

Before Beginning a FAFSA

What is this application for?

Use this application to apply for federal student grants, work-study money, and loans. You may also use this application to apply for most state and some private aid.

What methods are available for completing the FAFSA?

Several methods are available for completing your Free Application for Federal Student Aid (FAFSA). They are:

- FAFSA on the Web
- FAFSA on the Web (Spanish Version)
- Renewal FAFSA on the Web

You may use any one of these methods to apply for federal student aid, but do not submit more than one application. Also note the following:

- If you are filing a 2007 income tax return, we recommend that you fill it out before completing this form. However, you do not need to send your income tax return to the IRS before you fill out this form.
- Transmit no earlier than January 1, 2008 and no later than July 1, 2009.
- You should receive a SAR within four weeks. If you do not, call the Federal Student Aid Information Center at 800/4-FED-AID (800/433-3243) / TTY: 800/730-8913 or 319/337-5665 to check on the status of your application. For online application status checks, go to www.fafsa.ed.gov and select [Check status of a submitted FAFSA](#), under the **FAFSA Follow-up** section, 24 hours a day, 7 days a week.
- If you or your family has unusual circumstances (such as loss of employment) that might affect your need for student financial aid, check with the financial aid office at the college you plan to attend.
- With this form, you may also be able to apply for student aid from other sources, such as your state or college. The deadlines for states or colleges may be as early as January 2008, and may differ. You may be required to complete additional forms. Check with your college's financial aid office for further information on school deadlines.

What records do I need to complete my FAFSA?

In order to successfully complete a FAFSA, you may need information from one or more of the documents below:

- Student's driver's license and Social Security card
- W-2 Forms and other records of money earned in 2007
- 2007 income tax return (IRS Form 1040, 1040A, 1040EZ; Trust Territory tax return; or foreign country tax return).
- Records of untaxed income, such as welfare, Social Security, Aid to Families with Dependent Children (AFDC) or Aid to Dependent Children (ADC), TANF (Temporary Assistance to Needy Families), or veterans benefits
- Current bank statements
- Current mortgage information for businesses and investments
- Business and farm records
- Records of stocks, bonds, and other investments

Keep these records! You may need them again. Do not send in your records with your signature page.

What do I need to keep in mind when filling out the FAFSA? The words "you" and "your" always mean the student. The word "college" means a college, university, graduate or professional school, community college, vocational or technical school, or any other school beyond high school.

- Round to the nearest dollar and do not use commas or decimal points.
- For dates, type numbers that correspond to the month, day, and year. For example, for November 7, 1974, enter 11071974.
- Questions about your plans and references to the "school year" mean the school year from July 1, 2008 through June 30, 2009.
- Do not include notes, tax forms, or letters.

Reporting Assets on the FAFSA

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Assets are defined as property that is owned by the family and has an exchange value. A student does not report as assets possessions such as a car, a stereo, clothes, or furniture.

The FAFSA collects information about three types of assets in addition to cash, savings, and checking accounts: investments, businesses, and investment farms. Most assets are investments; some examples of investments are real estate, trust funds, mutual funds, money-market funds, stocks, bonds, commodities, and precious metals. If the asset isn't a business or investment farm, it should be reported as an investment.

The law exempts certain assets from consideration for student aid purposes. Therefore, a family's **principal place of residence** is not reported as an asset, even if it is part of a family business. Neither is a family farm reported as an asset; only investment farms are. A farm is a family farm if it is the principal place of residence and the family claimed on Schedule F of the tax return that it "materially participated in the farm's operation." In certain instances, the farm can be considered a family farm even if the farm is incorporated and the family files a corporate return instead of IRS Schedule F. In such cases, the applicant must show evidence that family members own all shares of stock in the corporation and that those family members also reside on the farm.

The FAFSA asks for the **net worth** of an investment, which is the total current market value of the investment minus those debts that are related to the investment. If the net worth is negative, the student reports a net worth of zero on the application.

Similarly for **businesses and investment farms**, the current net worth is reported for land, buildings, machinery, equipment, livestock, and inventories. The current market value of a business or investment farm is reduced by its debt to determine the net worth. Business or farm debt means only those debts for which the business or investment farm was used as collateral.

Reporting Trust Funds

Trust funds in the name of a student, spouse, or parent should be reported as that person's asset on the application. As a general rule, the applicant must report the trust as an asset, even if the beneficiary's access to the trust is restricted. If the settler of a trust has voluntarily placed restrictions on the use of the trust, then the student should report the present value of the trust as an asset, as discussed below. **If a trust has been restricted by court order, however, the student should not report it as an asset.** An example of such a restricted trust is one set up by court order to pay for future surgery for the victim of a car accident.

The way in which the trust must be reported varies according to whether the student (or dependent student's parent) receives or will receive the interest income, the trust principal, or both. In the case of divorce or separation, where the trust is owned jointly and ownership is not being contested, the property and the debt are equally divided between the owners for reporting purposes, unless the terms of the trust specify some other method of division.

Interest Only

If a student, spouse, or parent receives only the interest from the trust, any interest received in the base year must be reported as income. Even if the interest accumulates in the trust and is not paid out during the year, the person who will receive the interest must report an asset value for the interest he or she will receive in the future. The trust officer can usually calculate the present value of the interest the person will receive while the trust exists. This value represents the amount a third person would be willing to pay to receive the interest income that the student (or parent) will receive from the trust in the future.

Principal Only

The student, spouse, or parent who will receive only the trust principal must report the present value of his or her right to the trust principal as an asset. For example, if the principal is \$10,000 and it reverts to a dependent student's parents when the trust ends in 10 years but the student is receiving the interest earned from the trust, the student must report as a parental asset the present value of the parents' rights to the trust principal. The present value of the principal is the amount that a third person would pay at the present for the right to receive the principal 10 years from now (basically, the amount that one would have to deposit now to receive \$10,000 in 10 years, including the accumulated interest). Again, the present value can be calculated by the trust officer.

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Both principal and interest

If a student, spouse, or parent receives both the interest and principal from the trust, the student should report the present value of both interest and principal, as described in the discussion of principal only. If the trust is set up so that the interest accumulates within the trust until the trust ends, the beneficiary should report as an asset the present value of the funds (both interest and principal) that he or she is expected to receive when the trust ends.

Ownership of an Asset

In some cases, the ownership of an asset is divided or contested, which can affect how the student reports the asset on the application. There are several such situations:

Part ownership of an asset

If the parent or student has only part ownership of an asset, the student should report only the owned part. Generally, the value of an asset and debts against it should be divided equally by the number of people who share ownership, unless the share of the asset is determined by the amount invested or the terms of the arrangement specify some other means of division.

Contested ownership

Assets shouldn't be reported if the ownership is being contested. For instance, if the parents are separated and can't sell or borrow against jointly owned property because it's being contested, the parent reporting FAFSA information would not list any net worth for the property. However, if the ownership of the property is not being contested, the parent would report the property as an asset. If ownership of an asset is resolved after the initial application is filed, the student can't update this information.

Lien against asset

If there is a lien or imminent foreclosure against the asset, the asset would still be reported until the party holding the lien or making the foreclosure completes legal action to take possession of the asset. If the status of the property changes after the application is filed, the student can't update the asset information.

Other Assets

Rental Properties

Sometimes the student or parent will claim that rental properties represent a business. Generally, rental properties must be reported as real estate rather than as business assets. To be reported as a business, a rental property would have to be part of a formally recognized business. (Usually such a business would provide additional services, such as regular cleaning, linen, or maid service).

Education IRA's

An Education IRA is essentially a savings account, and so is reported as an asset for the student beneficiary. It should be reported as an investment.

Excluded Assets – Not reported on the FAFSA

Prepaid Tuition Plans

These plans allow units of tuition to be bought before the student attends college. Distributions from a prepaid tuition plan are applied to the beneficiary's higher education expenses and are included as part of his financial aid package. This is accomplished in one of two ways: either by reducing the student's cost of attendance by the amount of the distribution, or by including the amount of the distribution as a resource and estimated financial assistance. For the FAFSA, the investment value of prepaid tuition plans is not reported as an asset of either the holder or the beneficiary.

Pensions and whole life insurance

Pensions are not counted as assets for application purposes. Of course, when the income from a pension is distributed to the beneficiary, the income must be reported. The cash value or built-up equity of a life insurance

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policy (often referred to as a whole-life policy) is not reported as an asset. The Education IRA **is** counted as an asset for the student beneficiary because despite its name, it is not a retirement account.

Excluded assets for Native American students

The law explicitly excludes reporting any property received under the Per Capita Act or the Distribution of Judgement Funds Act (25 United States code 1401, *et seq.*), the Alaska Native claims Settlement Act (43 United States Code 1601, *et seq.*), or the Maine Indian Claims Settlement Act (25 United States Code 1721, *et seq.*)

Whom can I call for help with answering FAFSA questions?

You can call the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243) with questions about the electronic or paper application process or about federal student financial aid in general.

Why does the Department of Education ask for income information from the year before I go to school?

Studies have consistently shown that verifiable income tax information from the base year (2007 for the 2008-09 award year) is more accurate than projected (2008) information when estimating how much the family will be able to contribute during the coming school year.

What should I (the student) do if my family has special circumstances that aren't mentioned in the application?

Talk to your financial aid administrator (FAA). If your family's circumstances have changed from the base year (2007) due to loss of employment, loss of benefits, death, or divorce, the FAA may decide to adjust data elements used to calculate your EFC. The adjustment might increase your eligibility for student aid.

I'm not sure if I want to take out a student loan. What should I enter for the question asking if I am interested in student loans?

Some schools use this information to put together a financial aid package for you. Answering "Yes" does not obligate you to take out a loan. It usually just means that the school will offer you a loan or loans as part of your aid package. You can change your mind and not accept the loans later.

If I live with an aunt, uncle, or grandparent, should that relative's income be reported instead of parental information?

Only if the relative is your adoptive parent. Dependent students can be considered dependent only on their parent(s) and may report only parental information on the FAFSA. You must report (in Worksheet B) any cash support given by relatives, but not in-kind support (such as food and housing) from relatives.

What if I live with a girlfriend or boyfriend who pays the rent?

You should not report any information for a friend or roommate unless the two of you are actually married or are considered to have a common-law marriage under state law. You must report any cash support given by the friend as untaxed income but should not report in-kind support (such as food). You would have to report as income the rent the roommate paid if your name were on the lease and if the roommate were paying the rent on your behalf.

When is student aid considered income?

Generally, grants and scholarships that do not exceed tuition, fees, books, and required supplies are not considered to be taxed or untaxed income. If you have an ROTC scholarship, a private scholarship, or any other kind of grant or scholarship, that grant or scholarship will be considered as an available resource by the financial aid office when packaging aid but will not be reported as income on the application.

You should report grants and scholarships you reported on your tax return. You should then report these items as exclusions from income on Worksheet C.

What's the difference between cash support and in-kind support?

Cash support is support given either in the form of money or money that is paid on your (the student's) behalf. You must report cash support as untaxed income. Thus, if a friend or relative gives you grocery money, it must be reported as untaxed income on Worksheet B. If the friend or relative pays your electric bill or part of your rent, you must also report those payments.

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Examples of in-kind support are free food or housing that a family receives, usually in exchange for work or services. You usually don't report such support.

However, the application does require you to report the value of housing a family receives as compensation for a job on Worksheet B. The most common example is free housing or a housing allowance provided to military personnel or clergy, which is required to be reported on Worksheet B.

I am now a U.S. citizen but have an Alien Registration Number (A-Number). How do I indicate this on the application?

Indicate that you are a U.S. citizen - do not provide an A-Number.

I'm going to get married this summer. How do I answer the question that asks if I am married?

Answer "Yes" if you are married on the day you sign the FAFSA. Otherwise, answer "No." The FAFSA is a snapshot of your status the day it is signed; it does not forecast changes such as marriage.

Why must I report the highest school level my parents completed?

Some states and institutions make funds available to support students who are first-generation college students. This information also serves statistical purposes. If you don't know the answer, select "Other/unknown."

If I'm an emancipated minor, am I now independent?

The status of emancipated minor is not recognized by the U.S. Department of Education for financial aid purposes; such a student must meet one of the other listed criteria to be independent.

If I am in the National Guard or am an active duty military member, am I considered a veteran for purposes of filling out the FAFSA?

If you were a member of the National Guard or were a Reservist called to active duty for purposes other than training and were released under a condition other than dishonorable, you are considered a veteran for FAFSA purposes.

If you are on active duty in the Army, Navy, Air Force, Marines or Coast Guard, but will be a veteran by June 30, 2008, you are considered a veteran for FAFSA purposes. If your active duty will continue past June 30, 2009, however, you are not considered a veteran for FAFSA purposes.

I'll be filing a tax return this year but I probably won't get around to it until April. How should I answer the financial questions? Should I wait to fill out this form until after I've filed my tax return?

Ideally, you should complete a FAFSA after you've done your tax return, but don't wait until April. Many colleges award aid on a first-come, first-served basis. Also, you may not be eligible for state aid if you wait until April to submit your FAFSA. If you haven't submitted your tax return, you should calculate your Adjusted Gross Income (AGI) and taxes paid using the instructions for IRS Form 1040. You can get the instructions and the form at a public library or download them in Portable Document Format (PDF) from www.irs.gov/formspubs/index.html

Once you file your tax returns, you must make corrections income or asset data that may have changed from what you reported on your application.

You might have to provide your college with a copy of your completed tax return (assuming you're required to file one) before you receive federal student aid.

If my parents are divorced, whose information do I need?

The parent with whom you lived the most during the 12 months preceding the date you completed the FAFSA. It does not make a difference which parent claims you as a dependent for tax purposes. If you did not live with either parent or lived equally with each parent, the parental information must be provided for the parent from whom you

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received the most financial support or the parent from whom you received the most support the last time support was given.

I am entering financial information for my mother and stepfather on the FAFSA. Should I give my father's Social Security Number (SSN) and last name, or my stepfather's?

You should provide the SSN and last name of the same person or people for whom you are reporting financial information. In this case, provide the SSNs and names of your mother and stepfather.

What should you do if the parent with whom you live is remarried and the stepparent refuses to supply information?

If you are a dependent student and your parent is remarried, the stepparent's information must be included or you will not be considered for federal student financial aid.

How does a family decide whom should be counted in the household size?

Anyone in the immediate family who receives *more than 50%* support from a dependent student's parents or an independent student and spouse may be counted in the household size even if that person does not reside in the house. For example, a sibling who is over 24 but still receives the majority of his/her support from the parents can be included. Siblings who are dependent (as defined by the FAFSA) as of the date you apply for aid are also included, regardless of whether they receive more than 50% of their support from the parents. Any other person who resides in the household and receives more than 50% support from the parents may also be counted, as long as they will continue to reside with your parents and the support is expected to continue through June 30, 2008. An unborn child who will be born during the award year may also be counted in the household size.

Household size and tax exemptions are not necessarily the same. Exemptions look at the previous year or tax year and household size refers to the school year for which the student is applying for aid.

My parents separated four months ago. I live with my mother. My parents filed a joint tax return and claimed me as an exemption. Do I report both their incomes, or just my mother's?

Report only your mother's income and asset information because you lived with her the most during the past 12 months. Use a W-2 Form or other record(s) to determine her share of the income reported and taxes paid on the tax return.

If I (the student) am separated but filed a joint tax return, how is the information reported?

You should give only your portion of the exemptions, income, and taxes paid.

Who qualifies to be counted in the number in college?

Any person (other than your parents) who is counted in the household and will be attending any term of the academic year at least half time. The person must be working toward a degree or certificate leading to a recognized education credential at a postsecondary school eligible to participate in the federal student aid programs. You (the student) need not be enrolled half time to be counted in the number in college.

