

Presented by Randi Bozeman



FINANCIAL AID UPDATES



TOPIC OVERVIEW

Government Shutdown

FAFSA Form Updates ('25-'26 & '26-'27)

Data Sharing

Verification of Identity

Pell Grant Award

Big Beautiful Bill

FISCAL YEAR 2026 – GOVERNMENT SHUTDOWN

THE SECRETARY OF EDUCATION, LINDA MCMAHON - SEPTEMBER 28, 2025

- Continued Agency Activity**
- The Department will continue to disburse student aid
 - Pell Grant & Federal Direct Loans provided through mandatory and carryover appropriations
 - Student Loan Borrowers are still required to make payments
 - Title I and IDEA grant funding remains available
 - State, school, and other grants recently awarded this summer still accessible

- What Activities Ceased**
- Any new grant making activities
 - The Office for Civil Rights pausing reviews of complaints
 - The Department’s development and implementation of guidance, technical assistance, and regulatory actions at a pause
 - 95% of non-Federal Student Aid staff furloughed in first week (If it lasts longer, adjustments are made)

2025-2026 FAFSA FORM

- **As of September 23, 2025**
 - **16.2M total applications**
 - **2.6M high school seniors**
 - **1.1M other first-time applicants**
 - **12.5M returning students**
- **Issue Alerts found [here](#)**
- **FAFSA Form – 8 issues with workarounds**
- **FAFSA Submission Summary – 1 issue with workaround**
- **FAFSA Corrections – 8 issues with workarounds**

FAFSA QUESTION 11

- [APP-25-05](#)
- Question 11 – two responses: Male, Female
- If already submitted and no corrections made, no action needed
- If corrections made by student and answer was “non-binary” or “prefer not to answer”, student will be required to respond
- If corrections made by institution, updated response not required

FAFSA DATA SHARING

- [GENERAL-24-149](#)
- Guidance to institutions on obtaining written consent prior to sharing data from the FAFSA®

FAFSA data includes:

Personal circumstances	Dependency status	Federal benefits received	Financial assets	SAI	Pell Grant eligibility status	Verification status
------------------------	-------------------	---------------------------	------------------	-----	-------------------------------	---------------------

UPDATE ON ACCESS AND USE OF FTI (FEDERAL TAX INFORMATION)

- [GENERAL-23-34](#); [GEN-25-08](#) released September 30, 2025
- FTI (Federal Tax Information) expanded to include other intermediate values and derived FTI values on ISIR
 - Includes student total income, parent total income
- For 2024-2025 FAFSA cycle and beyond, must follow FTI safeguards and data use limitations
- For 2026-2027 FAFSA cycle and beyond, appropriate CUI (Controlled Unclassified Information) labeling is required
 - CUI is sensitive, not classified information, that requires safeguarding and dissemination controls
- Still can give a student a copy of the ISIR (paper or password-protected)
- Update on 9/17 – prohibits the use of derived FTI values for research

VERIFICATION OF IDENTITY – V4 & V5 VERIFICATION

- [APP-25-16](#); [GENERAL-25-36](#); [GENERAL-24-63](#)
- Additional V4/V5 verification selections – completed by institutions
 - No longer required to collect Statement of Educational Purpose
 - Option to use video call for students unable to appear in person to confirm identity
 - Option to use entity compliant with NIST IAL2 to verify student's identity
 - Option to use responsible official at facility to verify student's identity if confined or incarcerated

2026-2027 FAFSA

FAFSA_26-27_Reg_en_2025-04-28 Do not submit

FAFSA[®] Form July 1, 2026 – June 30, 2027

Free Application for Federal Student Aid **Federal Student Aid**
An OFFICE of the U.S. DEPARTMENT of EDUCATION

Use this form to apply free for federal and state student grants, work-study, and loans. Or apply free online at fafsa.gov.

Apply by the Deadlines

For federal aid, submit your application as early as possible, but no earlier than **October 1, 2025**. We must receive your application no later than **June 30, 2027**. Your college must have your correct, complete information by your last day of enrollment in the 2026–27 school year.

For state or college aid, the deadline may be as early as October 1, 2025, and you may need to complete additional forms. Check with your high school counselor or a financial aid administrator at the college or career school you are attending or plan to attend. See the state deadlines on page 2. If you are applying close to a deadline, we recommend you submit your FAFSA form online at fafsa.gov. It's the fastest and easiest way to apply for aid.

Fill Out the FAFSA[®] Form

The FAFSA form has five sections: Student, Student Spouse, Parent, Parent Spouse or Partner, and Preparer. To determine who needs to provide their information, consult "Who must provide information on the FAFSA form?", on page 3.

You may fill the answer fields electronically and then print the form, or print the form first and complete it by hand. If you complete the form by hand, use dark ink and write clearly, as shown below. A computer will process this form; therefore:

- Fill in both circle and square answer fields completely: **Correct** ● ■ **Incorrect** ⊗ ⊖ ⊗ ⊗
- For circle answer fields, choose only one response; for square answer fields, choose all that apply: ○ ● ○ ■ □ ■
- