

NATIONAL STUDENT AID PROFILE: OVERVIEW OF 2023 FEDERAL PROGRAMS



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Overview

The National Association of Student Financial Aid Administrators' (NASFAA) National Student Aid Profile is an annual publication designed to give a high-level overview of the federal student financial aid programs that provide funding to millions of students each year.

In this profile, you will find an overview of:

- The Federal Pell Grant Program
- The Federal Supplemental Educational Opportunity Grant (FSEOG) Program
- The Federal Work-Study Program
- The Federal Direct Subsidized and Unsubsidized Loan Programs
- The Federal Direct PLUS Loan Program

For each program, in addition to a basic description, you will find the most up-to-date data and information on the:

- Number of Recipients
- Total Volume of Awards
- Federal Funding Levels
- Distribution by Family Income

In addition, we provide an appropriations update on Title IV program funding for the 2023-24 award year.

Due to the impacts of the coronavirus pandemic, the U.S. Department of Education (ED) took action to mitigate the negative economic effects on federal student loan borrowers by providing a number of flexibilities. These temporary flexibilities include a suspension of loan payments and interest accrual, and a halt to collections on defaulted loans. There are several tables and figures in this report that are impacted as a result of these changes. Under each affected table/figure, you will find a "COVID-19 note" with a brief explanation of the changes reflected.

At the time of this profile's release, student loan borrowers are scheduled to resume making monthly payments in October 2023, and interest will begin to accrue on September 1, 2023. There will also, per ED's guidance, be a 12-month on-ramp back into repayment, during which time interest will accrue, but the adverse consequences associated with delinquency will be suspended. The overall impacts of COVID-19 on student loan borrowing, repayment, and other aspects of federal student aid may not be known for several years. NASFAA will continue to update our National Student Aid Profile with new data as it is released annually to help further inform the community.

If you have any questions or would like more information, you may reach out to NASFAA's Policy & Federal Relations Staff at policy@nasfaa.org or 202-785-0453.

Table 1. Summary Descriptions of the Major Federal Student Aid Programs

Program Name	Program Description	Number of Recipients and Average Awards	Volume 2021-22
Federal Pell Grant	Provides grants to low-income undergraduates who have not yet earned a first bachelor’s degree with the greatest demonstrated financial need. The 2022-23 maximum award was \$6,895 and the minimum award amount for a full-time student was \$692. For 2023-24, the maximum award is \$7,395 and the minimum award amount for a full-time student is \$750.	Approximately 6.2 million recipients in 2021-22. Average award was \$4,160. Just over 77% of recipients had family incomes of less than \$40,000.	The total federal volume for Pell Grants was \$25.8 billion.
Federal Supplemental Educational Opportunity Grant (FSEOG)	Provides grants to low-income undergraduates with the greatest demonstrated financial need. Maximum award is \$4,000; minimum award is \$100. Priority must be given to students who receive Federal Pell Grants, and FSEOG must be offered first to students who have the lowest expected family contributions. At least 25% of FSEOG dollars must come from institutional resources.	Approximately 1.9 million recipients in 2020-21. Average award was \$775. Just over 66% of dependent recipients came from families with an income of less than \$30,000.	The total federal volume was \$1.5 billion.
Federal Work-Study (FWS)	Provides part-time jobs to financially needy undergraduate and graduate/professional students. Jobs must, to the extent possible, be related to students’ academic or career goals. Institutions must generally contribute at least 25% of wages paid.	Approximately 372,000 recipients in 2020-21. The average award was \$1,892. Of dependent undergraduate recipients, 38% had family incomes below \$42,000.	The total federal volume was \$703.3 million.

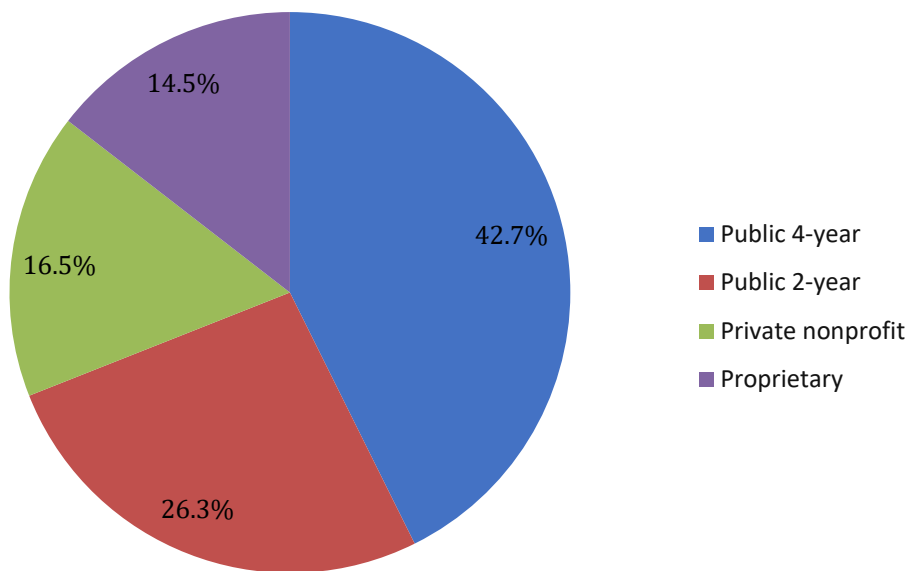
Table 1. Summary Descriptions of the Major Federal Student Aid Programs (continued)

Program Name	Program Description	Number of Recipients and Average Awards	Volume 2021-22
Federal Direct Subsidized Loan	Provides low-interest loans to financially needy undergraduate students. Interest on the loans is paid by the government while borrowers are in school, in the grace period, and during deferment. Borrowing is subject to annual and aggregate loan limits. Borrowers begin repaying loans six months after ceasing at least half-time enrollment in postsecondary education, unless the borrower qualifies for deferment. Cancellation of loans is available for employment in certain designated fields, under certain conditions.	Approximately 4.1 million borrowers in 2021-22. Average loan of \$3,738.	The total loan volume was \$15.6 billion.
Federal Direct Unsubsidized Loan	Provides low-interest loans to undergraduate and graduate/professional students. Loans are provided regardless of a borrower's income or financial need, as long as total aid does not exceed cost of attendance. Recipients are charged interest on the loans at all times. Borrowing is subject to annual and aggregate loan limits; limits are higher for independent students. Unless borrowers qualify for deferment, loan repayment begins six months after they cease at least half-time enrollment in postsecondary education. Cancellation of loans is available for borrowers employed in designated fields, under certain conditions.	Approximately 5.7 million borrowers in 2021-22. Average loan of \$4,035 for undergraduate students and \$18,571 for graduate students.	The total loan volume was \$43.5 billion.
Federal Direct PLUS Loan	Provides loans to (1) the parents of dependent undergraduates, as defined by the Higher Education Act, and (2) graduate and professional students. Borrowers may obtain loans up to the full amount of the cost of education, minus any aid students receive from other sources. Loans are provided regardless of income, but borrowers must pass a credit check or obtain an endorser.	Approximately 590,046 parent borrowers in 2021-22. Average loan of \$17,661. In the same award year, an estimated 444,619 graduate/professional students borrowed an average of \$27,266 in Grad PLUS loans.	PLUS borrowers (parents and graduate/professional students) received \$22.5 billion.

The Federal Pell Grant Program

Program Description. The Federal Pell Grant program is the “foundational” federal student aid program. The program provides grants to financially needy undergraduate students who have not yet earned their first bachelor’s degree to help pay the costs of attending a postsecondary institution. (In very limited circumstances, post-baccalaureate students in teacher education programs may also qualify for Pell Grants.) Schools must determine a student’s Federal Pell Grant eligibility before calculating eligibility for other federal student aid programs. During the annual congressional appropriations process, the minimum and maximum Pell Grant award levels are established for the upcoming award year. In award year 2022-23, grants ranged from \$692 to \$6,895. In the award year 2023-24, grants will range from \$750 to \$7,395. The amounts students receive are based on their educational costs and the family’s ability to contribute to college costs. **View Appendix A to see data on the Federal Pell Grant program broken down by state.**

Figure 1. Distribution of Pell Grant Recipients by Type of Institution, Award Year 2020-21



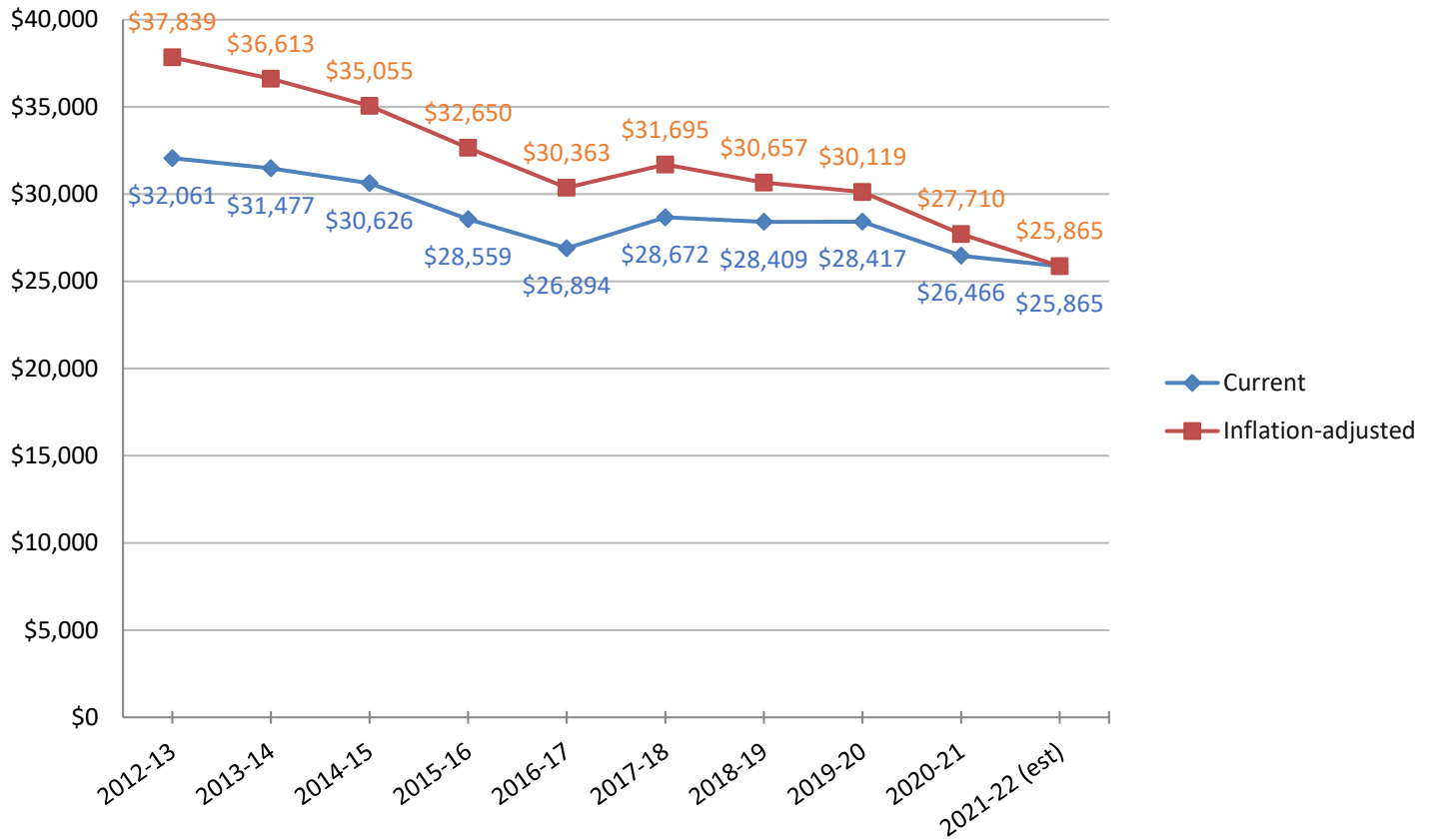
Source: U.S. Department of Education, Federal Pell Grant Program End-of-year Report, 2020-21.

Table 2. Number and Distribution of Pell Grant Recipients by Family Income Level, Award Year 2020-21

Family Income Level	Number	Percentage
\$6,000 or less	1,160,502	18.65%
\$6,001 to \$15,000	1,067,330	17.16%
\$15,001 to \$20,000	681,126	10.95%
\$20,001 to \$30,000	1,118,014	17.97%
\$30,001 to \$40,000	784,941	12.62%
\$40,001 to \$50,000	582,747	9.37%
\$50,001 to \$60,000	401,303	6.45%
\$60,001 and over	425,441	7%
Total	6,221,404	100%

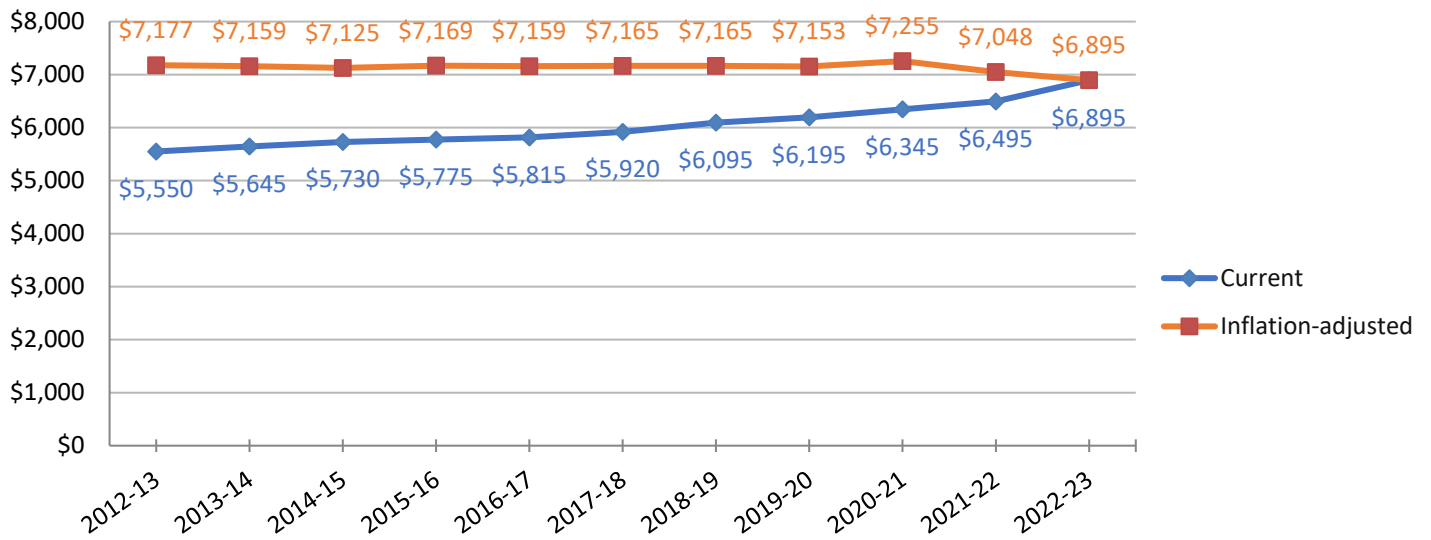
Source: U.S. Department of Education, Federal Pell Grant Program End-of-year Report, 2020-21.

Figure 2: Federal Pell Grant Expenditures in Current and Inflation-Adjusted Dollars (in millions), 2012-13 to 2021-22



Source: The College Board, Trends in Student Aid, 2022.

Figure 3: Maximum Pell Grant Award in Current and Inflation-Adjusted Dollars, 2012-13 to 2022-23



Source: U.S. Department of Education, Federal Pell Grant Program End-of-year Report, 2020-2021; FSA data from website, 2023. Inflation-adjusted to 2022 dollars calculated by NASFAA, using the Consumer Price Index (CPI-U) for the July beginning of the academic year.

Campus-Based Aid Programs

The U.S. Department of Education (ED) requires schools to contribute a portion of the funding for campus-based aid programs, but financial aid administrators at each participating postsecondary institution must use federal program guidelines to determine which students will receive awards and how much they will receive. These programs include the Federal Supplemental Educational Opportunity Grant program and the Federal Work-Study program.

The Federal Supplemental Educational Opportunity Grant Program

Program Description. The Federal Supplemental Educational Opportunity Grant (FSEOG) program provides grants to financially needy undergraduates at postsecondary institutions. Financial assistance from the FSEOG program generally supplements the aid students receive from other sources. Students must have “exceptional” financial need to receive FSEOG awards. Schools must give priority to students who receive Federal Pell Grants, and awards must first be made to students with the lowest expected family contributions (EFC) — that is, starting with a \$0 EFC and then moving upward. The minimum FSEOG award is \$100, and the maximum is \$4,000. Institutions that participate in the program receive federal allocations to distribute awards. These institutions must match their federal allocations with funds from their own resources, so that no more than 75% of FSEOG awards represent the federal share. **View Appendix A to see data on the FSEOG program broken down by state.**

Table 3a. Number of Dependent Undergraduates Who Received Federal Supplemental Educational Opportunity Grants by Family Income Level, Award Year 2020-21

Family Income Level	Recipients	Recipients Percentage	Total FSEOG Dollars *	Dollars Percentage	Average FSEOG Award
Less than \$6,000	154,520	15.2%	\$130,453,793	14.0%	\$844
\$6,000 to \$11,999	87,551	8.6%	\$75,842,948	8.2%	\$866
\$12,000 to \$23,999	296,472	29.2%	\$259,178,702	27.9%	\$874
\$24,000 to \$29,999	130,935	12.9%	\$119,297,424	12.8%	\$911
\$30,000 to \$41,999	169,063	16.7%	\$162,621,669	17.5%	\$962
\$42,000 to \$59,999	111,594	11.0%	\$114,160,883	12.3%	\$1,023
\$60,000 and over	63,659	6.3%	\$68,956,590	7.4%	\$1,083
Total*	1,013,794	100.0%	\$930,512,009.00	100.0%	\$918

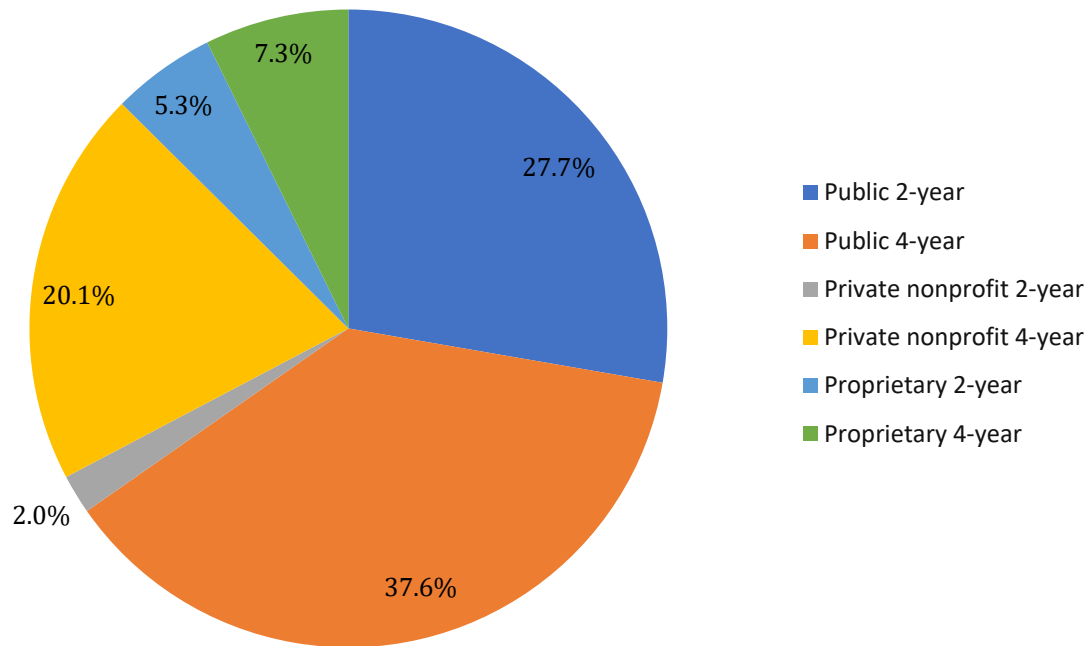
Table 3b. Number of Independent Undergraduates Who Received Federal Supplemental Educational Opportunity Grants by Family Income Level, Award Year 2020-21

Family Income Level	Recipients	Recipients Percentage	Total FSEOG Dollars *	Dollars Percentage	Average FSEOG Award
Less than \$2,000	187,306	22.0%	\$116,930,623	22.7%	\$624
\$2,000 to \$3,999	46,250	5.4%	\$31,989,802	6.2%	\$692
\$4,000 to \$7,999	94,249	11.1%	\$62,027,670	12.0%	\$658
\$8,000 to \$11,999	107,815	12.7%	\$66,800,243	13.0%	\$620
\$12,000 to \$15,999	72,365	8.5%	\$41,016,157	8.0%	\$567
\$16,000 to \$19,999	64,352	7.6%	\$36,121,531	7.0%	\$561
\$20,000 and over	277,474	32.7%	\$160,190,692	31.1%	\$577
Total*	849,811	100.0%	\$515,076,718	100.0%	\$606

*Total dollar amounts include federal funds and institutional matching funds.

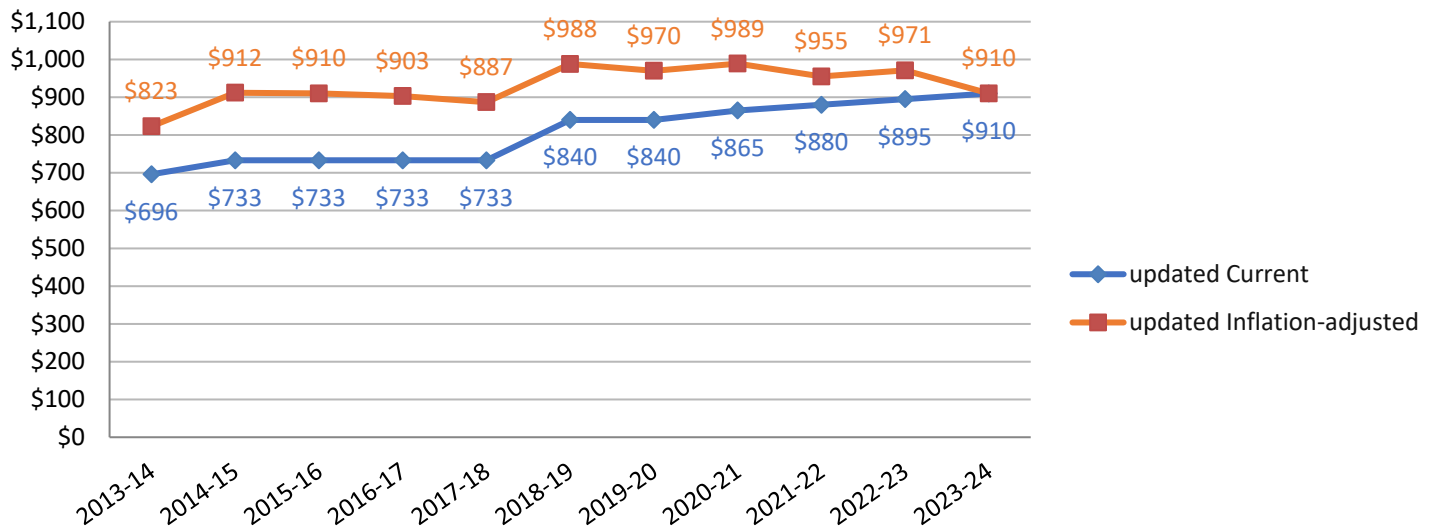
Source for Tables 3a and 3b: U.S. Department of Education, Federal Campus-Based Programs Data Book, 2022.

Figure 4. Distribution of Federal Supplemental Educational Opportunity Grant Recipients by Type of Institution, Award Year 2020-21



Source: U.S. Department of Education, Federal Campus-Based Programs Data Book, 2022.

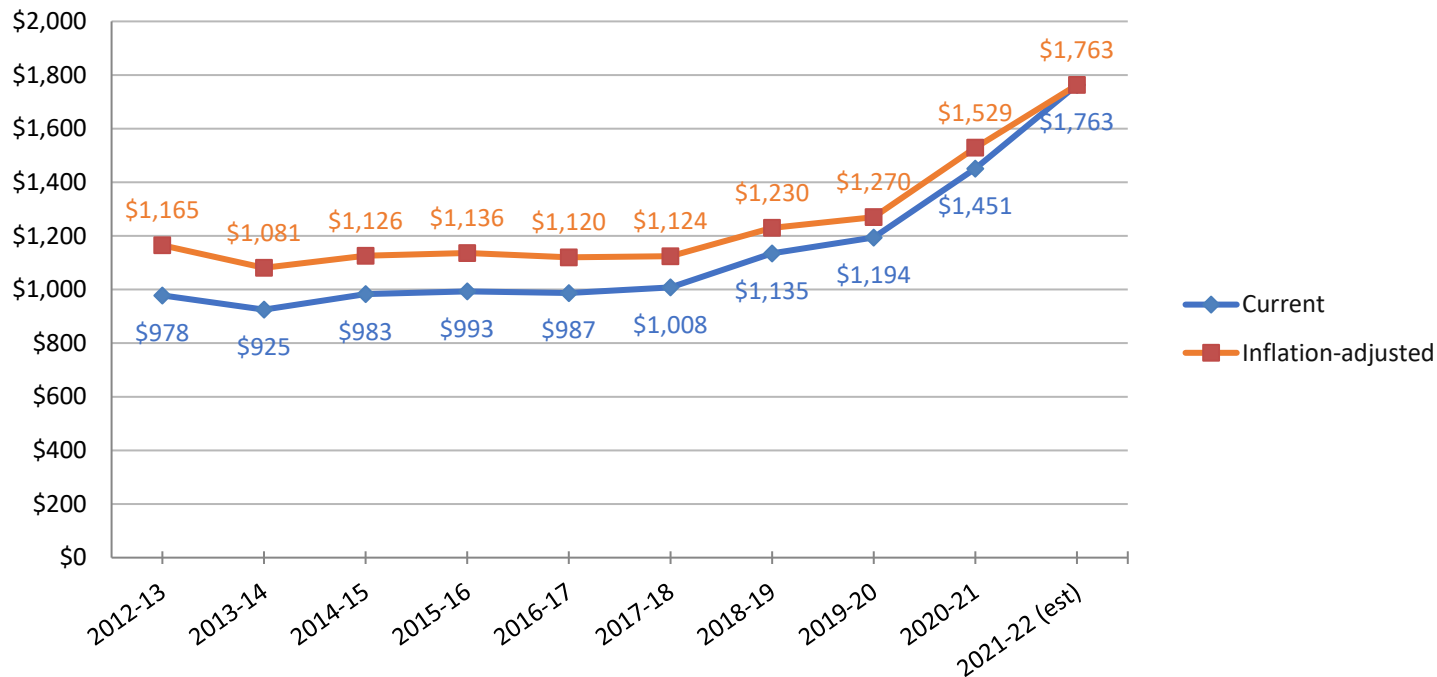
Figure 5a. Federal Appropriations for the Federal Supplemental Educational Opportunity Grant Program in Current and Inflation-Adjusted Dollars (in millions), 2013-14 to 2023-24



Note: does not include institutional matching funds

Source: U.S. Education Department, Budget History Table: FY 1980-FY 2021; NASFAA, "Congress Unveils Sprawling Fiscal Year 2023 Spending Bill With \$500 Maximum Pell Grant Boost"

Figure 5b. Federal Supplemental Educational Opportunity Grant Program Volume in Current and Inflation-Adjusted Dollars (in millions), 2012-13 to 2021-22



Note: The HEA permits institutions to transfer up to 25% of its Federal Work Study (FWS) funds to the FSEOG program. The CARES Act permitted institutions to transfer 100% of unexpended FWS to FSEOG during the Covid-19 national emergency. This impacted a portion of award years 2019-20 and all of 2020-21 and 2021-22, as well as a portion of 2022-23 and likely caused a spike in FSEOG volume in those years.

**Total dollar amounts include federal funds and institutional matching funds.

Source: U.S. Department of Education, *Federal Campus-Based Programs Data Book*, 2022.

The Federal Work-Study Program

Program Description. The Federal Work-Study (FWS) program provides part-time jobs to undergraduate, graduate, and professional students at postsecondary institutions. Generally, aid from the FWS program supplements the assistance students receive from Federal Pell Grants and other sources. The FWS program is a need-based program; that is, recipients must have demonstrated financial need to be awarded FWS.

FWS amounts must be based on demonstrated financial need, the number of hours students are expected to work each week, and the anticipated hourly wage.

For most FWS jobs, the federal program funds are used to pay 75% of the students' wages. The remaining 25% is provided by the institution or the students' employers. (Private for-profit businesses that employ FWS recipients must pay at least 50% of students' wages from their own resources.) A lower non-federal share is permitted under specific limited conditions. **View Appendix A to see data on the FWS program broken down by state.**

Table 4a. Number of Dependent Undergraduates Who Received Federal Work-Study Awards by Family Income Level, Award Year 2020-21

Family Income Level	Recipients	Recipients Percentage	Total FWS Dollars*	Dollars Percentage	Average FWS Award
Less than \$6,000	16,329	5.5%	\$30,628,315	6.0%	\$1,876
\$6,000 to \$11,999	10,078	3.4%	\$19,056,844	3.7%	\$1,891
\$12,000 to \$23,999	34,194	11.6%	\$64,570,984	12.6%	\$1,888
\$24,000 to \$29,999	17,385	5.9%	\$32,673,654	6.4%	\$1,879
\$30,000 to \$41,999	35,076	11.9%	\$65,411,261	12.8%	\$1,865
\$42,000 to \$59,999	45,566	15.5%	\$83,367,748	16.3%	\$1,830
\$60,000 and over	135,655	46.1%	\$217,037,056	42.3%	\$1,600
Total*	294,283	100.0%	\$512,745,862	100.0%	\$1,742

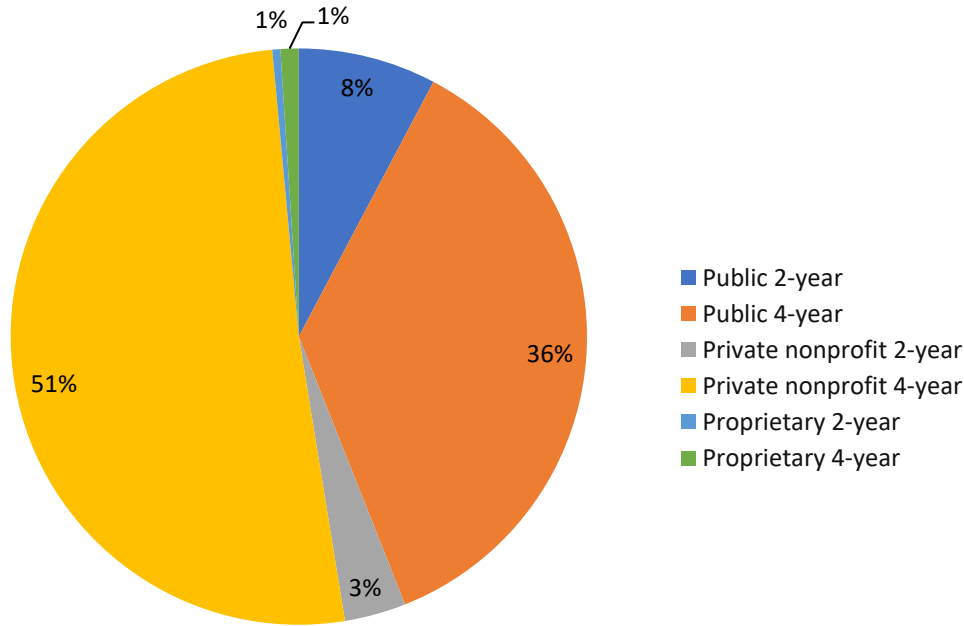
Table 4b. Number of Independent Undergraduates Who Received Federal Work-Study Awards by Family Income Level, Award Year 2020-21

Family Income Level	Recipients	Recipients Percentage	Total FWS Dollars*	Dollars Percentage	Average FWS Award
Less than \$2,000	9,797	25.3%	\$20,121,759	23.4%	\$2,054
\$2,000 to \$3,999	3,366	8.7%	\$6,695,936	7.8%	\$1,989
\$4,000 to \$7,999	5,789	15.0%	\$12,638,559	14.7%	\$2,183
\$8,000 to \$11,999	4,879	12.6%	\$12,119,830	14.1%	\$2,484
\$12,000 to \$15,999	3,531	9.1%	\$8,411,179	9.8%	\$2,382
\$16,000 to \$19,999	2,626	6.8%	\$6,187,039	7.2%	\$2,356
\$20,000 and over	8,666	22.4%	\$19,824,646	23.1%	\$2,288
Total*	38,654	100.0%	\$85,998,948	100.0%	\$2,225

*Total dollar amounts include federal funds and institutional matching funds.

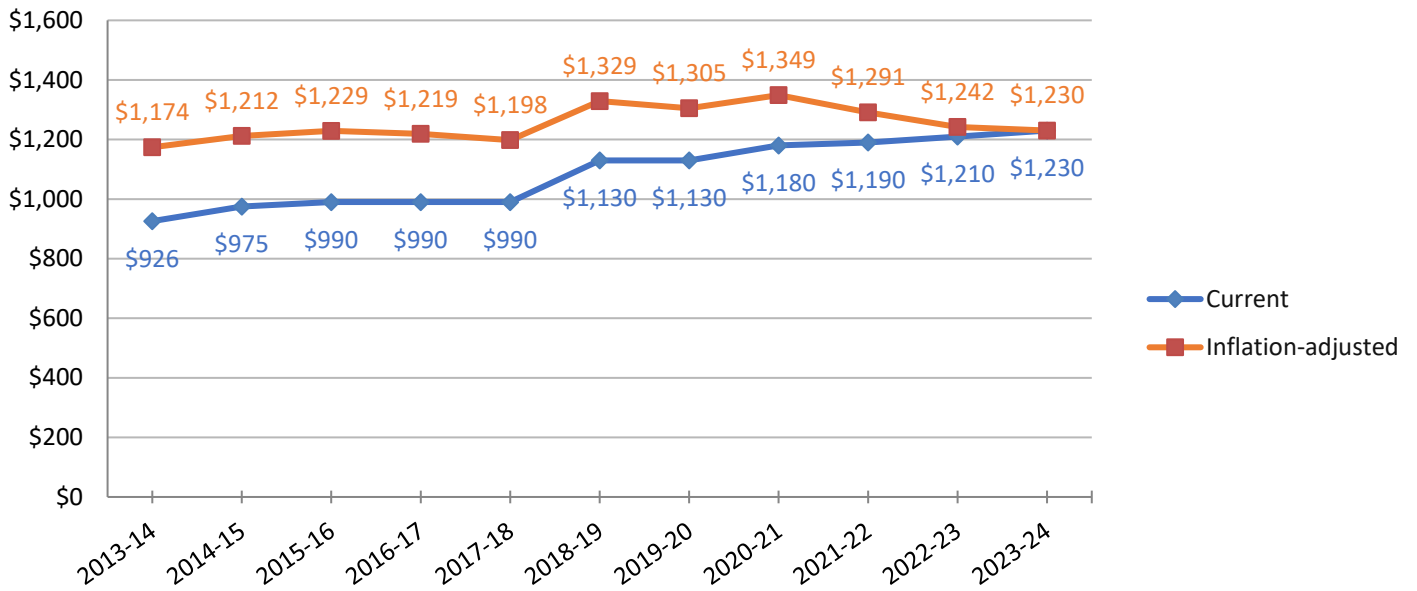
Source for Tables 4a and 4b: U.S. Department of Education, Federal Campus-Based Programs Data Book, 2022.

Figure 6. Distribution of Federal Work-Study Recipients by Type of Institution, Award Year 2020-21



Source: U.S. Department of Education, Federal Campus-Based Programs Data Book, 2022.

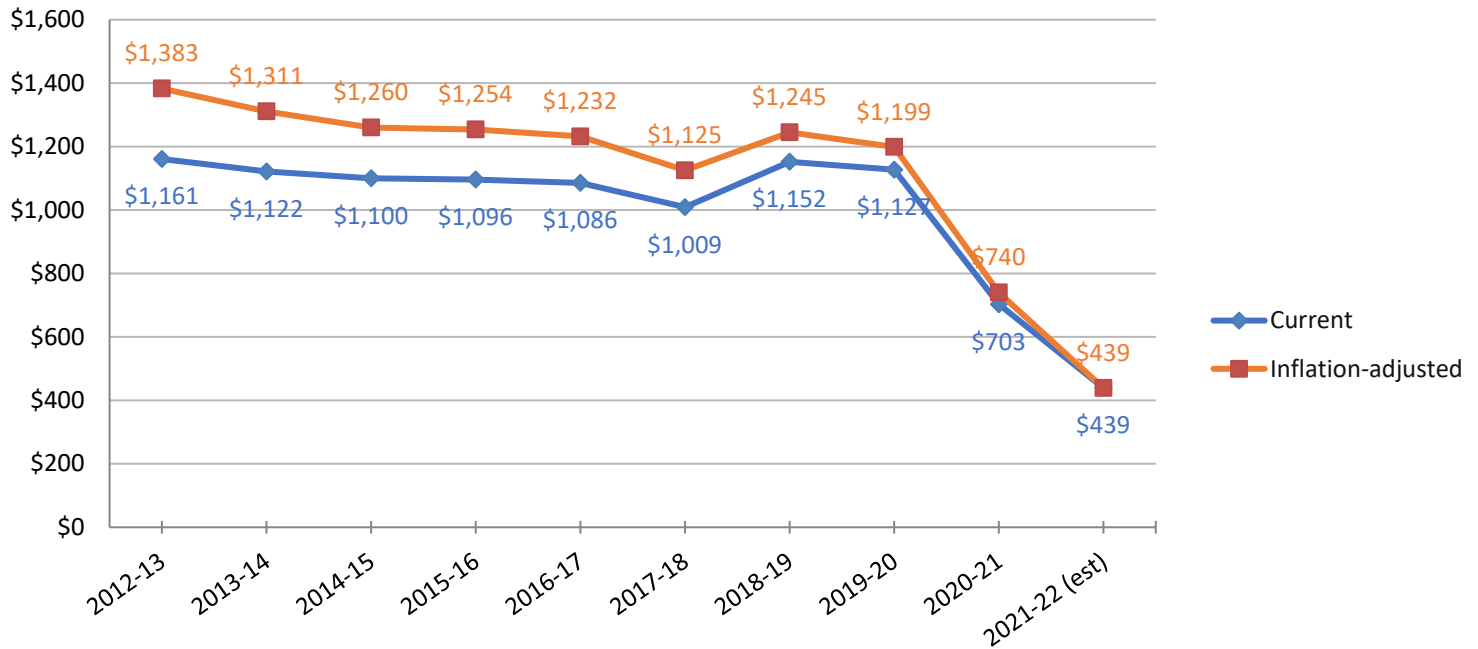
Figure 7a. Federal Appropriations for the Federal Work-Study Program in Current and Inflation-Adjusted Dollars (in millions), 2013-14 to 2023-24



Note: Does not include institutional matching funds

Source: Education Department Budget History Table FY 1980-FY 2021; NASFAA, "Congress Unveils Sprawling Fiscal Year 2023 Spending Bill With \$500 Maximum Pell Grant Boost"

Figure 7b. Federal Work-Study Program Volume in Current and Inflation-Adjusted Dollars (in millions), 2012-13 to 2021-22



Note: The HEA permits institutions to transfer up to 25% of its Federal Work Study (FWS) funds to the FSEOG program. The CARES Act permitted institutions to transfer 100% of unexpended FWS to FSEOG during the Covid-19 national emergency. This impacted a portion of award years 2019-20 and all of 2020-21 and 2021-22, as well as a portion of 2022-23 and likely caused a decrease in FWS volume in those years.

** Total dollar amounts include federal funds and institutional matching funds.

Source: U.S. Department of Education, Federal Campus-Based Programs Data Book, 2022

The following table lists 2023-24 federal allocations for FSEOG and FWS by state. Approved allocations for FSEOG total \$904,783,667 for 3,430 schools, with FWS obligated funds totaling \$1,212,350,175 for 2,994 schools. These programs operate in all 50 states, the District of Columbia, and six U.S. territories. The five states with the largest total FSEOG and FWS award amounts include California, New York, Texas, Pennsylvania, and Florida.

Table 5. Federal Supplemental Educational Opportunity Grant and Federal Work-Study Obligated Funds by State, Award Year 2023-24

State	FSEOG		FWS	
	Participating Institutions	Allocation	Participating Institutions	Allocation
Alabama	54	\$12,992,146	51	\$16,477,876
Alaska	8	\$1,072,161	8	\$1,030,345
American Samoa	1	\$92,155	1	\$78,923
Arizona	46	\$31,580,598	35	\$23,181,962
Arkansas	47	\$6,042,892	44	\$8,027,252
California	379	\$112,275,516	319	\$146,732,872
Colorado	51	\$14,628,920	43	\$19,084,931

State	FSEOG		FWS	
	Participating Institutions	Allocation	Participating Institutions	Allocation
Connecticut	40	\$13,199,878	36	\$18,195,080
Delaware	8	\$1,973,421	7	\$2,175,266
District Of Columbia	12	\$8,183,378	11	\$14,003,873
Florida	146	\$48,215,881	101	\$58,248,460
Georgia	89	\$23,653,900	85	\$30,131,952
Guam	3	\$249,080	3	\$526,784
Hawaii	16	\$1,877,488	12	\$2,413,028
Idaho	11	\$2,541,412	10	\$3,081,910
Illinois	134	\$36,439,123	123	\$54,203,108
Indiana	60	\$19,445,083	52	\$23,129,920
Iowa	60	\$8,638,166	51	\$11,940,852
Kansas	52	\$6,003,556	52	\$9,179,861
Kentucky	52	\$10,434,132	49	\$17,406,042
Louisiana	48	\$10,376,298	37	\$16,533,235
Maine	26	\$6,975,989	25	\$8,488,829
Maryland	53	\$13,929,919	45	\$17,901,662
Massachusetts	98	\$29,538,698	87	\$50,716,997
Michigan	81	\$25,562,660	76	\$33,219,098
Minnesota	71	\$19,028,993	70	\$22,011,345
Mississippi	31	\$9,020,312	30	\$12,505,878
Missouri	73	\$13,643,624	69	\$21,699,657
Montana	20	\$1,485,189	20	\$3,158,652
Nebraska	30	\$4,992,849	28	\$6,643,771
Nevada	9	\$3,521,898	9	\$5,301,746
New Hampshire	20	\$12,944,213	18	\$7,996,223
New Jersey	88	\$20,676,063	53	\$27,986,041
New Mexico	23	\$4,378,734	21	\$7,139,429
New York	257	\$65,397,412	208	\$115,259,317
North Carolina	118	\$22,645,281	117	\$31,215,685
North Dakota	18	\$2,664,392	18	\$3,173,806
Northern Mariana Is.	1	\$74,412	1	\$63,665
Ohio	129	\$28,857,124	106	\$37,561,612
Oklahoma	54	\$8,848,479	43	\$12,581,884
Oregon	48	\$9,973,719	44	\$14,084,372
Palau	1	\$38,428	1	\$127,850

State	FSEOG		FWS	
	Participating Institutions	Allocation	Participating Institutions	Allocation
Pennsylvania	158	\$40,466,707	133	\$60,311,451
Puerto Rico	78	\$13,004,377	67	\$17,800,000
Rhode Island	12	\$5,451,635	12	\$7,977,279
South Carolina	57	\$12,976,016	56	\$13,983,429
South Dakota	20	\$2,722,796	18	\$3,930,529
Tennessee	83	\$16,991,835	74	\$22,710,722
Texas	181	\$63,977,544	164	\$75,290,885
Utah	17	\$10,465,026	15	\$7,368,189
Vermont	14	\$4,556,134	13	\$5,378,943
Virgin Islands	1	\$61,908	1	\$85,594
Virginia	79	\$22,246,933	70	\$34,487,077
Washington	63	\$14,545,570	58	\$20,643,834
West Virginia	34	\$4,444,159	31	\$6,147,058
Wisconsin	58	\$17,842,934	54	\$20,710,381
Wyoming	9	\$916,521	9	\$903,753
Totals	3,430	\$904,783,667	2,994	\$1,212,350,175

Source: U.S. Department of Education, Final Notification of Campus-Based Funding for Period: July 1, 2023 to June 30, 2024.

The Federal Family Education Loan Program and the William D. Ford Direct Student Loan Program

Program Description. Before July 1, 2010, Title IV of the Higher Education Act (HEA) authorized two programs for distributing loans to students and parents of dependent undergraduate students. While the terms of the loans ran parallel between the two programs, the difference was the source of funding. The Federal Family Education Loan (FFEL) program, formerly known as the Guaranteed Student Loan program, utilized private and nonprofit sector funding under a system of federal guarantees and support. The FFEL program ceased operations in July 2010 (other than the collection and servicing of outstanding loans) in favor of maintaining just one loan program, the William D. Ford Direct Student Loan program, which is federally funded and administered by ED. The Direct Loan program continues to provide low-interest loans to undergraduate and graduate/professional students and parents of dependent undergraduate students to help pay the costs of attending postsecondary institutions. Loans are “entitlements,” which means that all eligible and qualified borrowers may receive the program funds and benefits, but borrowers are subject to annual and aggregate limits.

The Direct Loan program is an umbrella for four loans made for undergraduate and graduate study (as was the FFEL program):

- Federal Direct Subsidized Loans (also referred to as Subsidized Stafford Loans)
- Federal Direct Unsubsidized Loans (also referred to as Unsubsidized Stafford Loans)
- Federal Direct PLUS Loans, which are made to parents of dependent students and to graduate and professional students
- Consolidation Loans, a repayment option rather than a loan made for attendance at an institution

Borrowers of Federal Direct Loans pay an origination fee on every new loan disbursed. Established in statute, for Federal Direct Subsidized and Unsubsidized Loans, the origination fee is 1%, and for Federal Direct PLUS Loans the fee is 4%. Under sequestration imposed in the Budget Control Act of 2011, origination fees are increased annually based on the mandatory adjustment percentage provided by the Office of Management and Budget. The sequester-required changes for fiscal year 2024 are equal to those of fiscal year 2023, resulting in the same origination fees for loans and grants disbursed between Oct. 1, 2022-Sept. 30, 2023 and Oct. 1, 2023-Sept. 30, 2024.

	Loans first disbursed on or after	
	Oct. 1, 2022 to Sept. 30, 2023	Oct. 1, 2023 to Sept. 30, 2024
Federal Direct Subsidized and Unsubsidized Loans	1.057%	1.057%
Federal Direct PLUS Loans	4.228%	4.228%

Interest rate structures have varied greatly over the years — sometimes being variable with a maximum cap, sometimes fixed. As written in the Bipartisan Student Loan Certainty Act of 2013, all Direct Loans, except for Direct Consolidation Loans, with a first disbursement date on or after July 1, 2013, have variable fixed, market-based interest rates. Interest rates for new Direct Loans will change every July 1 based on market rates and then remain fixed for the life of that loan. All interest rates will apply to loans disbursed on or after July 1 of a given year through June 30 of the following year only. This law will also provide protection to consumers from market spikes by placing rate caps of:

- 8.25% on Federal Direct Subsidized Loans and Federal Direct Unsubsidized Loans for undergraduate students
- 9.5% for Federal Direct Unsubsidized Loans for graduate/professional students
- 10.5% for Parent/Graduate Federal Direct PLUS Loans

ED calculates the interest rates for these loans using a base 10-year Treasury Note Index, plus an add-on amount for each loan program. The following chart outlines the interest rates for the last three award years.

	Treasury Note Index	Add-On Amount	Interest Rate
Federal Direct Subsidized and Unsubsidized Loans: <i>Undergraduate Students</i>			
2021-22	1.684%	2.05%	3.73%
2022-23	2.943%	2.05%	4.99%
2023-24	3.448%	2.05%	5.50%
Federal Direct Unsubsidized Loans: <i>Graduate Students</i>			
2021-22	1.684%	3.6%	5.28%
2022-23	2.943%	3.6%	6.54%
2023-24	3.448%	3.6%	7.05%
Federal Direct PLUS Loans: <i>Parents and Graduate/Professional Students</i>			
2021-22	1.684%	4.6%	6.28%
2022-23	2.943%	4.6%	7.54%
2023-24	3.448%	4.6%	8.05%

Federal Direct Subsidized Loans: Federal Direct Subsidized Loans are provided to undergraduate students based on their demonstrated financial need. Annual and aggregate limits apply to award amounts. Students do not have to pay the accrued interest on subsidized loans while they are enrolled at their institutions at least half-time. Interest on the loans begins to accrue as soon as borrowers receive the funds. However, a portion of the federal appropriation for subsidized loans is used to pay the accrued interest on the borrowers’ behalf. This provision in the subsidized loan program is commonly referred to as the “in-school interest subsidy” and was also available to needy graduate students prior to July 1, 2012.

Repayment begins following a six-month “grace period” after the student is no longer enrolled at least half-time. The interest subsidy extends through the grace period. However, that provision was temporarily suspended for new loans for which the first disbursement was made on or after July 1, 2012, and before July 1, 2014. Borrowers are responsible for paying accruing interest once they enter the repayment period, beginning at the end of the grace period, except during authorized periods of deferment. **View Appendix A to see data on Federal Direct Subsidized Loans broken down by state.**

Federal Direct Unsubsidized Loans: The second type of Direct Loan, the Federal Direct Unsubsidized Loan, works similarly to the Federal Direct Subsidized Loan, but borrowers are responsible for all interest that accrues. Eligibility for unsubsidized loans is not based on students’ financial need. That is, students may receive these loans regardless of their incomes or assets and may use them to replace their Expected Family Contribution (EFC). Annual and aggregate limits apply to award amounts.

Students who receive federal direct unsubsidized loans do not have an in-school interest subsidy. These borrowers are charged the accrued interest on these loans while they are enrolled. Accrued interest may be paid during periods of enrollment or may be capitalized (added to the principal balance of the loans). Interest on these loans must also be paid or capitalized during any deferment periods.

Like Federal Direct Subsidized Loans, repayment begins following a six-month grace period after the student is no longer enrolled at least half-time. **View Appendix A to see data on Federal Direct Unsubsidized Loans broken down by state.**

Loan Limits. The amount a student may borrow in a Federal Direct Subsidized Loan is the result of subtracting other aid and the EFC from the cost of attendance (COA), or the applicable annual loan limit, whichever is less. The annual maximum amount of loans students may borrow varies by academic grade level. As of July 1, 2007, the annual loan limits are as follows:

	Dependent Students	Independent Students (and students whose parents cannot obtain a PLUS Loan)
First Year Undergraduate Students	\$5,500 <i>No more than \$3,500 can be subsidized.</i>	\$9,500 <i>No more than \$3,500 can be subsidized.</i>
Second Year Undergraduate Students	\$6,500 <i>No more than \$4,500 can be subsidized.</i>	\$10,500 <i>No more than \$4,500 can be subsidized.</i>
Third Year and Beyond Undergraduate Students	\$7,500 <i>No more than \$5,500 can be subsidized.</i>	\$12,500 <i>No more than \$5,500 can be subsidized.</i>
Graduate/Professional Students	N/A	\$20,500 <i>As of July 1, 2012, unsubsidized funds only.</i>

As of July 1, 2007, the aggregate loan limits are as follows:

	Dependent Students	Independent Students (and students whose parents cannot obtain a PLUS Loan)
Undergraduate Students	\$31,000 <i>No more than \$23,000 can be subsidized.</i>	\$57,500 <i>No more than \$23,000 can be subsidized.</i>
Graduate Students	N/A	\$138,500 <i>No more than \$65,500 can be subsidized. Undergraduate federal borrowing counts toward graduate aggregate limit.</i>

Federal Direct PLUS Loan: The Federal Direct PLUS Loan program provides loans to parents of dependent undergraduates and to students who are in graduate or professional programs (who are all, by federal definition, independent of their parents). Parents must use the loan funds to pay their children’s higher education costs. To qualify for a Federal Direct PLUS Loan, borrowers may not have an adverse credit history (credit history is not considered for Federal Direct Subsidized and Unsubsidized Loans). Borrowers with adverse credit history can obtain a loan if they provide an endorser or appeal the credit decision with ED.

Federal Direct PLUS Loans are limited to the difference between the student’s cost of attendance (COA) and other anticipated financial aid; there are no absolute annual or aggregate limits. Unlike Federal Direct Subsidized and Unsubsidized Loans, there is no six-month grace period; Federal Direct PLUS Loans enter repayment once they are fully disbursed but may be eligible for a deferment. **View Appendix A to see data on Federal Direct PLUS Loans broken down by state.**

Table 6. Undergraduates Who Received Federal Direct Subsidized Loans by Family Income Level, Award Year 2019-20

Adjusted Gross Income (AGI)	Recipients (estimated)	Percent	Average Award
Less than \$20,000	1,162,620	26.1%	\$3,678.62
\$20,000 to \$39,999	1,187,051	26.6%	\$3,852.36
\$40,000 to \$59,999	713,874	16.0%	\$3,866.13
\$60,000 to \$79,999	474,812	10.6%	\$4,019.01
\$80,000 to \$99,999	343,177	7.7%	\$3,880.18
\$100,000 and over	578,224	13.0%	\$3,797.07
Total	4,459,758	100.0%	\$3,790.25

Table 7. Undergraduates Who Received Federal Direct Unsubsidized Loans by Family Income Level, Award Year 2019-20

Adjusted Gross Income (AGI)	Recipients (estimated)	Percent	Average Award
Less than \$20,000	3,556,075	22.9%	\$4,278.24
\$20,000 to \$39,999	3,560,275	22.9%	\$3,923.12
\$40,000 to 59,999	2,111,299	13.6%	\$3,373.10
\$60,000 to \$79,999	1,495,711	9.6%	\$3,233.57
\$80,000 to \$99,999	1,126,950	7.2%	\$3,280.13
\$100,000 and over	3,702,010	23.8%	\$4,501.38
Total	15,552,320	100.0%	\$3,974.56

Table 8. Undergraduates Whose Parents Received Federal Direct PLUS Loans by Family Income Level, Award Year 2019-20

Adjusted Gross Income (AGI)	Recipients (estimated)	Percent	Average Award
Less than \$20,000	3,556,075	22.9%	\$12,875.07
\$20,000 to \$39,999	3,560,275	22.9%	\$12,161.67
\$40,000 to \$59,999	2,111,299	13.6%	\$14,044.46
\$60,000 to \$79,999	1,495,711	9.6%	\$14,992.63
\$80,000 to \$99,999	1,126,950	7.2%	\$16,095.28
\$100,000 and over	3,702,010	23.8%	\$19,951.00
Total	15,552,320	100.0%	\$16,272.91

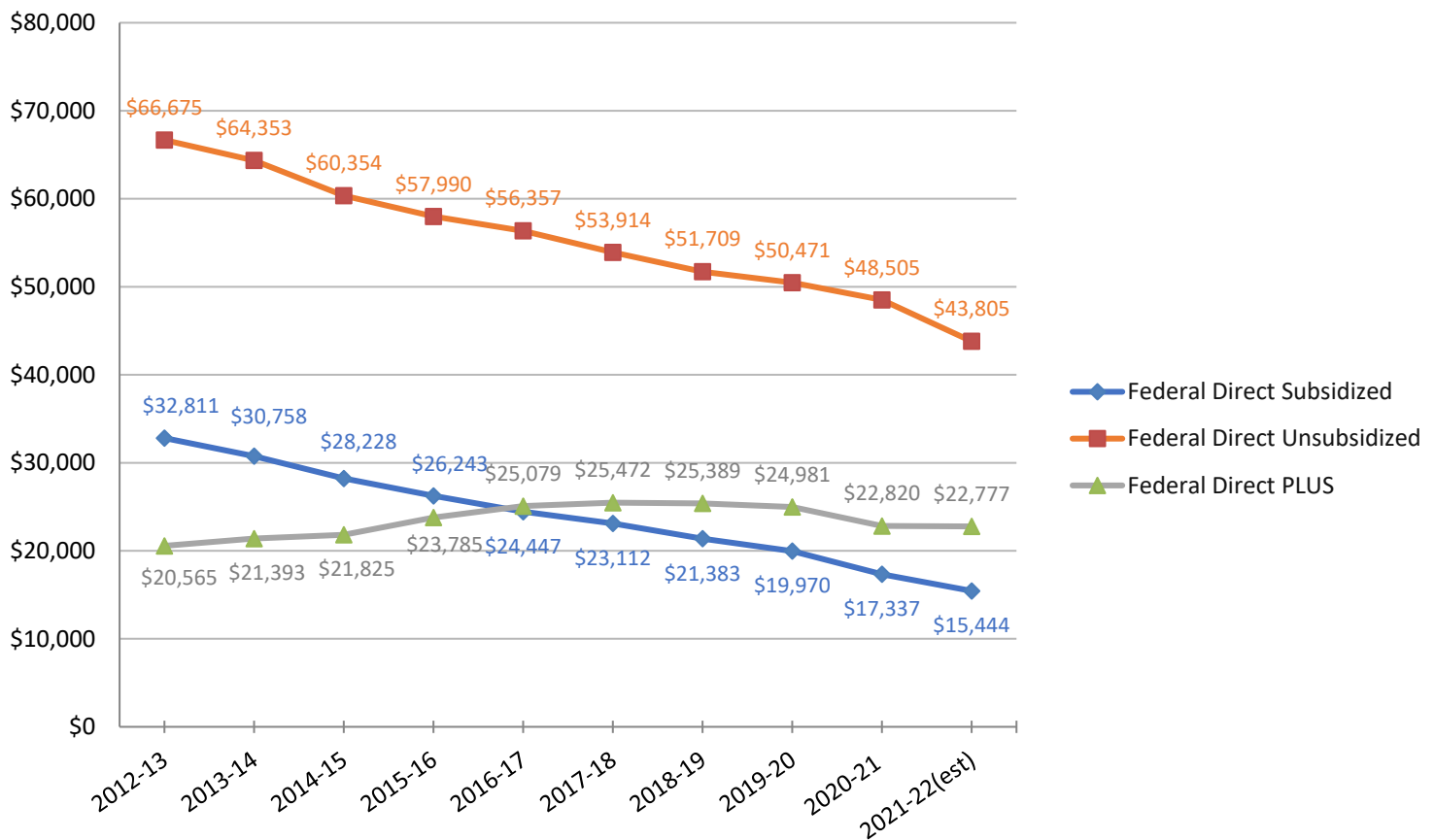
Table 9. Graduate/Professional Students Who Received Federal Direct PLUS Loans by Family Income Level, Award Year 2019-20

Adjusted Gross Income (AGI)	Recipients (estimated)	Percent	Average Award
Less than \$20,000	984,493	30.4%	\$24,180.21
\$20,000 to \$39,999	697,231	21.6%	\$25,130.90
\$40,000 to \$59,999	464,843	14.4%	\$25,654.68
\$60,000 to \$79,999	316,112	9.8%	\$25,842.00
\$80,000 to \$99,999	268,784	8.3%	\$26,488.65
\$100,000 and over	503,102	15.6%	\$30,512.32
Total	3,234,565	100.0%	\$25,058.71

Note: Estimates for number of recipients calculated by NASFAA. Some students did not report income and were excluded from the calculation.

Source for tables 6-9: U.S. Department of Education, National Center for Education Statistics, 2019-20 National Postsecondary Student Aid Study (NPSAS:20)

Figure 8. Federal Direct Student Loan Volume (Inflation-Adjusted Dollars, in millions), 2012-13 to 2021-22



Source: The College Board, Trends in Student Aid, 2022.

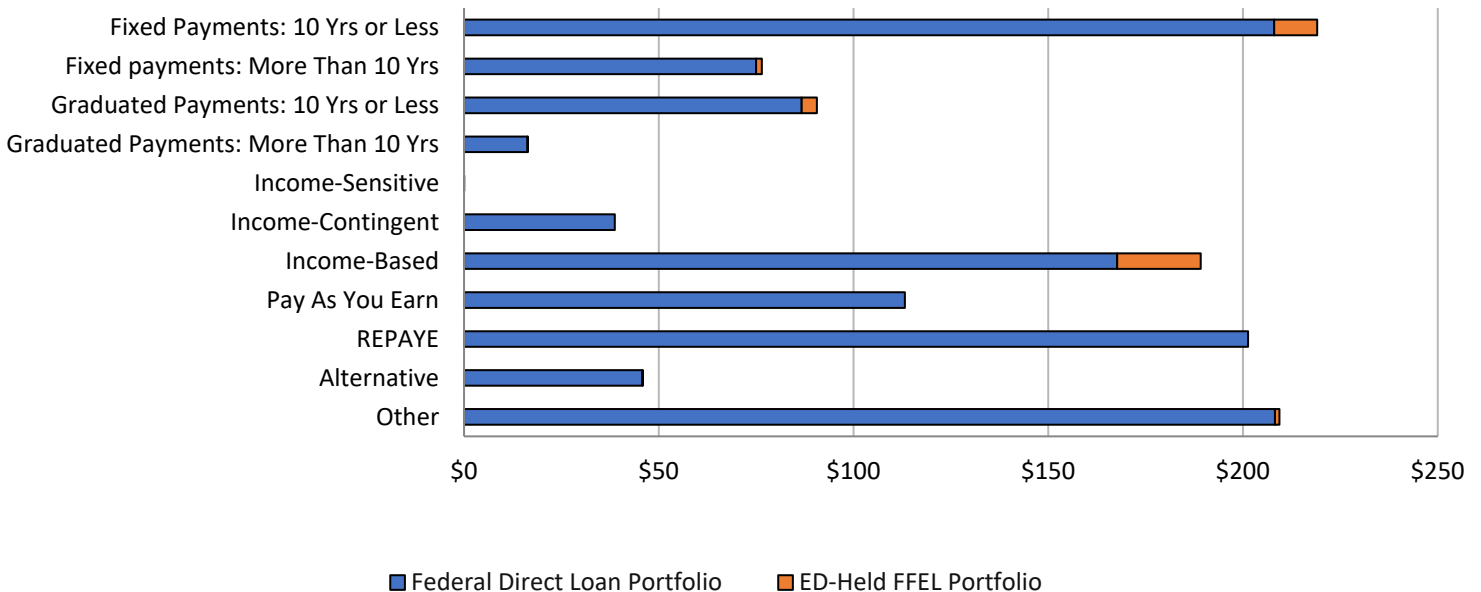
Repayment, Loan, and Delinquency Status

Repayment Status: The federal government offers an array of repayment options for student borrowers. Borrowers, based on a variety of eligibility factors, can elect repayment plans with fixed or graduated payments up to 10 or 25 years, or choose to enroll in one of several income-driven repayment (IDR) plans. Income-contingent repayment (ICR), income-based repayment (IBR), income-sensitive repayment (ISR), Pay As You Earn (PAYE), and Revised Pay As You Earn (REPAYE) are each IDR plans with differing eligibility, monthly payment, and verification requirements. The REPAYE plan is currently being rebranded as the Saving on a Valuable Education (SAVE) plan.

As of September 2022, outstanding dollars from Federal Direct Loans and ED-held FFEL in repayment totaled approximately \$1.2 trillion. Outstanding dollars for the ED-held FFEL program that were subsequently sold to the federal government totaled \$39.11 billion in 2022 — 55% assigned to IDR plans and 32% assigned to 10-year fixed payment plans. Outstanding dollars from the Federal Direct Loan portfolio, totaling \$1.16 trillion, were divided among a number of repayment plans. The 10-year fixed payment plan housed the largest share of Federal Direct Loan dollars at 17.92%, followed by other plans holding 17.93% of outstanding dollars in repayment, and REPAYE plans holding 17.34% of outstanding dollars in repayment.

Executive actions from both the Trump and Biden administrations and provisions in the Coronavirus Aid, Relief, and Economic Security (CARES) Act resulted in borrowers in repayment being moved into a forbearance status, unless they opted out. Due to these changes, the number of borrowers in repayment has been drastically reduced and delinquencies were cured. For the 2023 National Profile, NASFAA has not updated Figures 10a and 11-13, and the corresponding paragraphs as the current data available from the Federal Student Aid Data Center reflects this pause and is, therefore, atypical. Additionally, NASFAA has added a new figure (10b) illustrating outstanding loan dollars by loan status as of September 30, 2022, to reflect the distribution of borrowers impacted by the COVID-19-related repayment pause in effect as of the date of this report's publication. Monthly payments are slated to resume in October 2023.

Figure 9. Federal Direct Loan & ED-Held FFEL Dollars Outstanding (in billions), by Repayment Plan, as of Sept. 30, 2022

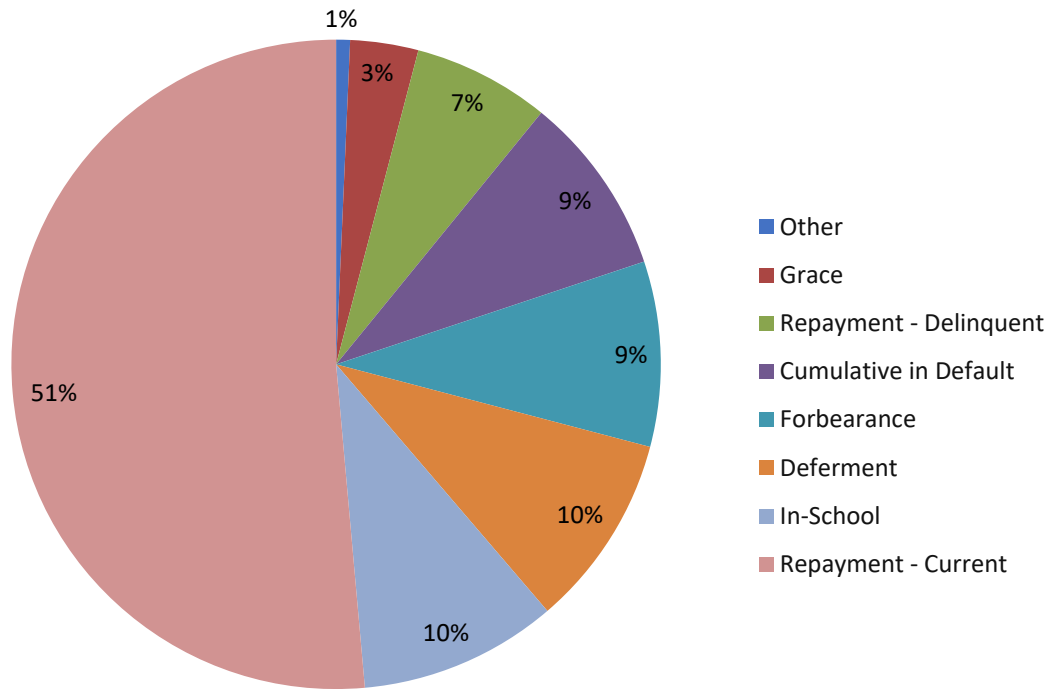


Note: Includes outstanding principal and interest balances of Federal Direct Loan borrowers in Repayment, Deferment, and Forbearance; excludes borrowers in Default, In-School, and Grace. Data is run at the end of each quarter listed by federal fiscal year, in this case 2022 Q4. This figure reflects repayment data for only the Federal Direct Loan and ED-held FFEL portfolios. Data on repayment plans was not available for the FFEL program.

Source: National Student Loan Data System (NSLDS), available from FSA Data Center (<https://studentaid.ed.gov/sa/about/data-center/student/portfolio>).

Loan Status: In 2022, \$11.7 billion (0.8%) of the total outstanding Federal Direct Loan dollars were in current repayment. The remaining \$1,411.2 billion (99.2%) fell into several non-current repayment categories. Of the total outstanding debt, 8.2% belonged to students still enrolled in school and 2.4% was held by students in a six-month grace period. Loans in forbearance and deferment accounted for 73.1% and 7.7%, respectively, of uncollected dollars, and 7.4% of the dollars were in default. Again, this data is impacted by the payment pause currently in effect through September 1, 2023, and is not reflected in the following Figure 10a.

Figure 10a. Percentage of Federal Direct Loan Dollars Outstanding by Loan Status, as of Sept. 30, 2019

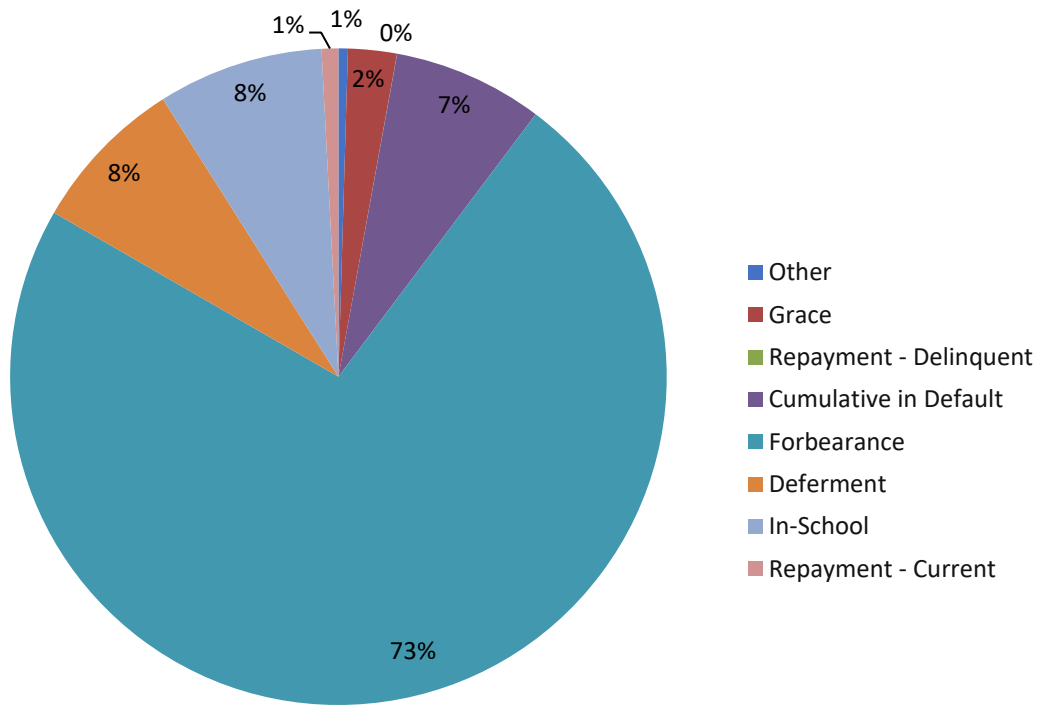


Note: Includes outstanding principal and interest balances. Data is run at the end of each quarter listed by federal fiscal year, in this case 2019 Q4. Numbers for FSA tables on loan status and delinquency status may differ due to rounding and the timing of data runs. Calculation of repayment current and delinquent by NASFAA.

COVID-19 Note: While Figure 10a presents the state of Federal Direct Loan Dollars Outstanding (by loan status) before the coronavirus pandemic impacted the country; it is important to note that most of the borrowers who were in current repayment status and delinquent repayment status have now been placed in a temporary forbearance through Sept. 1, 2023.

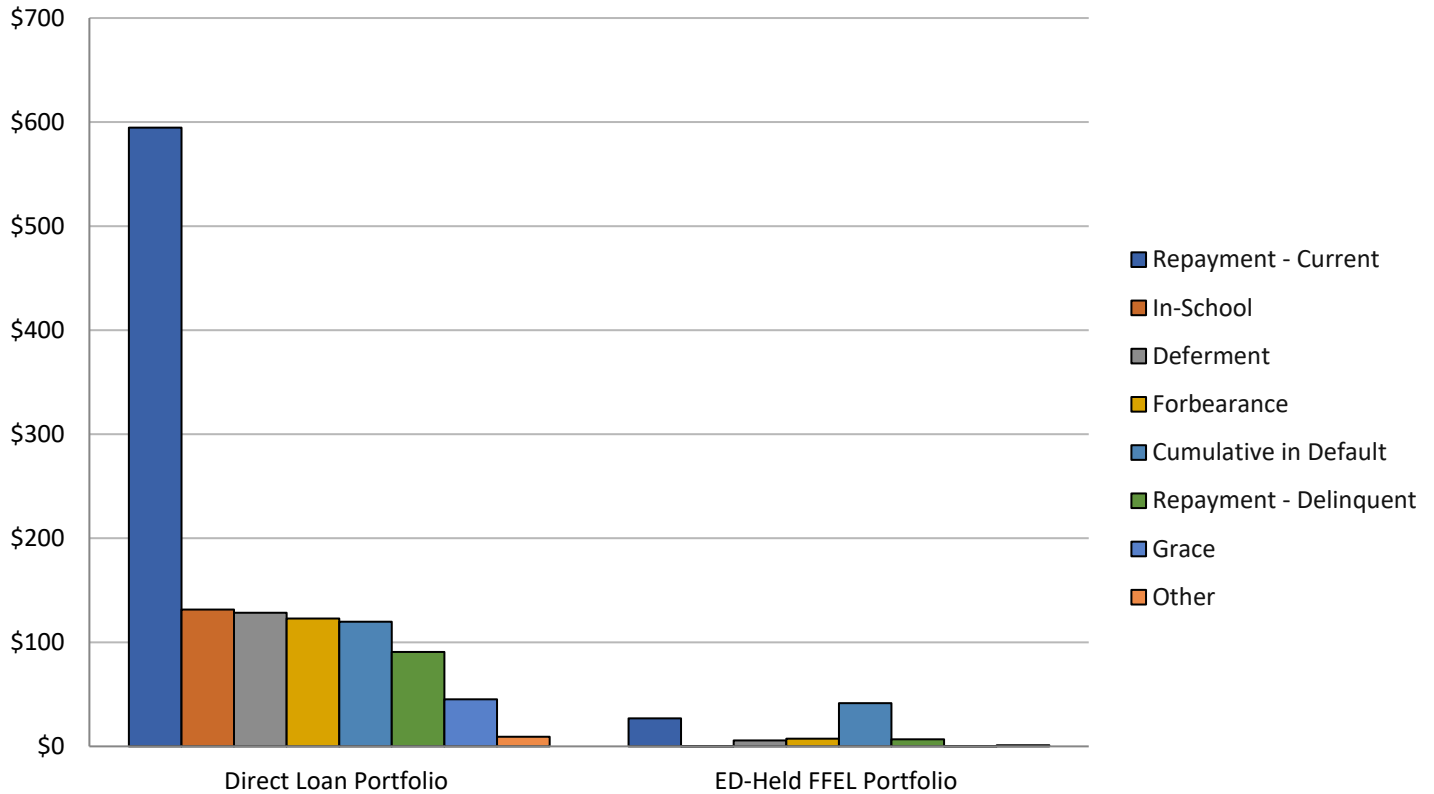
Source: National Student Loan Data System (NSLDS), available from FSA Data Center (<https://studentaid.ed.gov/sa/about/data-center/student/portfolio>).

Figure 10b. Percentage of Federal Direct Loan Dollars Outstanding by Loan Status, as of Sept. 30, 2022



Note: Includes outstanding principal and interest balances. Data is run at the end of each quarter listed by federal fiscal year, in this case 2022 Q4. Numbers for FSA tables on loan status and delinquency status may differ due to rounding and the timing of data runs. Calculation of repayment current and delinquent by NASFAA.
Source: *National Student Loan Data System (NSLDS)*, available from FSA Data Center (<https://studentaid.ed.gov/sa/about/data-center/student/portfolio>).

Figure 11. Federal Direct Loan & ED-Held FFEL Dollars Outstanding (in billions), by Loan Status, as of Sept. 30, 2019



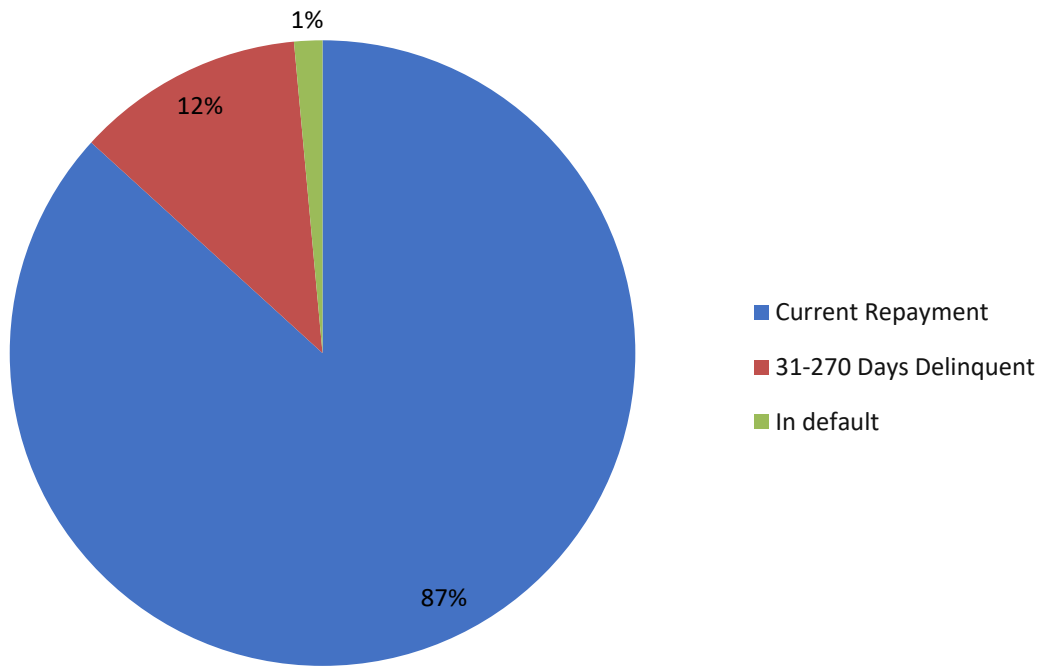
Note: Includes outstanding principal and interest balances. Data is run at the end of each quarter listed by federal fiscal year, in this case 2019 Q4. Numbers for FSA tables on loan status and delinquency status may differ due to rounding and the timing of data runs. Calculation of repayment current and delinquent by NASFAA.

COVID-19 Note: While Figure 11 presents the state of Federal Direct Loan and Federal Family Education Loan (FFEL) Dollars Outstanding (by loan status) before the coronavirus pandemic impacted the country; it is important to note that most of the borrowers who were in current repayment status and delinquent repayment status have now been placed in a temporary forbearance through Sept. 1, 2023.

Source: National Student Loan Data System (NSLDS), available from FSA Data Center (<https://studentaid.ed.gov/sa/about/data-center/student/portfolio>).

Delinquency Status: A delinquency period for federal student loan borrowers begins the day after they miss a payment. As of September 2019, 17% of borrowers in repayment for Federal Direct Loans and ED-held FFEL were in a delinquency status, meaning they had missed a payment and as of Sept. 30, 2019 had not restarted making on-time payments. This accounted for \$97.4 billion of the \$719 billion in Federal Direct Loans and ED-held FFEL currently in repayment.

Figure 12. Percentage of Dollars Outstanding for Federal Direct Loan Borrowers in Repayment Status, by Delinquency Status, as of Sept. 30, 2019

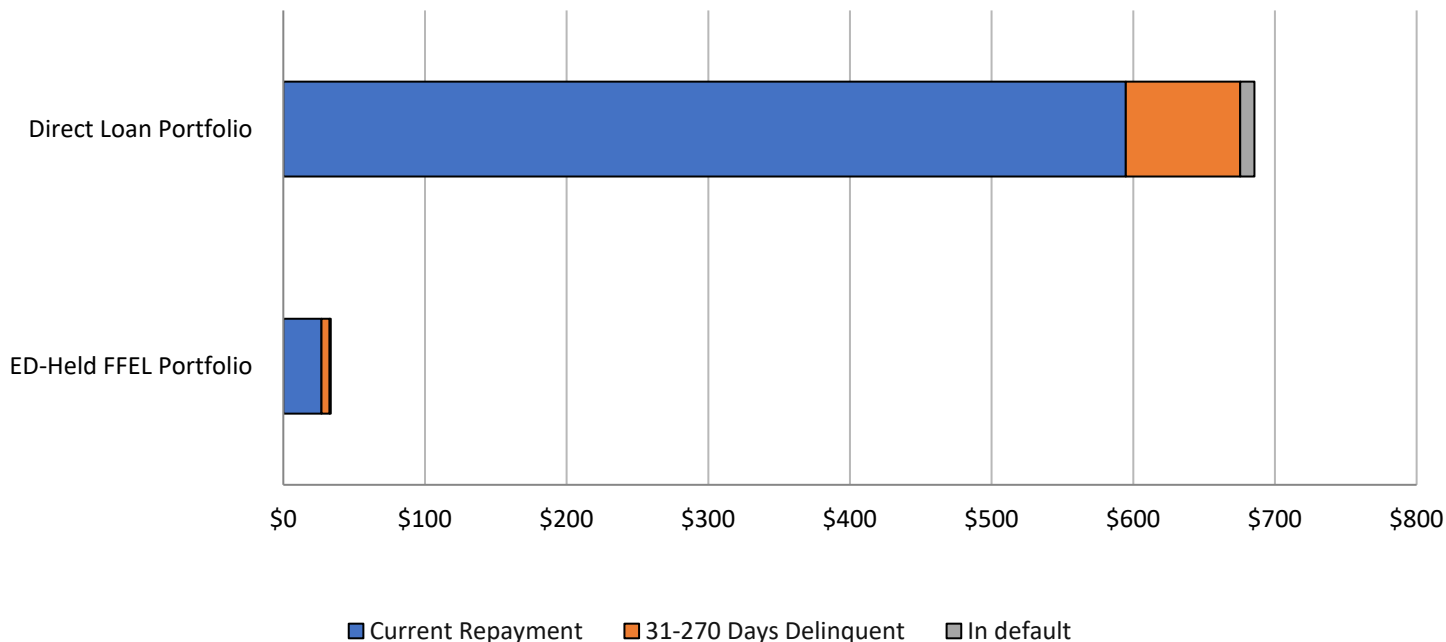


Note: Includes outstanding principal and interest balances. The category for “In default” includes technical default (271 days delinquent), default (361 days delinquent), and loans transferred to the Debt Management and Collections System. This figure reflects data for only the Federal Direct Loan portfolio. It does not include data on FFEL or ED-held FFEL.

COVID-19 Note: While Figure 12 presents the percentage of Federal Direct Loan borrowers in repayment status (by delinquency status) before the coronavirus pandemic impacted the country; it is important to note that all the borrowers who were in delinquent repayment status have now been placed in a temporary forbearance through Sept. 1, 2023.

Source: National Student Loan Data System (NSLDS), available from FSA Data Center (<https://studentaid.ed.gov/sa/about/data-center/student/portfolio>).

Figure 13. Distribution of Federal Direct Loan and ED-Held FFEL Dollars Outstanding (in billions) for Borrowers in Repayment Status, by Delinquency Status, as of Sept. 30, 2019



Note: This figure reflects data for only the Federal Direct Loan and ED-Held FFEL portfolio. FFEL total in repayment is \$157.2 billion but could not be broken out by delinquency status.

COVID-19 Note: While Figure 13 presents the distribution of Federal Direct Loan and Federal Family Education Loan (FFEL) dollars outstanding before the coronavirus pandemic impacted the country, it is important to note that all the borrowers who were in delinquent status have now been placed in a temporary forbearance through Sept. 1, 2023.

Source: National Student Loan Data System (NSLDS), available from FSA Data Center (<https://studentaid.ed.gov/sa/about/data-center/student/portfolio>).

Public Service Loan Forgiveness

Program Description. Public Service Loan Forgiveness (PSLF) is a federal program that allows Federal Direct Loan borrowers who are working full-time in the public service sector to have the remainder of their Federal Direct Loan balances forgiven after making 120 qualifying payments. The program was created in 2007 under the College Cost Reduction and Access Act as a way to provide relief to professionals working in government, state, local, and not-for-profit sector jobs.

Beyond having a qualifying workplace, borrowers must also be enrolled in a qualified repayment plan and complete an Employment Certification Form (ECF) to be eligible for forgiveness. As only loan payments made after Oct. 1, 2007 qualify toward the 120 required payments, the first PSLF recipients received forgiveness in 2017. Submission of the ECF on an annual basis is voluntary, and the Department of Education (ED) tracks submission of ECFs as an indicator of interest in, and potential eligibility for, PSLF. Submission of one or more ECFs does not necessarily indicate that a borrower will ultimately receive forgiveness. As of March 31, 2023, 12,509 PSLF applications were approved for loan discharge.¹ In March 2018, the Consolidated Appropriations Act of 2018 provided limited, additional conditions under which borrowers may be eligible for PSLF if loan payments were made under a non-qualifying repayment plan. This reconsideration is called Temporary Expanded Public Service Loan Forgiveness (TEPSLF). As of March 31, 2023, 6,495 applications for TEPSLF have been approved for loan discharge.

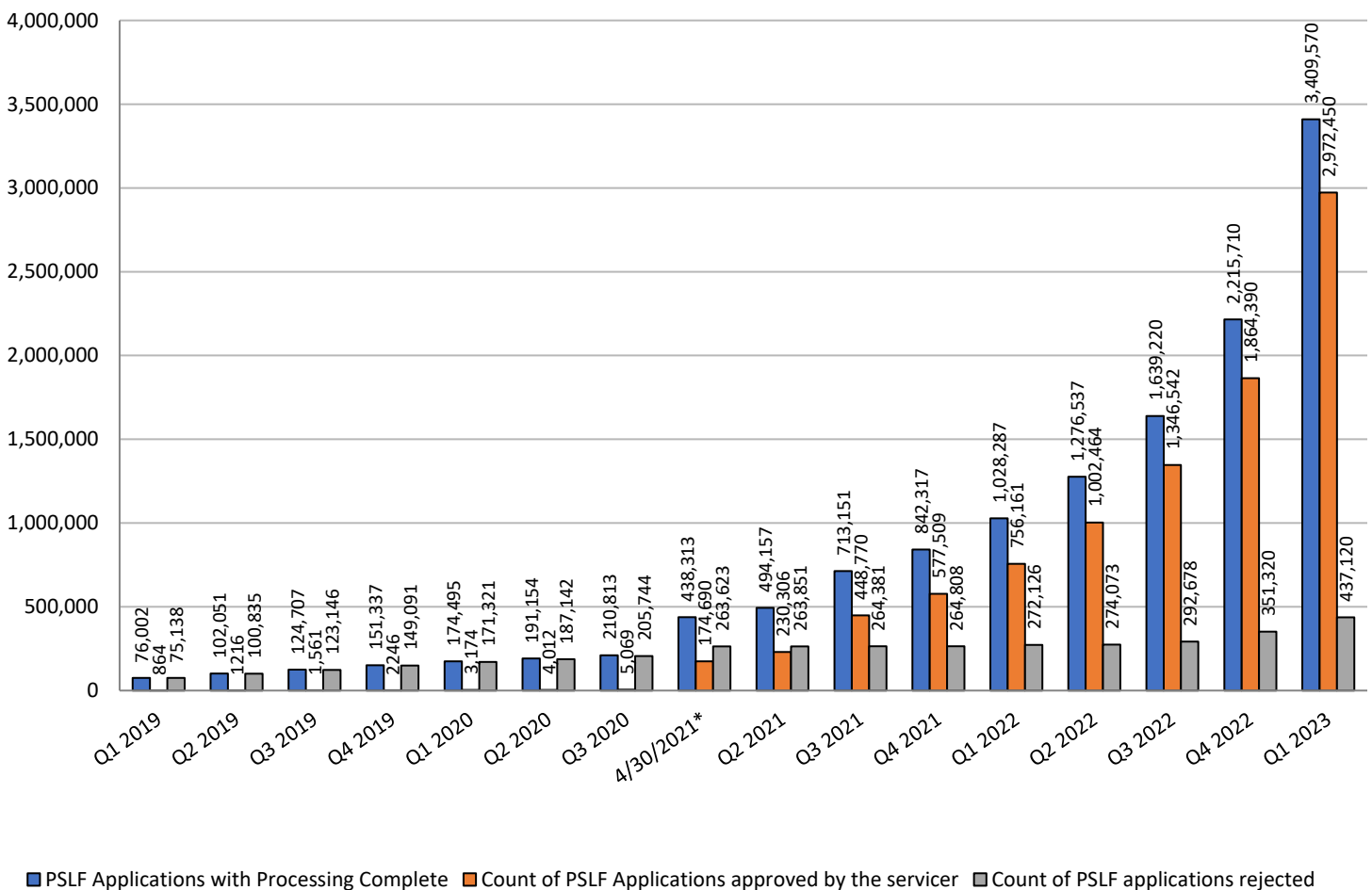
¹ Federal Student Aid Data Center March 31, 2023 PSLF Report <https://studentaid.gov/data-center/student/loan-forgiveness/pslf-data>

In response to the COVID-19 pandemic, in October 2021, the Department of Education announced a change to the PSLF rules for a limited time, allowing borrowers to receive credit for past periods of repayment that under the original rules would not have qualified as eligible payments. As long as the borrower was employed at a qualifying employer, any prior qualifying payment, regardless of the repayment plan or whether the payment was made in full or on time, counted as a qualifying payment. At its creation, ED estimated that the waiver would help over 550,000 borrowers gain an average of 23 additional payments. Included in that number are an estimated 22,000 borrowers who were immediately eligible for forgiveness.² As of March 31, 2023, 482,908 borrowers had their loans discharged after waiver processing. The eligibility period to take advantage of the waiver ran through Oct. 31, 2022.

In April 2022 the Department of Education announced a one-time account adjustment to count certain forbearances toward Income-Driven Repayment (IDR). This initiative, along with other permanent fixes to how federal student loan services count borrower payments, will allow more payments to count towards the 120 qualifying payments necessary for PSLF and is likely to result in more PSLF recipients.

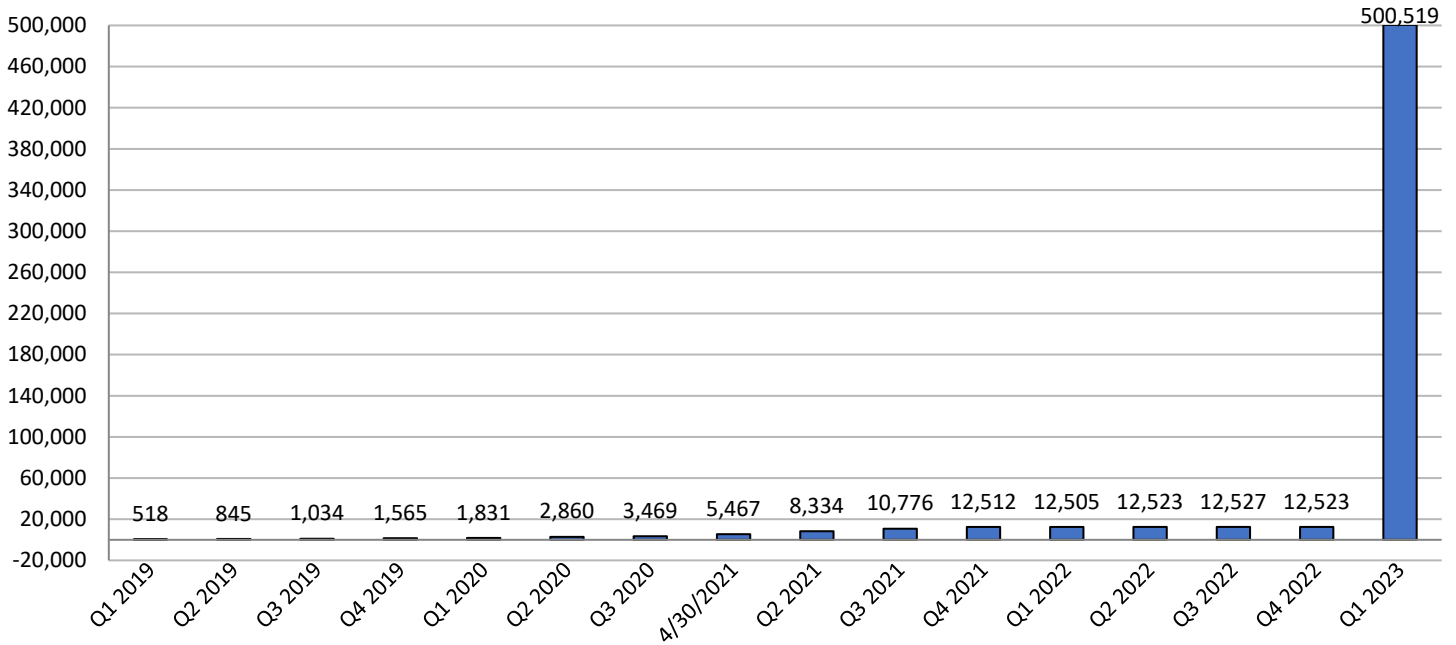
As of March 31, 2023, a total of 500,519 borrowers have had their PSLF, TEPSLF, and waiver discharges processed.

Figure 14: Public Service Loan Applications, Quarterly (with exceptions noted), 2019-23



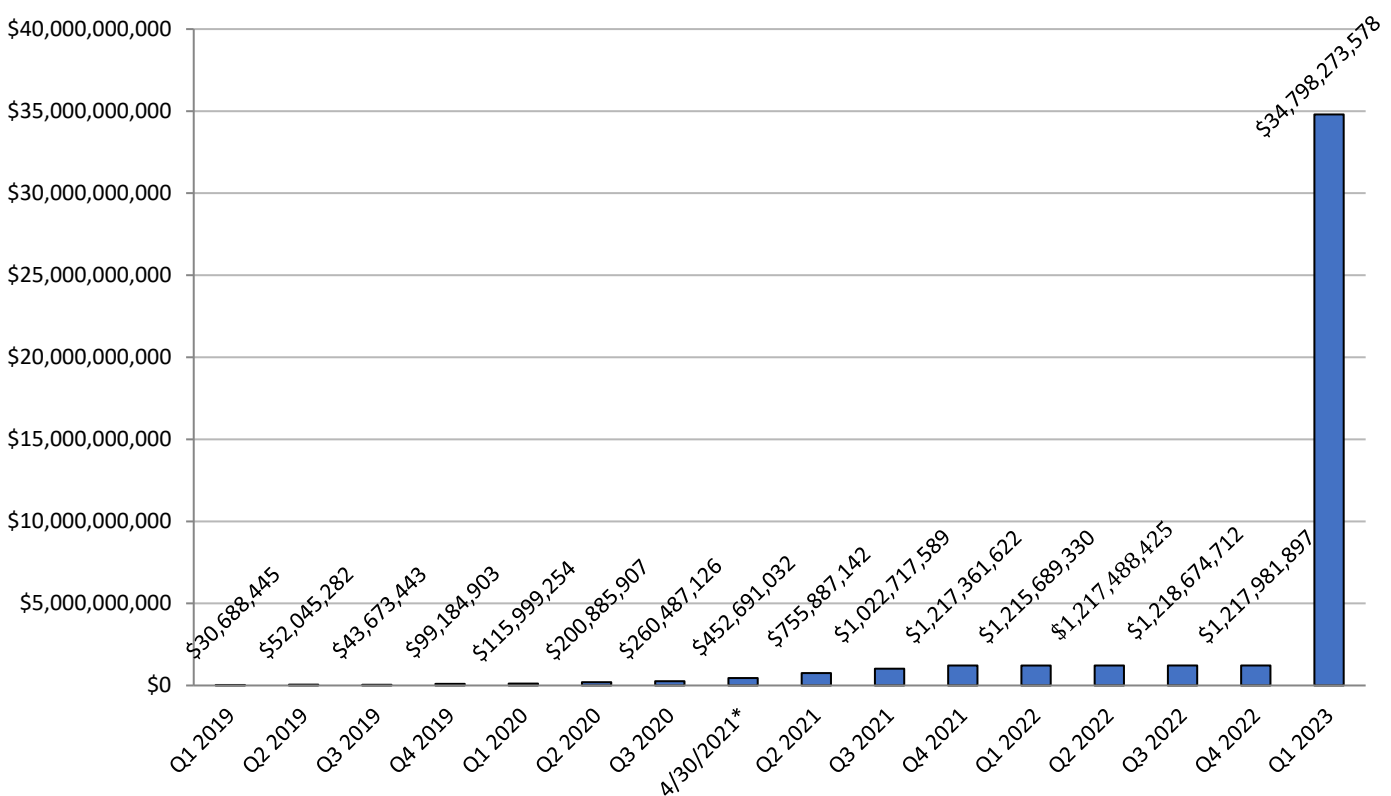
² <https://www.ed.gov/news/press-releases/fact-sheet-public-service-loan-forgiveness-pslf-program-overhaul>

Figure 15. Unique Borrowers With PSLF Discharges Processed, Quarterly (with exceptions noted), 2019-23



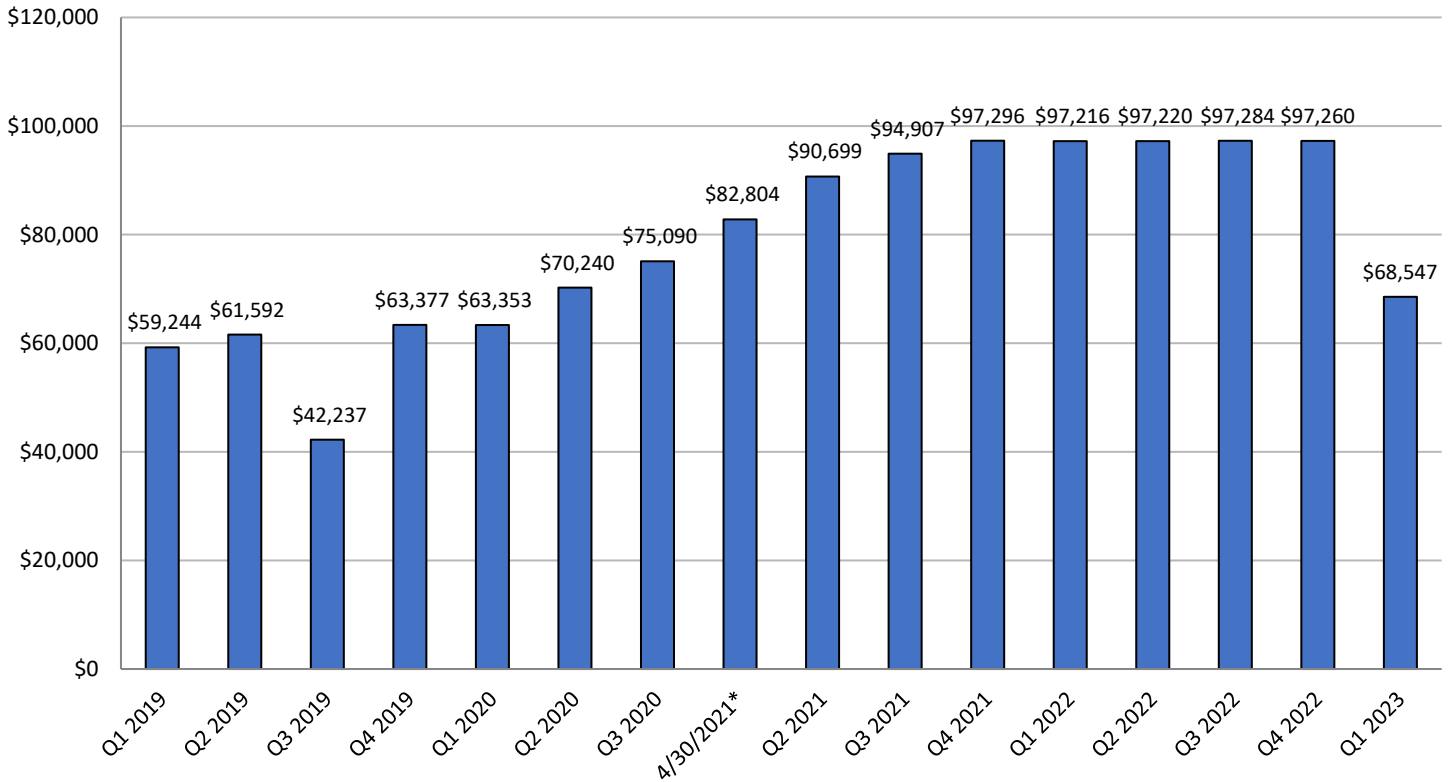
Note: Enactment of waivers resulted in a significant increase in the number of PSLF borrowers qualifying for discharge.

Figure 16a. Total Balance Discharged for Borrowers With Approved PSLF Application, Quarterly (with exceptions noted), 2019-23



Note: Enactment of waivers resulted in a significant increase in loan discharge amount for borrowers under PSLF.

Figure 16b. Average Balance Discharged for Borrowers With Approved PSLF Application, Quarterly (with exceptions noted), 2019-23



Note: Enactment of waivers resulted in a significant decrease in average balance discharged for borrowers under PSLF.

*The Department of Education released reports at least quarterly from 2018-20. A report was not released for Q4 2020 or Q1 2021, so NASFAA has used the first available datapoint, April 2021.

Source for Figures 14 - 16b: U.S. Department of Education, Public Service Loan Forgiveness Report, 2018 - 2023.

Federal Need Analysis

Description: The application for all Title IV programs is the Free Application for Federal Student Aid (FAFSA), which collects demographic, income, and asset information from aid applicants and their families. The U.S. Department of Education (ED) uses this information to confirm students' general eligibility to receive Title IV funds and calculates an index, called the expected family contribution (EFC), that schools use as one of several factors to determine the amount of financial aid a student may receive during a given award year.

The EFC is determined by a need analysis formula established under Title IV of the Higher Education Act (HEA); the formula is called the Federal Methodology (FM). Parents of dependent students are expected to provide financial information on the FAFSA and to contribute some amount, if they are able — as determined by the calculation, to the financing of their child's education.

In September 2015, President Barack Obama and then-Secretary of Education Arne Duncan announced their intention to use their existing authority in the HEA [Sec. 480(a)(B)(1)] to adjust the year of income tax data used to determine federal aid eligibility, a move supported by NASFAA and other higher education advocates. Before, the FM calculated a student's financial need using prior year income data. On Oct. 1, 2016, FM began using income data from the prior-prior year (PPY) and the FAFSA release date moved up from January 1 to October 1 of the previous year, giving students three extra months to work on and submit their FAFSA.

Use: Financial aid administrators use the EFC and other information to determine which students will receive federal student aid authorized under Title IV of the HEA and the amounts they will receive from these programs. Students are eligible to receive need-based federal student aid (Federal Pell Grant, FWS, FSEOG, and Federal Direct Subsidized Loans) only if the sum of the EFC and other estimated financial assistance is less than the total cost of attendance (COA). The COA includes tuition and fees, estimated living expenses, books and educational supplies, transportation to and from the postsecondary institution, and other miscellaneous expenses.

FAFSA Simplification: The FAFSA Simplification Act, signed into law in December 2020 as part of the Consolidated Appropriations Act of 2021, established changes to the FAFSA and federal need analysis that will become fully effective in the 2024-25 aid year. The bill includes changes to the Federal Methodology, as well as the creation of the Student Aid Index (SAI), which will replace the EFC. The name change is intended to better reflect the use of EFC as an aid eligibility index rather than an expectation of what a family will contribute to postsecondary expenses.

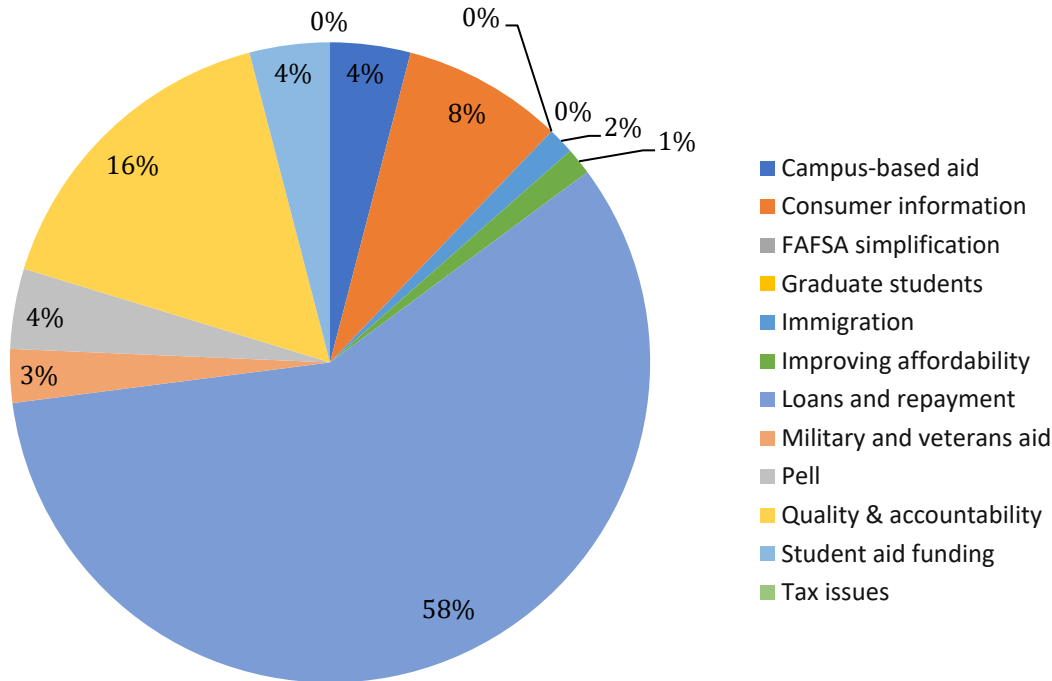
Major changes to the Federal Methodology include the removal of state and other tax income exclusions and the family farm and small business asset exclusion, while adding back into the total income foreign income that was exempt from U.S. tax or for which a foreign tax credit was received. Additionally, the SAI calculation will no longer include the total number of household members in college. The SAI will be used to determine the type and amount of federal student aid authorized under Title IV of the HEA that students will receive, excluding determinations of minimum and maximum Pell Grant eligibility. Automatic maximum and automatic minimum Pell Grant eligibility will be determined by the number of parents in the household as well as family income as a percentage of the federal poverty line. Independent student tax nonfilers, dependent children of nonfiling parent(s), and students under age 33 whose parent(s) died serving in the armed forces or in the line of duty as a public safety officer will also be eligible to receive the maximum Pell Grant.

The SAI allows for further differentiation among the neediest students by reporting numbers as low as -1500, whereas the EFC calculation could not go below zero. This change will allow schools to better target need-based aid. Other significant changes to the FAFSA include the removal of Selective Service and drug conviction questions, which were implemented during the 2021-22 award year. Finally, the FAFSA Simplification Act restored Pell Grant eligibility to incarcerated students enrolled in eligible Prison Education Programs as of July 1, 2023.

Legislation Introduced in Congress in 2022 on Student Aid Topics

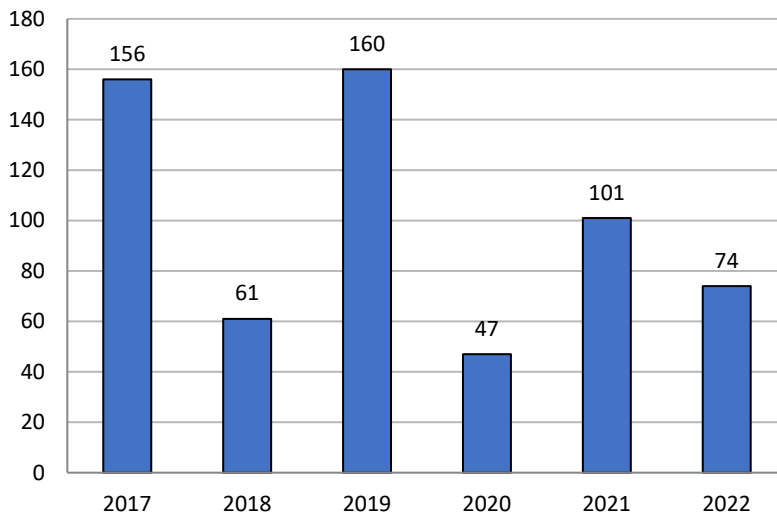
In 2022, members of the U.S. House of Representatives and the U.S. Senate introduced a combined total of 74 bills on student aid-related issues. When categorized by topic, Congress demonstrated a commitment to addressing student loans and repayment, consumer information, and quality and accountability (58%, 8%, and 16% of legislation introduced on student aid topics addressed these issues, respectively). Figure 17a presents the number of student-aid related bills introduced in 2022.

Figure 17a. Bills Introduced in 2022, by Topic



Source: NASFAA Legislative Tracker

Figure 17b. Total Bills Introduced in Previous Six Years



Source: NASFAA Legislative Tracker

Fiscal Year 2023 Budget and Appropriations Update

Each year, Congress must go through the process of determining funding levels for most of the federal student aid programs. Fiscal year (FY) 2023 funding, which impacts the 2023-24 award year, was finalized by Congress and signed into law by President Joe Biden in December 2022 in the Consolidated Appropriations Act, 2023. The measure included a \$500 increase to the maximum Pell Grant award, a \$15 million increase to the FSEOG program, and a \$20 million increase to the FWS program.

Funding for the Pell Grant program comes from both discretionary (subject to the annual appropriations process) and mandatory (set in law) funding streams. Through the appropriations process, Congress has agreed to fund the discretionary base maximum Pell Grant award at the \$4,860 level since 2009-10. However, because the mandatory annual inflation adjustment add-on to the maximum award expired after FY 2017, which would have left the add-on at \$1,060 (resulting in a \$5,920 total maximum grant), Congress opted to increase the discretionary base maximum to \$5,285 in FY 2020, to \$5,435 in FY 2021, to \$5,835 in FY 2022, and to \$6,335 in FY 2023. These increases to the discretionary base were achieved through rescinding unobligated balances from the Pell Grant reserve fund, rather than increasing the amount of discretionary funding allocated to the program. Combined with the \$1,060 mandatory add-on, the total maximum Pell Grant award for FY 2023, or award year 2023-24, stands at \$7,395, a \$500 increase over FY 2022.

The chart below highlights Pell Grant funding over the last three fiscal years.

Program	FY 2021	FY 2022	FY 2023	Change from FY 2022 to FY 2023
Pell Grant (discretionary)	\$22,475,352,000	\$22,475,352,000	\$22,475,352,000	\$0
Pell Grant maximum award	\$6,495	\$6,895	\$7,395	+\$500

In the final FY 2023 agreement, both the FSEOG program and the FWS program received increases over FY 2022 funding levels. The funding for FSEOG and FWS are highlighted in the following chart.

Program	FY 2021	FY 2022	FY 2023	Change from FY 2022 to FY 2023
FSEOG	\$880,000,000	\$895,000,000	\$910,000,000	+\$15,000,000
FWS	\$1,190,000,000	\$1,210,000,000	1,230,000,000	+\$20,000,000

The FY 2023 spending package includes additional important provisions related to higher education funding. The bill allocates \$184 million for the Fund for the Improvement of Postsecondary Education (FIPSE), setting aside \$10 million for basic needs grants and \$45 million for Postsecondary Student Success Grants. The bill keeps funding levels for student aid administration at \$2.03 billion, less than the \$2.65 billion requested by the administration. Student aid administration funding is directly tied to FAFSA simplification implementation and ED's Next Gen initiative. The bill includes an additional \$3.5 billion for higher education programs, including \$1.02 billion for minority-serving institutions (MSIs) and historically Black colleges and universities (HBCUs), \$1.2 billion for federal TRIO programs, and \$70 million for teacher quality partnerships.

The bill also includes language that grants ED flexibility in rolling out its Next Gen initiative, which was originally slated to begin in December 2023 when existing servicing contracts expired. ED can extend expiring contracts by one additional year.

Conclusion

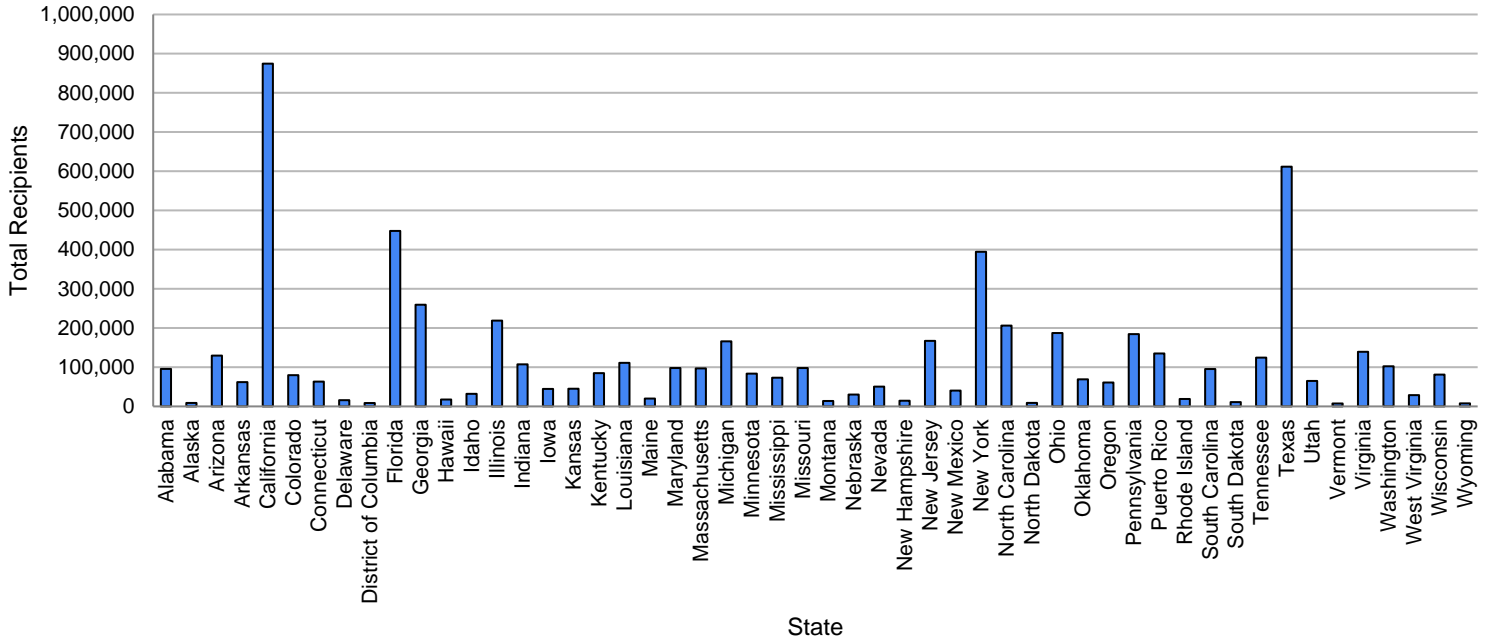
Since enactment of the Higher Education Act (HEA) in 1965, federal financial aid has been a central and critical pathway for college access. Given the importance of federal financial aid, this report serves as a resource describing six prominent Title IV programs. While these financial aid programs may have changed over time, the general principles of each program have stayed the same.

NASFAA hopes the information in this booklet is helpful to you. You may find a more detailed version of this document online at www.nasfaa.org. We also have produced other publications that help students and families find ways to pay for postsecondary education. Should you need any additional information, please contact us at policy@nasfaa.org or 202-785-0453.

Appendix: Federal Student Aid Program Data by State

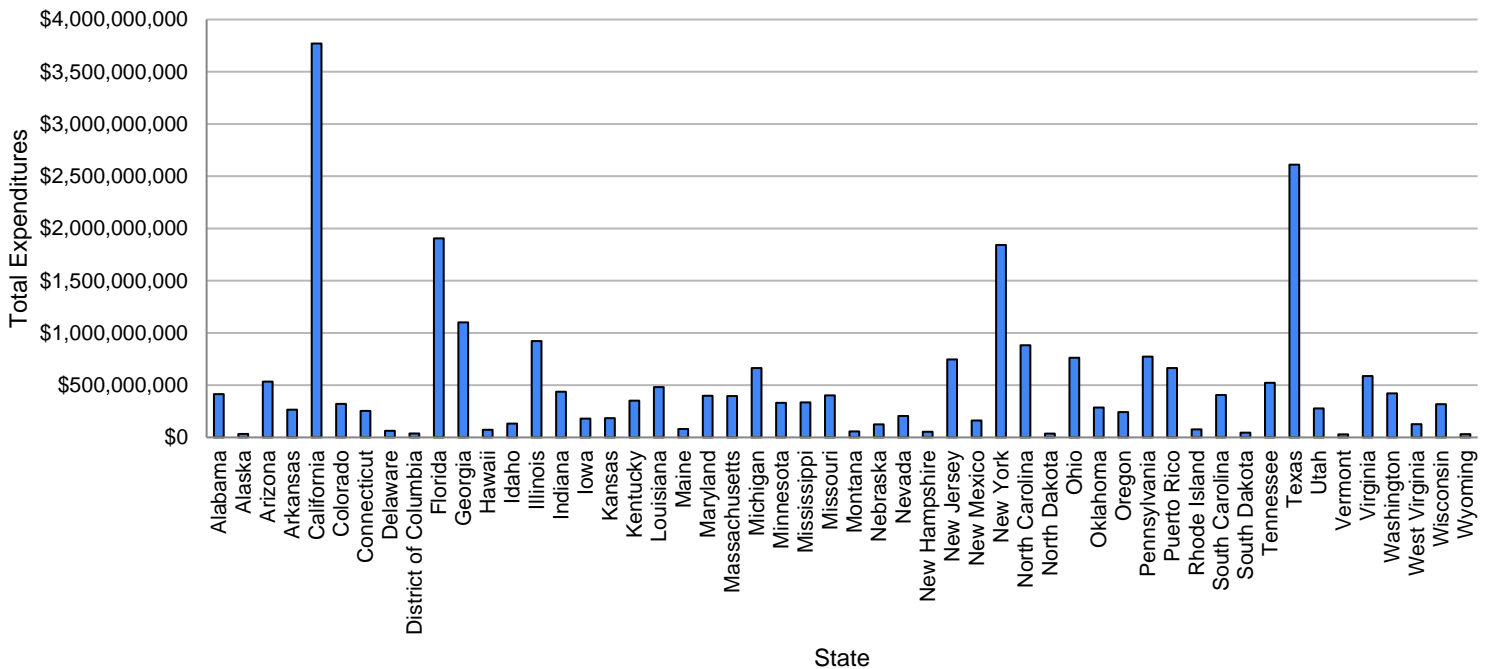
This appendix contains data on the Federal Student Aid programs disaggregated by state, where available. Please refer to the main text for additional information and national data on these programs.

Pell Grant Recipients by State, Award Year 2020-21



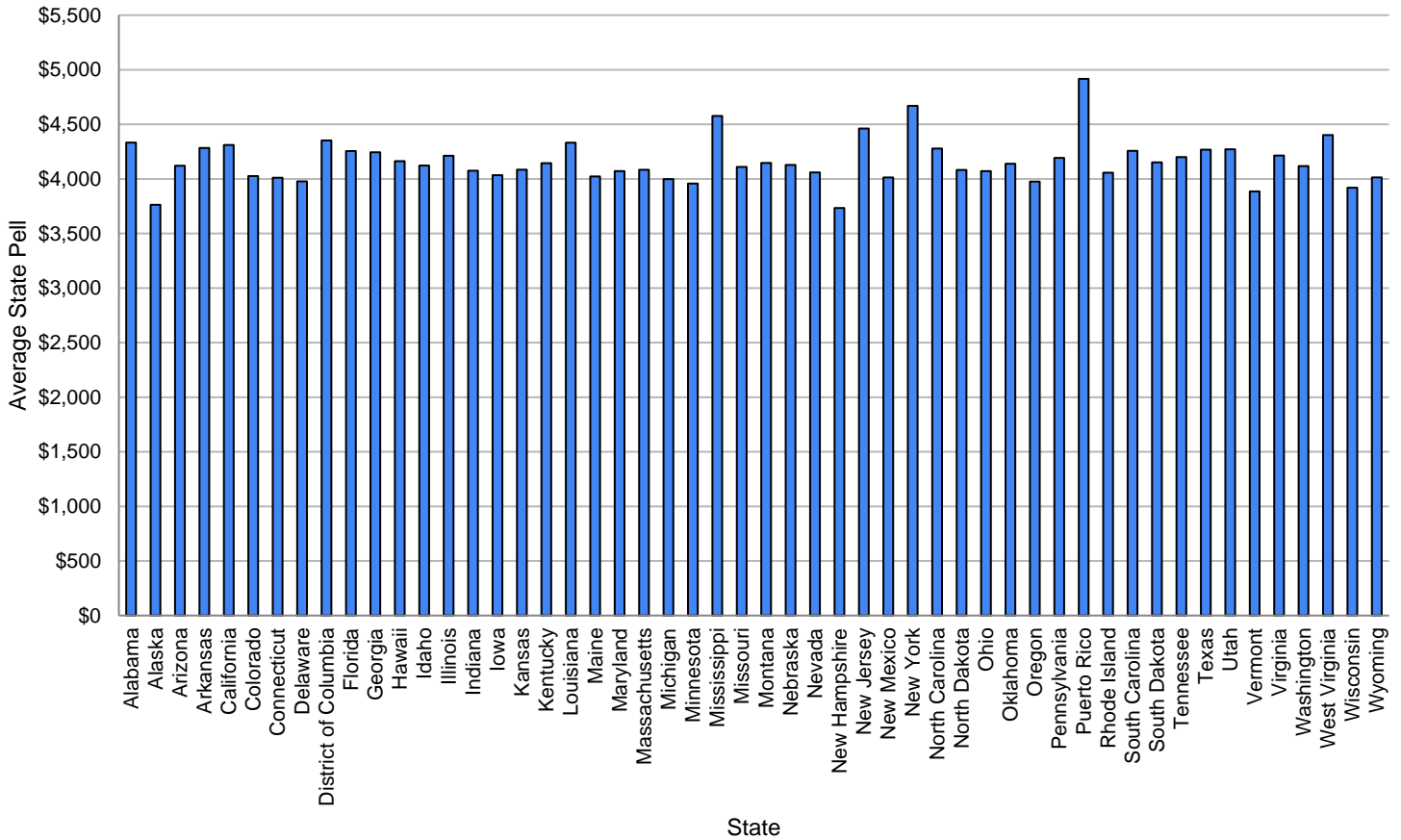
Source: U.S. Department of Education, Federal Pell Grant Program End-of-year Report, 2020-21.

Pell Grant Expenditures by State (in millions), Award Year 2020-21



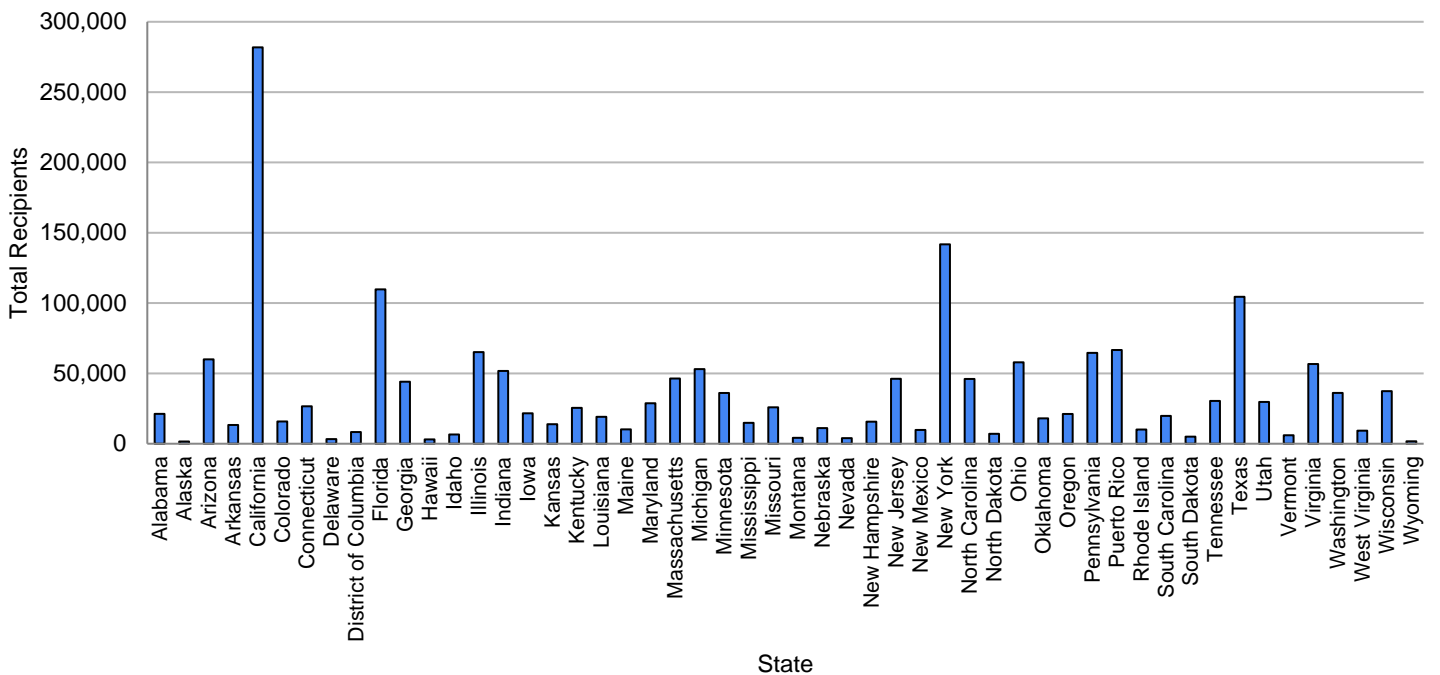
Source: U.S. Department of Education, Federal Pell Grant Program End-of-year Report, 2020-21.

Average Pell Grant Amount by State, Award Year 2020-21



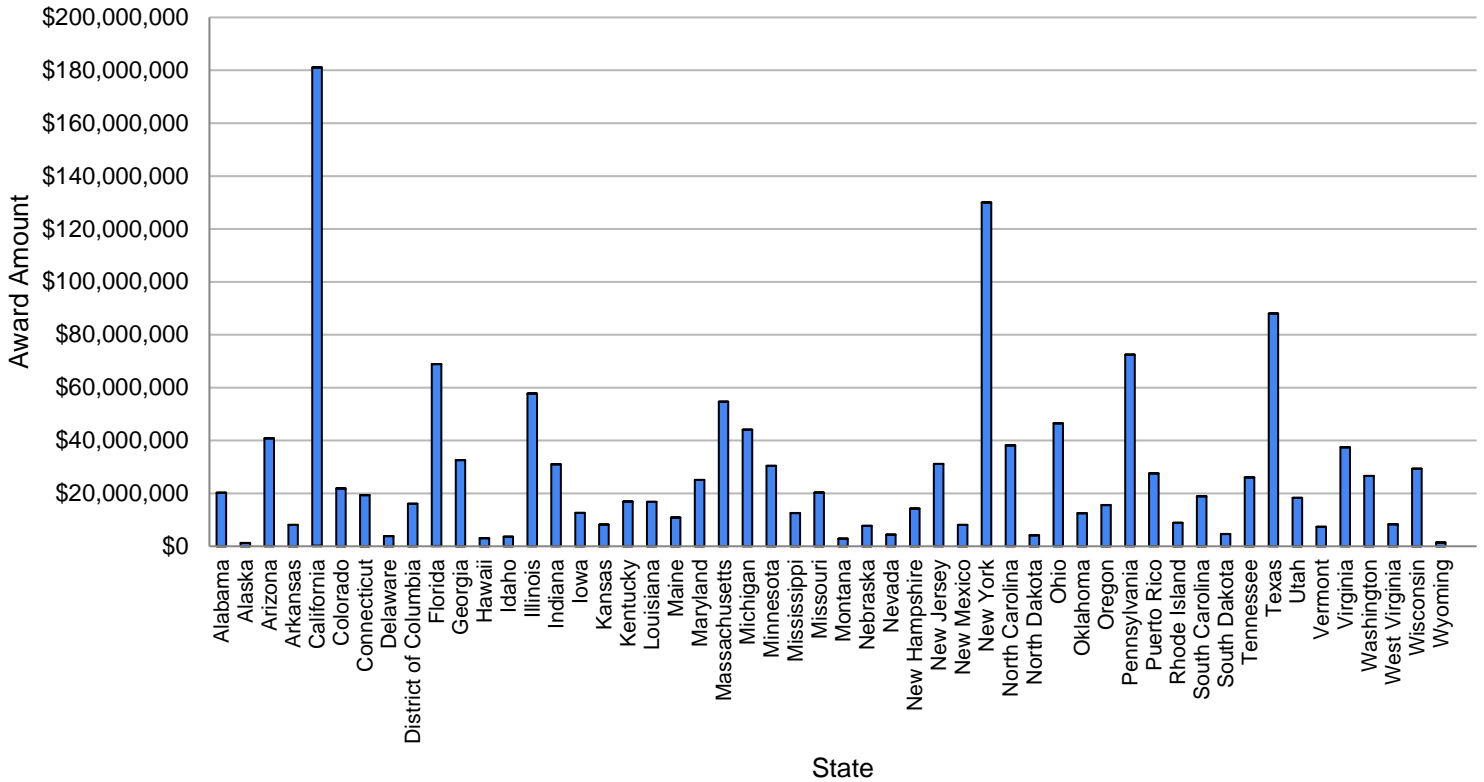
Source: U.S. Department of Education, Federal Pell Grant Program End-of-year Report, 2020-21.

Federal Supplemental Educational Opportunity Grant Recipients by State, Award Year 2020-21



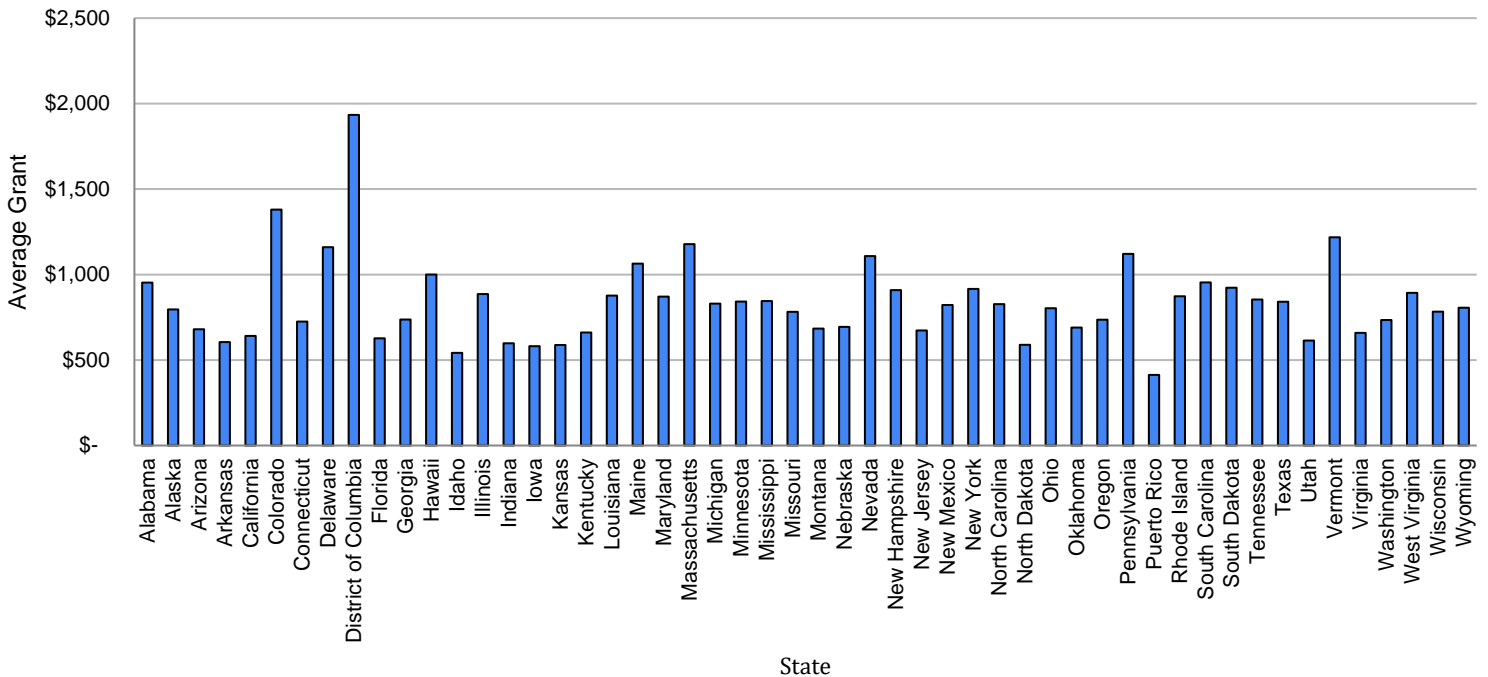
Source: U.S. Department of Education, Federal Campus-Based Programs Data Book, 2022.