When Does My School Have to Receive the Results From My Application?

Your school must have your information by your last day of enrollment in 2008-09, or by August 31, 2009, whichever is earlier. Once the school receives your information, it will use your EFC to determine the amount of your federal grant, loan, or work-study award, if you are eligible. The FAA will send you a letter explaining the aid the school is offering.

What if I don't get a SAR Information Acknowledgement or SAR, or I need another copy of that form?

If you do not receive your *SAR Information Acknowledgement* within two weeks or SAR within four weeks after submitting your application, call the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243). If you have a touch-tone phone, you can use the automated system to find out whether your application has been processed or to request duplicate copies of your report. You will need to provide your Social Security Number and the first two letters of your last name. You can also check the status of your FAFSA and print a copy of your SAR at www.fafsa.ed.gov.

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How do I get my DRN?

The DRN can be found on your Student Aid Report and via the Student Access option on the FAFSA on the Web site. It can not be released via e-mail or over the phone.

If you have your U.S. Department of Education PIN you may view your processed data, including the DRN, online by following these steps:

1. Go to our main web site at www.fafsa.ed.gov and select the link entitled "Student Access."
2. Follow the instructions from there. You will need to login with your personal information and PIN number.

If you would like to receive another copy of your Student Aid Report (SAR) you will need to contact the Federal Student Aid Information Center (FSAIC) at 800-4-FED-AID (800-433-3243). You will need to provide them with your Social Security number, name, and date of birth.

Do both the Parent and Student need their own PIN?

Students and parents cannot share the same PIN. Students and parents must each have their own PIN. If you need a PIN, have lost or forgotten your PIN, or if you think someone else knows your PIN, you can request a new one at www.pin.ed.gov.

How do I make a correction?

If you currently have a U.S. Department of Education PIN and do not require a correction to your date of birth or Social Security Number (SSN), you may make your corrections online after the application has been processed.

To correct your Free Application for Federal Student Aid (FAFSA) electronically:

1. Go to the [FAFSA on the Web Home Page](#) and select the link entitled "Make Corrections to a submitted FAFSA."
2. Select the correct academic year and the "Next" button to continue.
3. Fill in the information to confirm your identity and select Submit Request.
4. Read and follow the instructions from there.

How do I check my Status?

To check the status of your application at any time, go to the [FAFSA on the Web Home Page](#) and select "Check status of a submitted FAFSA." A PIN is not required to check status.

How do I enter tax information when I haven't filed taxes yet?

You may use estimated tax information and make corrections to your application after you file your taxes.

How much money am I getting?

Your award amount is determined by your financial aid office, please contact the Financial Aid Office at the institution you are attending.

What is the deadline to receive aid?

For the 2008-2009 school year, you can submit your Free Application for Federal Student Aid using FAFSA on the Web from January 1, 2008 until midnight Central Daylight time on June 30, 2009.

For the 2007-2008 school year, you can submit changes or updates to your application using FAFSA Correction on the Web form. You have until midnight Central Daylight time, August 16, 2008 to submit changes.

How do I add a school to my application?

If you have a PIN, and the application has completed processing you can use FAFSA Corrections on the Web to correct the schools listed on the Student Aid Report.

If you do not have a PIN, but do have a SAR from a previous year you can call the Federal Student Aid Information Center at 800/433-3243 TTY: 800/730-8913 or their International Number of 1-319/337-5665 and make the changes over the phone.

You must provide your Social Security number, the first two letters of your last name, your date of birth, and the DRN number that can be found on the front of your SAR.

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If you do not have a PIN and you do not have a SAR from a previous year you must call the Federal Student Aid Information Center at 800/433-3243 TTY: 800/730-8913 or their International Number of 1-319/337-5665 and ask them how to write a letter to the processor requesting either a Change in the Institutions listed on your application.

Who needs to sign my application and how can they sign?

The student and at least one parent whose information was required in Step Four, must sign the application. The application may be signed electronically with a PIN or by printing and mailing a signature page or any combination of the two options above.

If signing electronically, each person signing must have their own U.S. Department of Education PIN.

Has my application been processed?

You can check the status of your FAFSA on the Web application, FAFSA Express application, or FAFSA Corrections on the Web by selecting **Check status of a submitted FAFSA** under the **FAFSA Follow-up** section of FAFSA on the Web home page.

How do I request a PIN?

If you don't have a PIN and you are eligible to receive one, select "PIN Request and Information" from the PIN home page, followed by "Apply for PIN".

If you have already received a PIN and you would like another copy, select "PIN Request and Information" from the PIN home page, followed by "Request a PIN Be Mailed".

If you have lost your PIN or think it has been compromised, select "PIN Request and Information" from the PIN home page, followed by "Change PIN".

To complete a PIN request, you will be asked to provide your Social Security Number, the first two (2) letters of your last name, and your date of birth. Once you have completed the form, select "Submit Request." You will then be asked to confirm at the e-mail or mailing address that is listed in our database. If you select "Yes" at the bottom of the page, a PIN will be sent to you either electronically or via the U.S. Postal Service. It will take approximately 3 to 4 days for your electronic PIN or 7-10 days for your postal mailed PIN after your request.

If you are not eligible to receive a PIN, we will not mail you a PIN at this time. If you need to change the e-mail or mailing address that a PIN is sent to, select "PIN Request and Information" from the PIN home page, followed by "Change My PIN Information".

How do I correct my information on my application?

To make corrections or updates to your FAFSA data you can use FAFSA Corrections on the Web. You can also make the corrections on a paper Student Aid Report (SAR).

I live on my own why do I need my parental information?

When you apply for federal student aid, your answers to certain questions will determine whether you're considered dependent on your parents or independent. If you are considered dependent on your parents, you must report their income and assets as well as your own.

You are an independent student if at least one of the following applies to you:

- For the 2008-2009 school year, you were born before January 1, 1985; for the 2007-2008 school year, you were born before January 1, 1984;
- You are married
- You are enrolled in a graduate or professional educational program (beyond a bachelor's degree)
- You have legal dependents other than a spouse;
- You are an orphan or ward of the court (or were a ward of the court until age 18);or
- You are a veteran of the U.S. Armed Forces ("veteran" includes a student who attended a U.S. military academy who was released under a condition other than dishonorable)

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If you claim to be an independent student, your school may ask you to submit proof before you can receive any federal student aid. If you think you should be considered independent even though none of the above criteria apply to you, talk to your financial aid administrator. He or she can change your status if he or she thinks your circumstances warrant it based on the documentation you provide. But, remember, the financial aid administrator won't automatically do this. That decision is based on his or her judgment, and it's final - you can't appeal it to the U.S. Department of Education.

Can I get my PIN over the phone?

In order to protect your personal information we are unable to release your PIN over the phone.

If you don't have a PIN and you are eligible to receive one, select "PIN Request and Information" from the PIN home page, followed by "Apply for PIN".

If you have already received a PIN and you would like another copy, select "PIN Request and Information" from the PIN home page, followed by "Request a PIN Be Mailed".

If you have lost your PIN or think it has been compromised, select "PIN Request and Information" from the PIN home page, followed by "Change PIN".

To complete a PIN request, you will be asked to provide your Social Security Number, the first two (2) letters of your last name, and your date of birth.

Once you have completed the form, select "Submit Request." You will then be asked to confirm at the e-mail or mailing address that is listed in our database. If you select "Yes" at the bottom of the page, a PIN will be sent to you either electronically or via the U.S. Postal Service. It will take approximately 3 to 4 days for your electronic PIN or 7-10 days for your postal mailed PIN after your request.

If you are not eligible to receive a PIN, we will not mail you a PIN at this time.

If you need to change the e-mail or mailing address that a PIN is sent to, select "PIN Request and Information" from the PIN home page, followed by "Change My PIN Information". You will be asked to supply your Social Security Number, first two letters of your last name, Date of Birth, and the e-mail or mailing address you want the PIN sent to.