS Data Match Retrieval is not required, the U.S. Department of Education is very strongly encouraging the use of the feature and may be required in the future.

***Q: What happens if I do not use the FAFSA- IRS Data Match Retrieval option?***

**A:** In general, all applicants who have already filed but elect to not use the retrieval process will be subject to being selected for verification based upon the risk they pose to federal funds and, if they are selected, will be required to support their reported FAFSA data with information obtained directly from the IRS and not through providing copies of their tax returns. Per the U.S. Department of Education, applicants who choose not to use the FAFSA-IRS Data Retrieval process, or who retrieve IRS data but then change it, will be informed that they will need to explain to their institutions why information they

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provided is more accurate than the information that would have been obtained directly from the IRS, and depending on their responses, may need to provide information obtained directly from the IRS.

***Q: If I use the FAFSA- IRS Data Match Retrieval option, does that mean I will not be selected for verification?***

**A:** You can still be selected for verification, even if you use the FAFSA- IRS Data Match Retrieval option. However, because the use of the FAFSA- IRS Data Match Retrieval option is considered acceptable documentation for the majority of verification items, the amount of documentation you would need to provide to your school would be much less, and should help speed up the verification process for you.

***Q: What happens if I do not use the FAFSA- IRS Data Match Retrieval option, and I am selected for verification? What types of documentation will I be expected to provide?***

**A:** Although verification documentation can vary from school-to-school, every school will require you to complete a verification worksheet (usually provided by the school), and an IRS Tax Return Transcript. Per the U.S. Department of Education, since most applicants can quickly and easily access IRS data through the FAFSA-IRS Data Retrieval process, the U.S. Department of Education will no longer consider it reasonable for a school to accept anything less reliable than direct IRS-supplied evidence for verification of income data. Therefore, if an applicant selected for verification has not successfully transferred information from the IRS, or one who did transfer the information but then changed it, the Department expects the institution to require the applicant, and if necessary the applicant's parents, to provide an official IRS transcript of their Federal income tax information. IRS transcripts can be obtained through the IRS's website at <http://www.irs.gov/individuals/article/0,,id=232168,00.html> or by calling the IRS at (800)908-9946. **Copies of tax returns are no longer considered acceptable documentation by the U.S. Department of Education.**

***Q: Why is the U.S. Department of Education pushing so hard for families to use the FAFSA- IRS Data Match Retrieval option?***

**A:** Per the U.S. Department of Education, the changes to the FAFSA-IRS Data Retrieval process and the noted enhancements to the verification process will improve the administration and integrity of the Federal Pell Grant Program by ensuring that applicants receive the correct amount of a Pell Grant for which they are eligible and that Pell Grants go to the neediest applicants, as required by the law.

**\*\*\*\*\*PLEASE REMEMBER THAT COMPLETING THE FAFSA IS FREE!! \*\*\*\*\*  
FAMILIES SHOULD NEVER PAY TO COMPLETE THIS APPLICATION!!**