Federal Supplemental Educational Opportunity Grant Volume by State (in millions), Award Year 2020-21



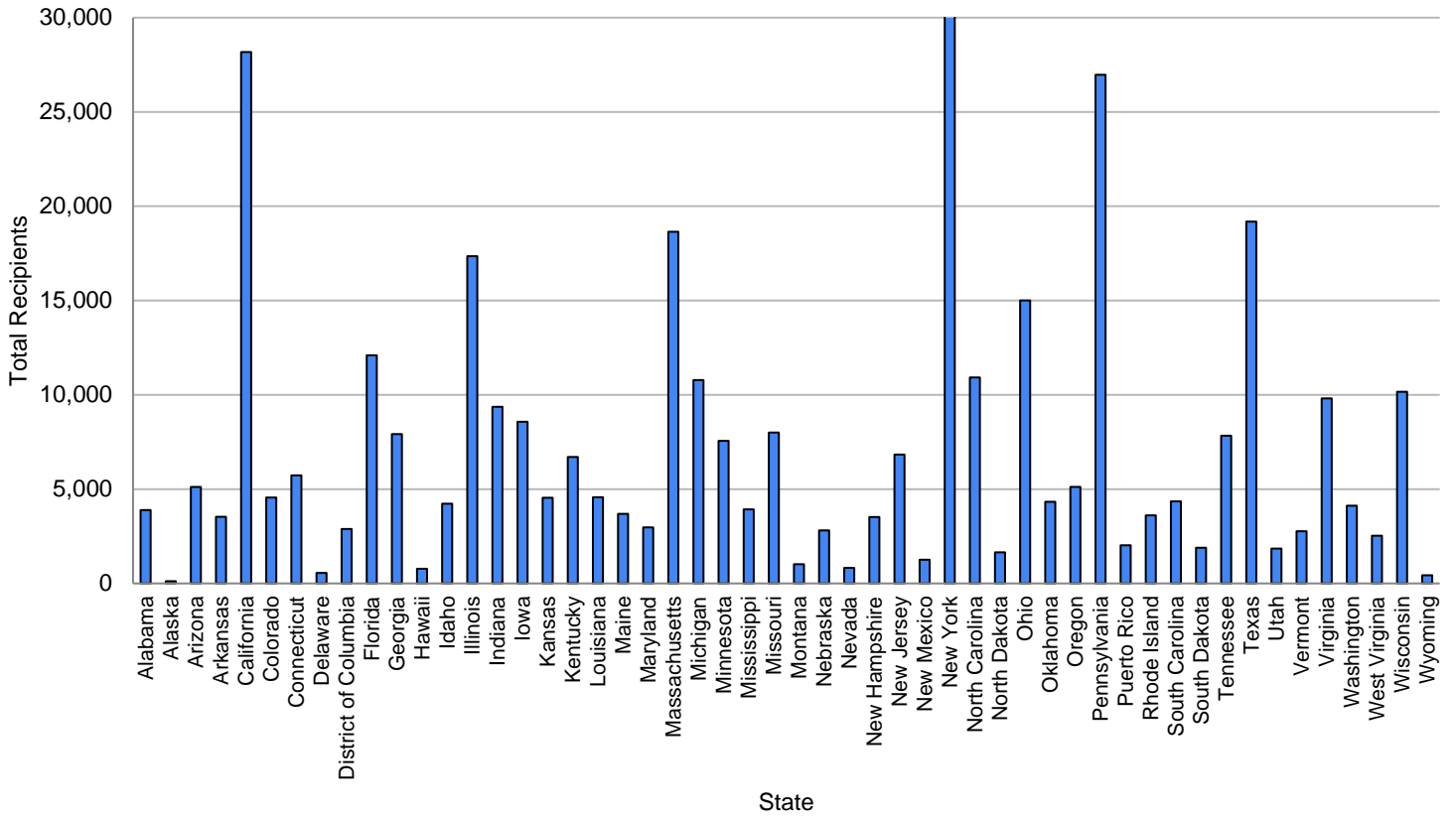
Source: U.S. Department of Education, Federal Campus-Based Programs Data Book, 2022.

Average Federal Supplemental Educational Opportunity Grant Amount by State, Award Year 2020-21



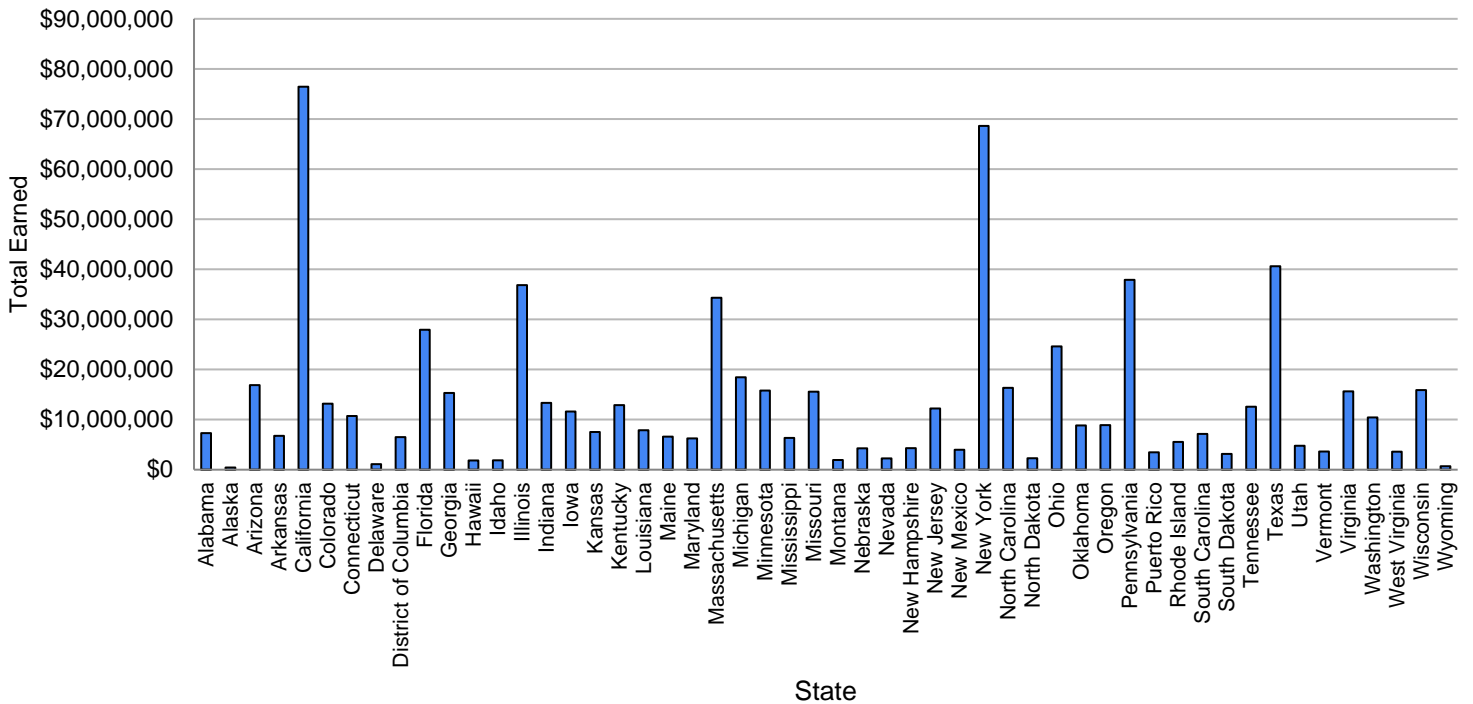
Source: U.S. Department of Education, Federal Campus-Based Programs Data Book, 2022.

Federal Work-Study Recipients by State, Award Year 2020-21



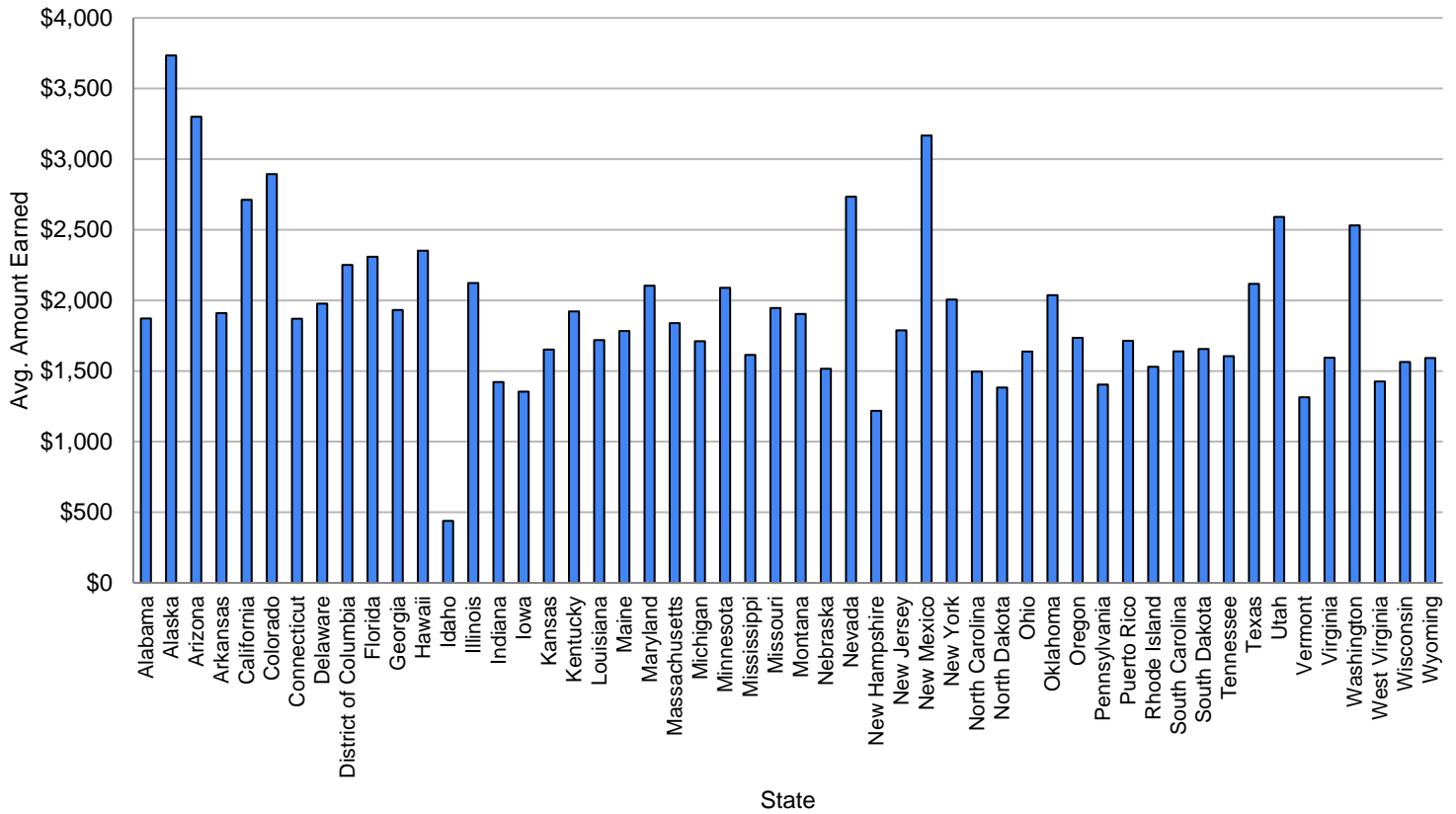
Source: U.S. Department of Education, Federal Campus-Based Programs Data Book, 2022.

Federal Work-Study Volume by State (in millions), Award Year 2020-21



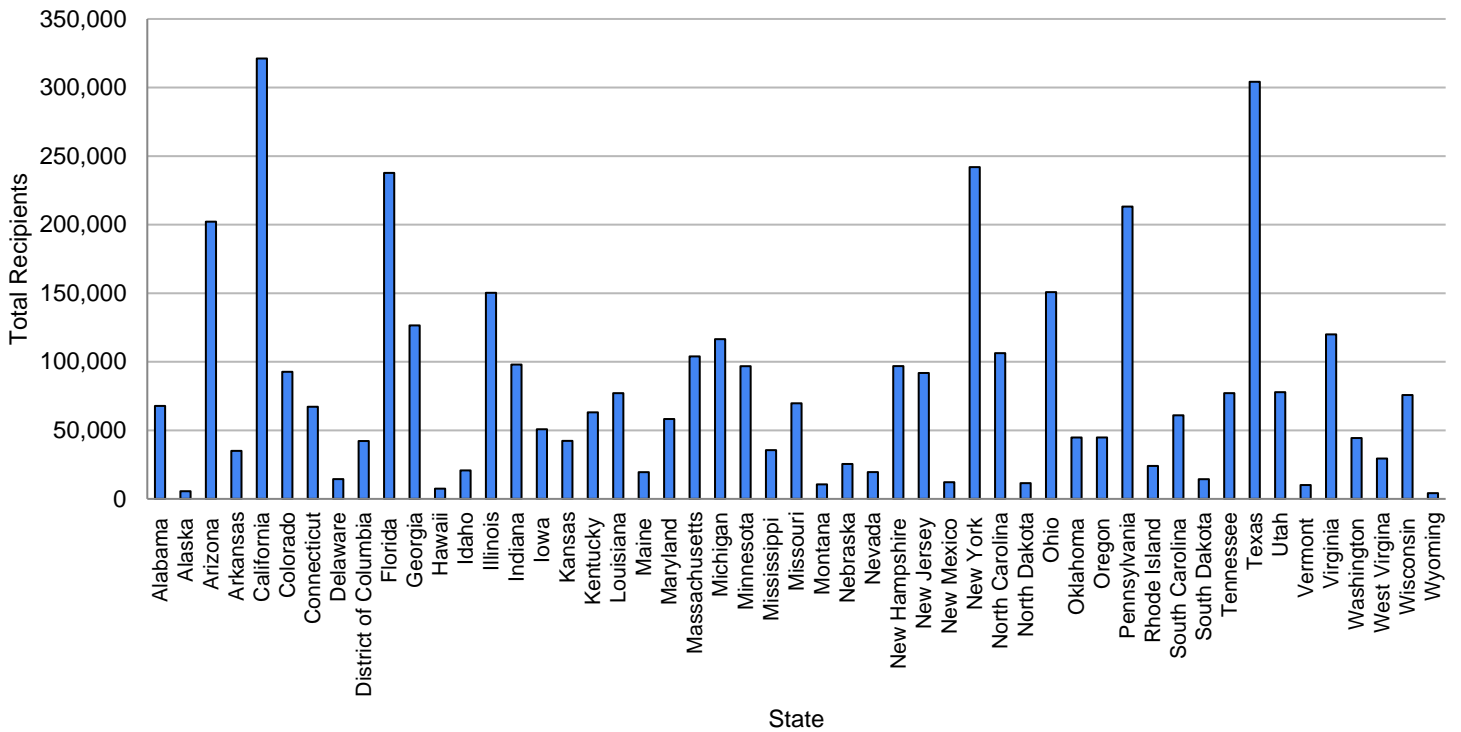
Source: U.S. Department of Education, Federal Campus-Based Programs Data Book, 2022.

Average Federal Work-Study Amount by State, Award Year 2020-21



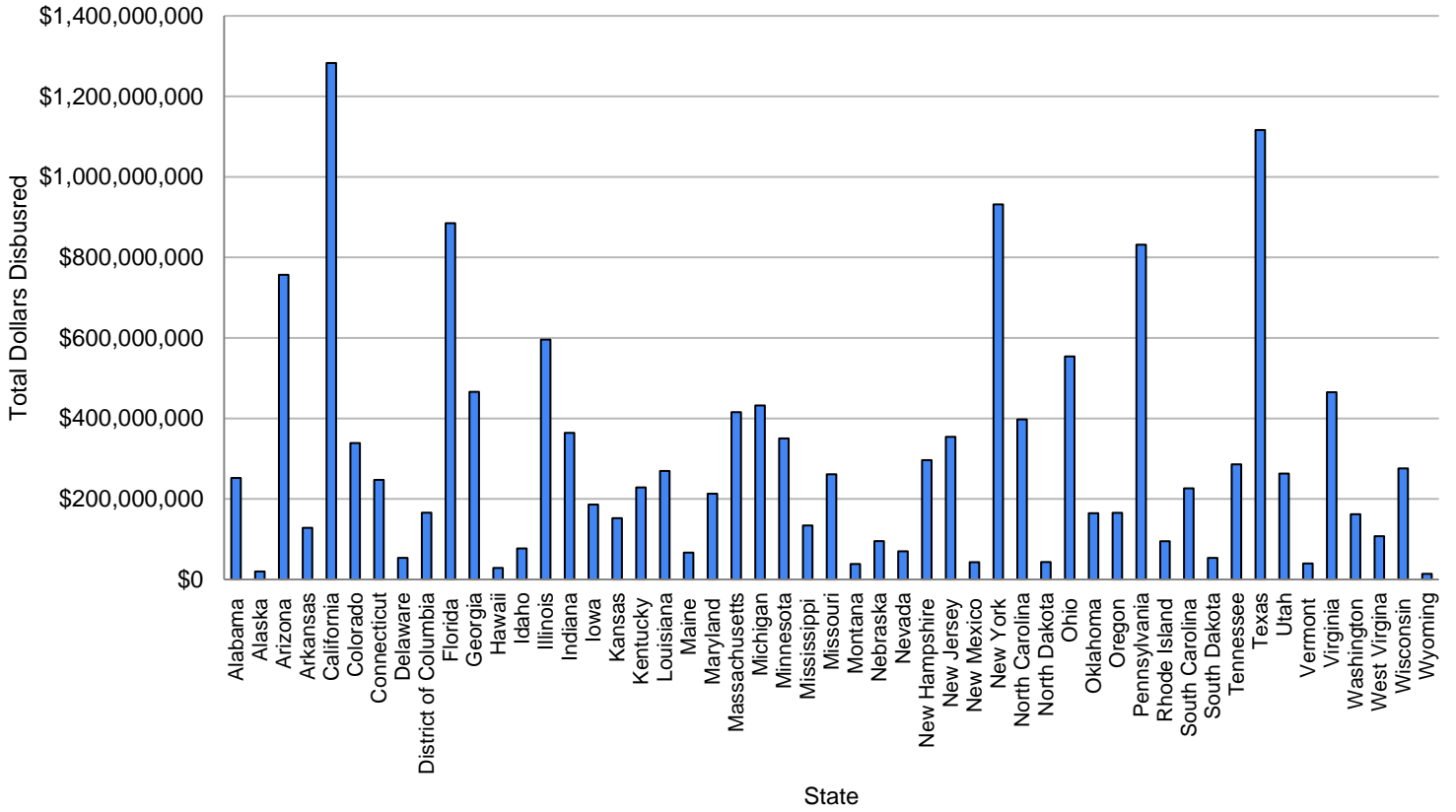
Source: U.S. Department of Education, Federal Campus-Based Programs Data Book, 2022.

Federal Direct Subsidized Loan Recipients by State, Award Year 2021-22



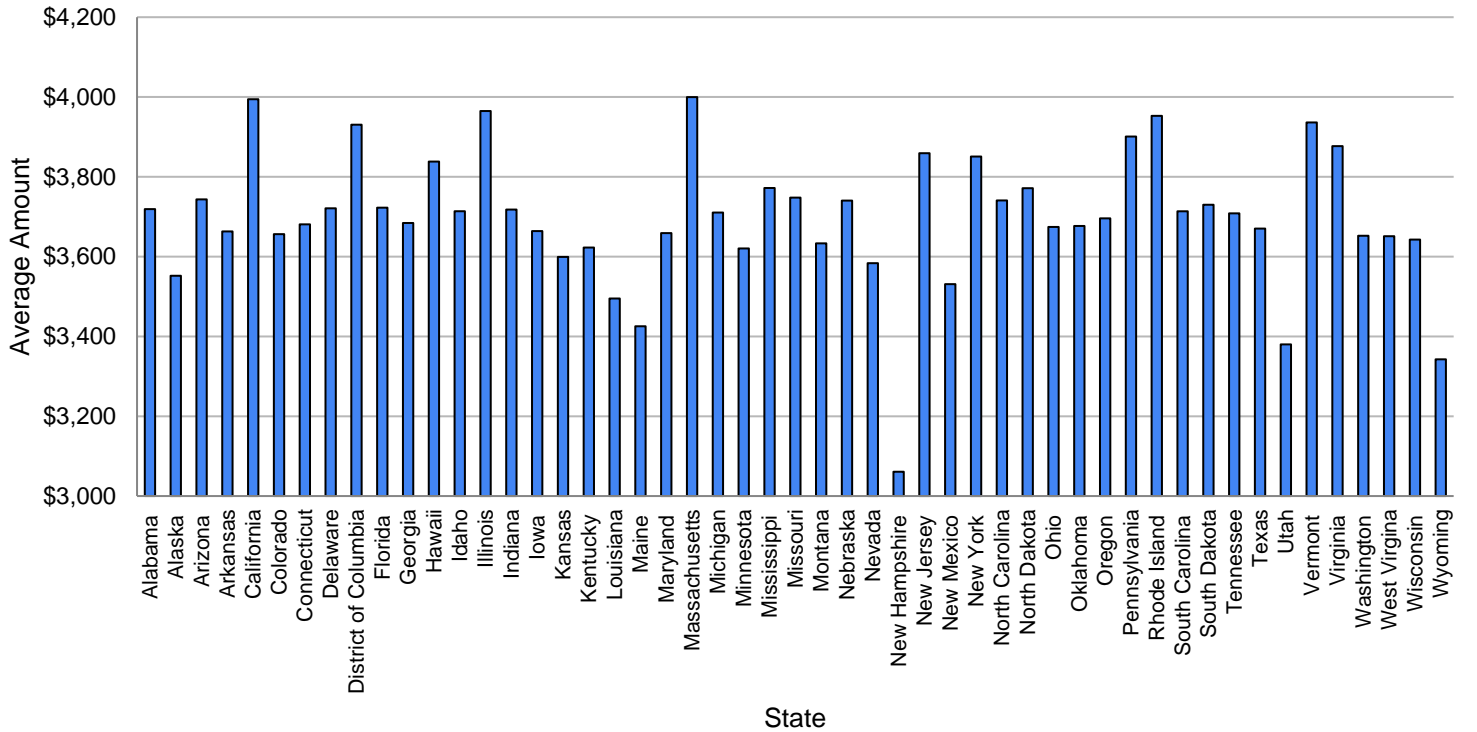
Source: Common Origination and Disbursement (COD) System, available from FSA Data Center

Federal Direct Subsidized Loan Dollars Disbursed by State (in millions), Award Year 2021-22



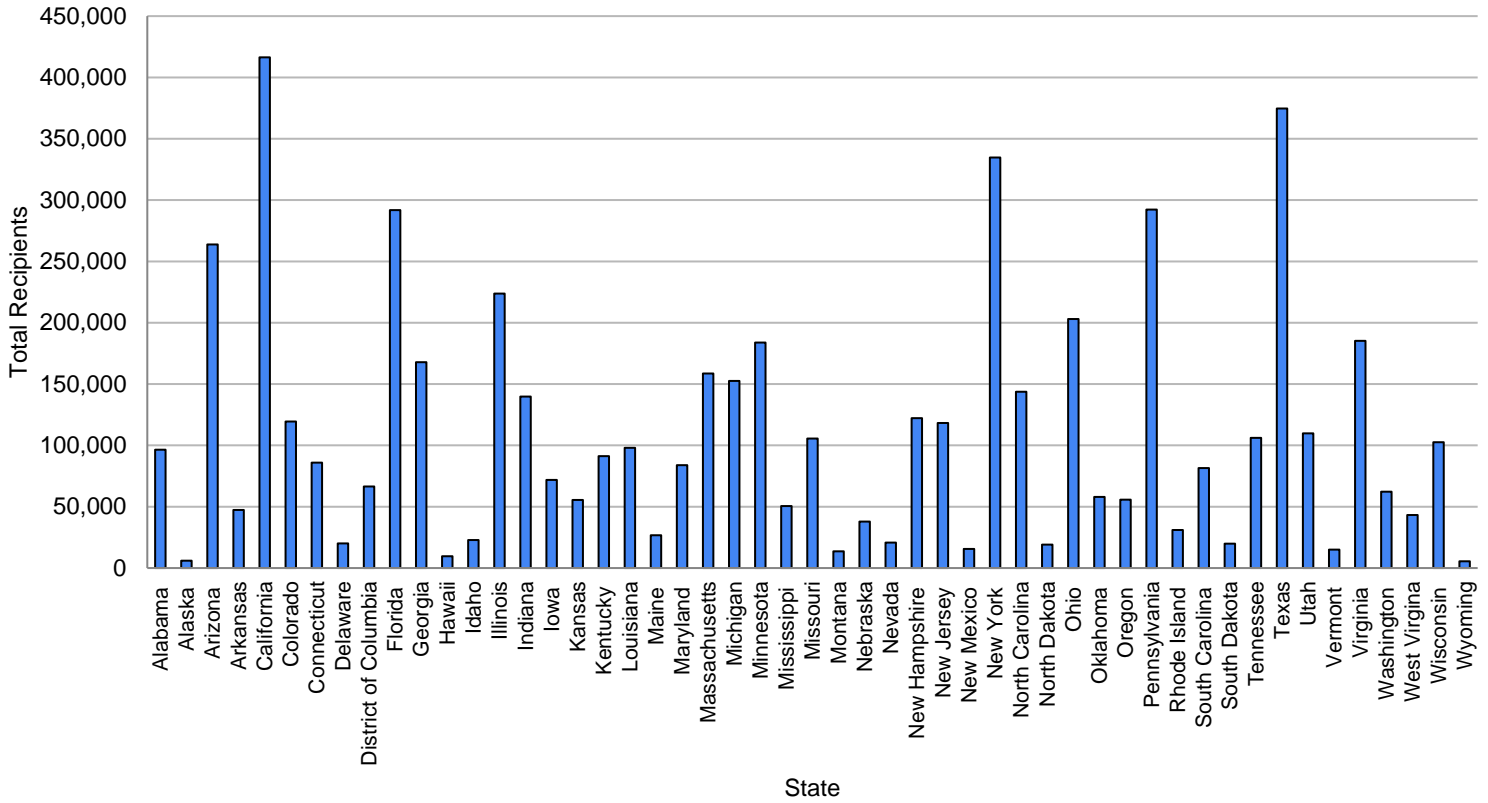
Source: Common Origination and Disbursement (COD) System, available from FSA Data Center

Average Federal Direct Subsidized Loan Amount by State, Award Year 2021-22



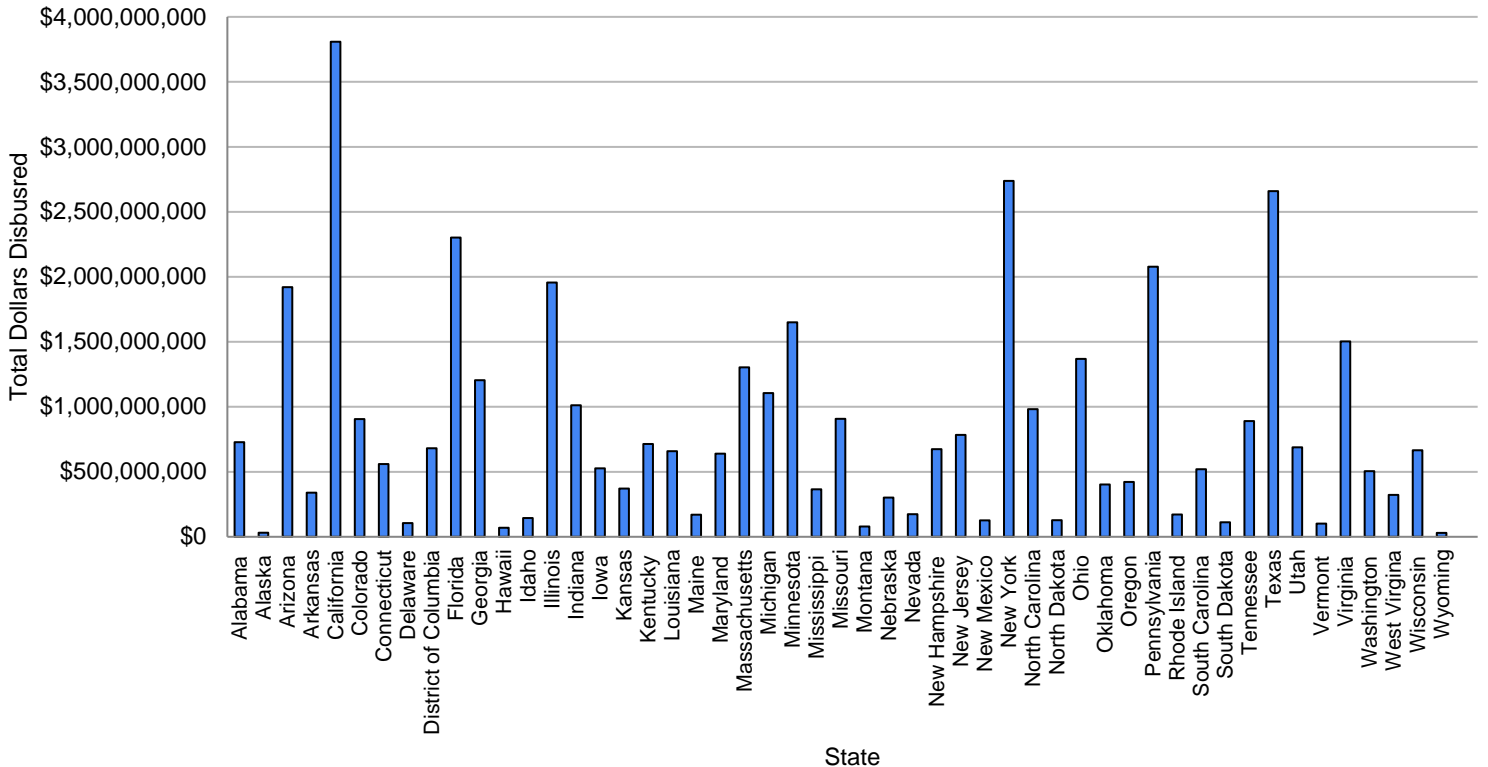
Source: Common Origination and Disbursement (COD) System, available from FSA Data Center

Federal Direct Unsubsidized Loan Recipients by State, Award Year 2021-22



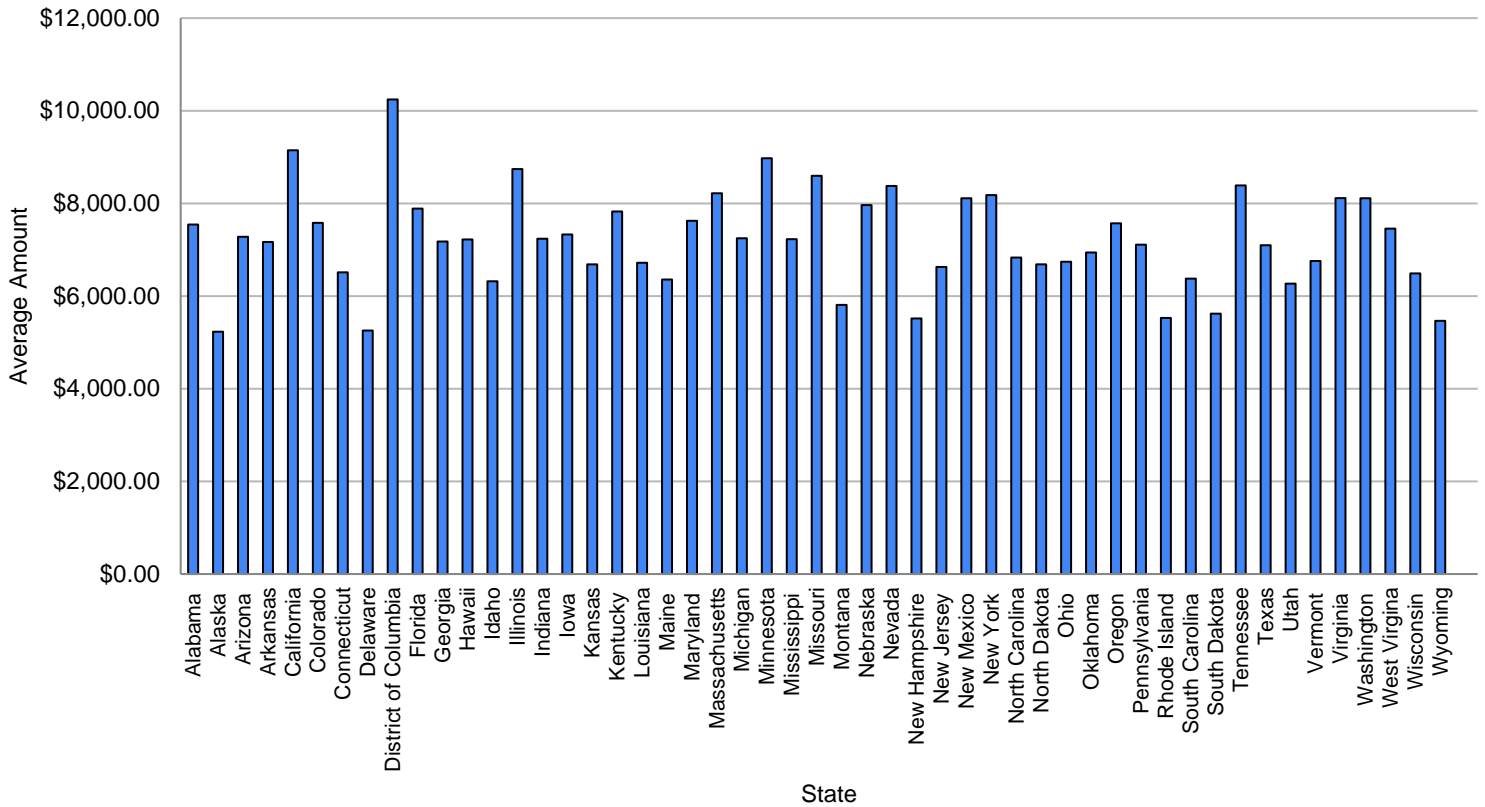
Source: Common Origination and Disbursement (COD) System, available from FSA Data Center

Federal Direct Unsubsidized Loan Dollars Disbursed by State (in millions), Award Year 2021-22



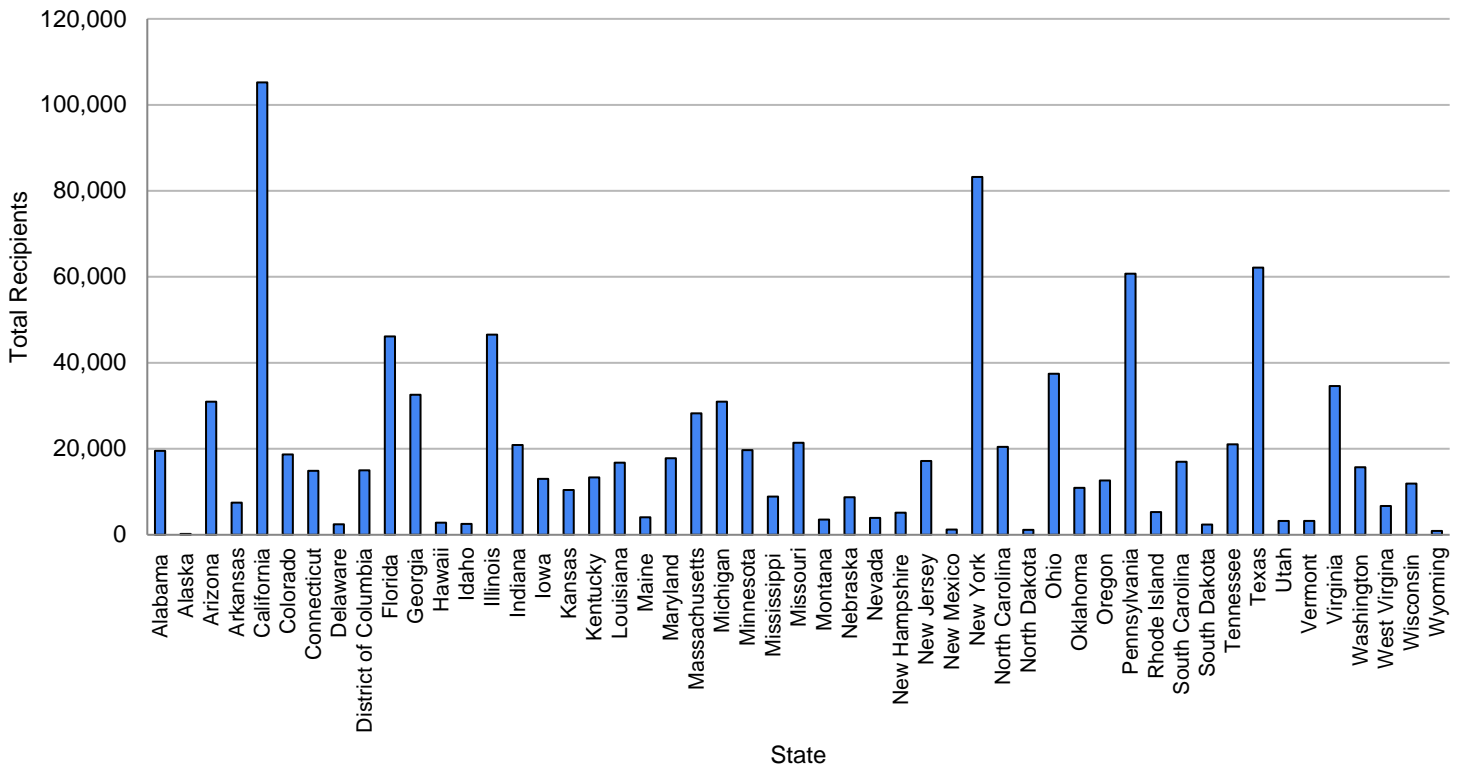
Source: Common Origination and Disbursement (COD) System, available from FSA Data Center

Average Federal Direct Unsubsidized Loan Amount by State, Award Year 2021-22



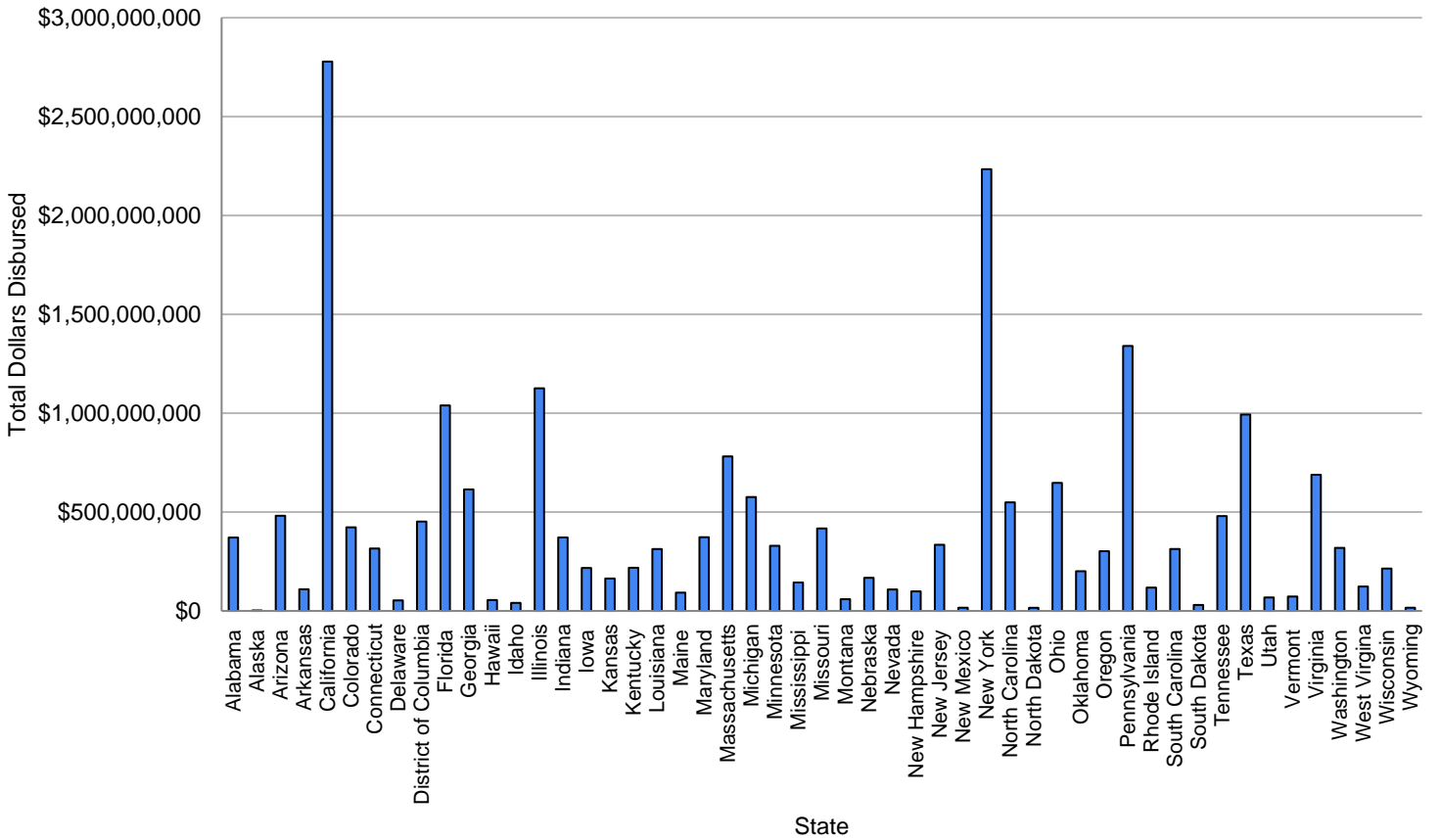
Source: Common Origination and Disbursement (COD) System, available from FSA Data Center

Federal Direct PLUS Loan Recipients by State, Award Year 2021-22



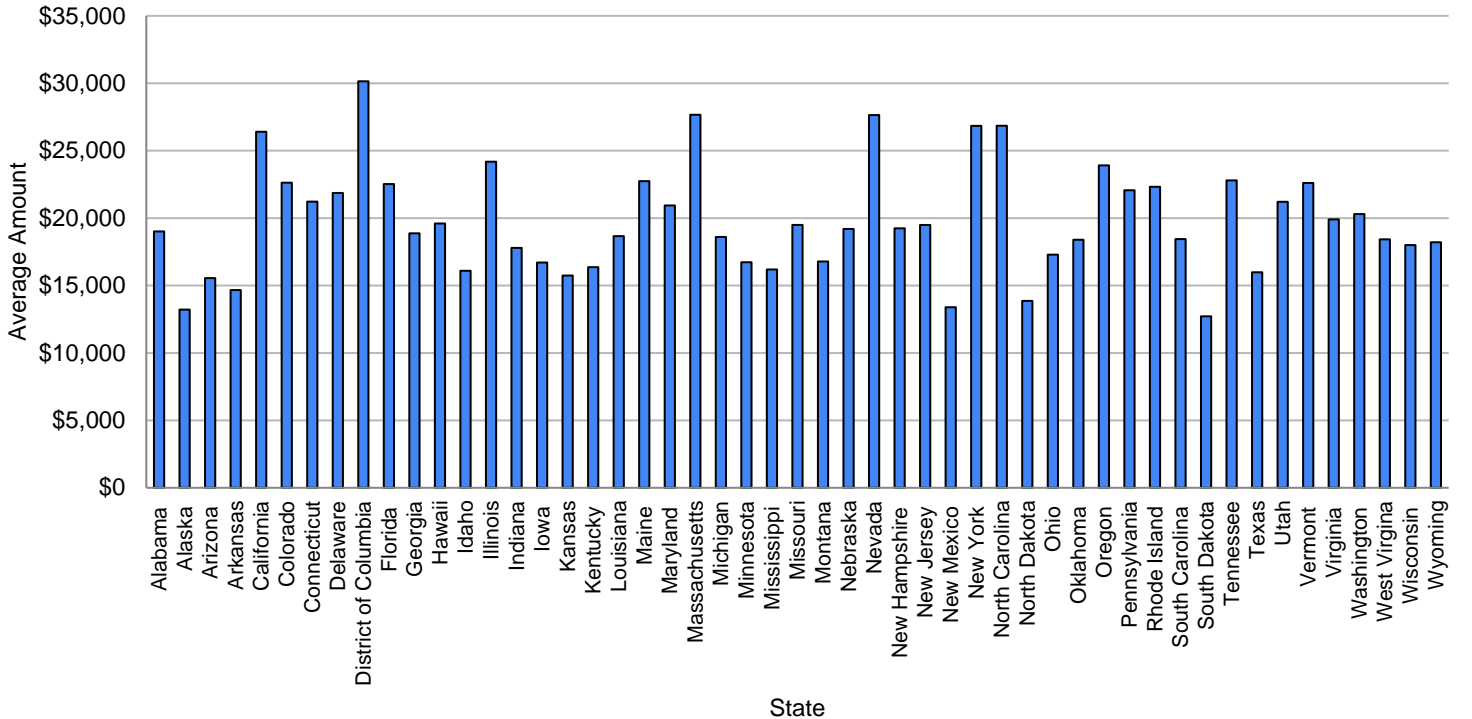
Source: Common Origination and Disbursement (COD) System, available from FSA Data Center

Federal Direct PLUS Loan Dollars Disbursed by State (in millions), Award Year 2021-22



Source: Common Origination and Disbursement (COD) System, available from FSA Data Center

Average Federal Direct PLUS Loan Amount by State, Award Year 2021-22



Source: Common Origination and Disbursement (COD) System, available from FSA Data Center

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for financial aid administrators;
advocates for public policies
that increase student access and
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