



★ FROM THE OFFICE OF THE PRESIDENT ★

October 15, 2012

To Whom It May Concern:

On behalf of the more than 3,000 member institutions of the National Association of Student Financial Aid Administrators (NASFAA), I am writing to offer our comments on the draft 2013-14 Free Application for Federal Student Aid (FAFSA).

We appreciate the Department's continued efforts to clarify and improve the FAFSA structure and language, however we believe that the Department would receive much more useful feedback from the community if it instituted a similar comment process with a similar timeframe for the FAFSA on the Web (FOTW), since the vast majority of applicants use FOTW rather than the paper FAFSA. Generally, the FOTW demonstration site (www.fafsademo.ed.gov) for the upcoming cycle is not available until mid-December. This late time frame makes it difficult for the financial aid community to provide useful feedback in time for ED to make any necessary or desired changes prior to the January 1 start-up date. In future years, we ask that you make the demonstration site available to the community for comment at or near the same time you are soliciting comments on the paper FAFSA.

Of particular concern this year are the complexities facing members of the lesbian, gay, bisexual and transgender (LGBT) community. Because of their family structures, completing the FAFSA can be particularly difficult for this community. For example, under the Defense of Marriage Act (DOMA), same-sex marriages are not considered marriages for federal purposes, including the FAFSA. Because there are no corresponding instructions to the "Are you married?" question on the FAFSA, a student in a same-sex marriage could reasonably answer "Yes" to that question. Lacking further instruction, that student could also reasonably include his or her same-sex spouse's information throughout the rest of the FAFSA. We recommend that you add instructions to assist these students and their families in completing their FAFSAs in accordance with federal law.

I have attached additional comments and suggestions about the paper FAFSA for your consideration. Questions about our comments may be directed to NASFAA Policy Analyst Karen McCarthy at mccarthyk@nasfaa.org.

We appreciate the opportunity to offer these comments and we look forward to working with you on these important application issues.

Sincerely,

Justin Draeger
President

NASFAA Comments on Draft 2013-14 FAFSA

Page	Item	Suggested Change (additions are shown in bold, deletions are in strikeout)	Comments
2	Notes for Questions 14 and 15	<p>If you are an eligible noncitizen, write in your eight- or nine-digit Alien Registration Number. Generally, you are an eligible noncitizen if you are (1) a permanent U.S. resident with a Permanent Resident Card (I-551); (2) a conditional permanent resident with a Conditional Resident Alien Green Card (I-551C); (3) the holder of an Arrival-Departure Record (I-94) from the Department of Homeland Security showing any one of the following designations: “Refugee,” “Asylum Granted,” “Parolee” (I-94 confirms that you were paroled for a minimum of one year and status has not expired), T-Visa holder (T-1, T-2, T-3, etc.) or “Cuban-Haitian Entrant;” or (4) the holder of a valid certification or eligibility letter from the Department of Health and Human Services showing a designation of “Victim of human trafficking.”</p> <p>If you are in the U.S. on an F1 or F2 student visa, a J1 or J2 exchange visitor visa, or a G series visa (pertaining to international organizations), select “No, I am not a citizen or eligible noncitizen.” You will not be eligible for federal student aid; however, you should still complete the application because you may be eligible for state or college aid.</p>	<p>The instructions should be consistent in using the official terminology for these documents, rather than colloquial terms.</p> <p>Although these instructions have been improved over the past several years, we have a continued concern that they are still not complete. Battered immigrants are not included in this list at all, yet ED has issued a Dear Colleague Letter, GEN-10-07, and the <i>FSA Handbook</i> includes several pages explaining how to document the eligible noncitizen status of these students. Page 1-27 of the 2012-13 <i>FSA Handbook</i> states that battered immigrants “indicate on the FAFSA that they are eligible non-citizens...”. It is not clear to us how they would know to do that, based on the current FAFSA instructions.</p>

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2	Notes for questions 41 and 42 (page 4) and 89 and 90 (page 7)	Investments include real estate (do not include the home you live in), trust funds, UGMA and UTMA accounts, money market funds, mutual funds, certificates of deposit, stocks, stock options, bonds, other securities, installment and land sale contracts (including mortgages held), commodities, etc. If you own the home you live in and rent a portion of it, include the rented portion as an investment.	When a portion of the primary home is being rented, the FAFSA does not instruct the family to report that portion of their home as “other real estate.”
5, 7	44a, 92a	Payments to tax-deferred retirement , pension, and savings plans (paid directly or withheld from earnings), including, but not limited to, amounts reported on the W-2 forms in Boxes 12a through 12d, codes D, E, F, G, H and S.	Financial aid administrators report that this question is prone to underreporting, most likely because many families do not consider their contributions to retirement plans as payments to “pension and savings plans”. Adding the word “retirement” would clarify what is to be included.
5, 7	44i, 92i	Other untaxed income not reported in items 92a through 92h, such as workers’ compensation, disability, tax free contributions to health savings accounts , etc.	Page 19 of the 2012-13 Application and Verification Guide states that tax free contributions to a health savings account (HAS) should be treated as untaxed income. However, there are no instructions on the FAFSA stating that these contributions should be included.
9	Notes for questions 55-57 (page 5)	“Youth” means you were born on or after January 1, 1990 are 21 years of age or younger or you are still enrolled in high school as of the day you sign this application.	The FAFSA currently defines “youth,” for unaccompanied homeless youth, as being 21 years of age or younger, or currently enrolled in high school on the day the application is signed. However, the statutory language of the CCRAA does not include any age limits for unaccompanied homeless youth, nor do the other legal definitions of “homelessness” or “unaccompanied youth” that are referenced in the Act. We understand that ED chose to impose the age of 21 based on the definition of “youth” in the Runaway and Homeless Youth Act. However, tying the definition of “youth” for these Title IV purposes to that used

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			<p>in the Runaway and Homeless Youth Act is not required nor logical. A person must be 24 years of age or older to be automatically considered independent. Therefore, 22 and 23-year-old students who are unaccompanied and homeless do not automatically qualify as independent because of their age. They must submit a dependency appeal to the financial aid office. Having a different process for these two years is confusing and an unnecessary burden on these already vulnerable students.</p>