

NEW FAFSA FINANCIAL AID TIMELINE HELPS THOSE PAYING FOR COLLEGE

Starting October 1, 2016, the financial aid process will change for the millions of families who will be sending children off to college. The good news is that, not only will the process be a little bit easier, but families will often be armed with earlier knowledge about potential financial aid when making decisions about where to apply to school. These changes affect all college students applying for financial aid (including federal loans) for the 2017-2018 academic year and beyond.

WHAT HAS CHANGED?

The timeline for filing the Free Application for Federal Student Aid (FAFSA) has been moved up, resulting in several key changes to the filing process and the information included in the application.

What has changed?	Was	Now is
Earliest filing date for next academic year aid	January 1	October 1
Financial information included in the form	Estimated*	Actual
Income and tax year basis	One-year lag	Two-year lag
Process for inputting financial information	Manual*	Automated option

*Prior to October 1, 2016, financial information included in the FAFSA was typically estimated and input manually.

Beginning with the 2017-2018 academic year, families can file the FAFSA as early as October 1 of the preceding calendar year, and the form will be based on financial information from an earlier year. For example, families will provide 2015 income and tax information for the 2017-2018 academic year, resulting in a two-year lag between the start of the academic award year (e.g., 2017) and the year on which the required income and tax information will be based (e.g., 2015). In the past, families had to wait until January 1 to file the form, and the FAFSA was typically based on estimated income and tax information for the immediately preceding calendar year.

As a result of these changes, the required financial information will also be able to be easily imported from the IRS to the FAFSA filing system via an application called the IRS Data Retrieval Tool. This will simplify the process for completing the form and limit the need for colleges to request income verification support. In the past, the IRS Data Retrieval Tool was typically only used to update estimated financial information on the FAFSA once income taxes had been filed.

Many private colleges also require the College Scholarship Service (CSS) Profile form to be completed as part of the Institutional Methodology for awarding financial aid. Consistent with the changes to the FAFSA form, the financial information required for the CSS Profile will now be based on a two-year lag.

These changes should help families gain an earlier and more accurate view of their anticipated financial aid and college costs, as many colleges are expected to use the new procedures to provide financial aid packages earlier.¹

For more details about applying for financial aid and how colleges award scholarships and grants, read [Paying for College: A Practical Guide for Families](#).

¹ National Association for College Admission Counseling, "Prior-Prior Year: What You Need to Know: Colleges and Universities."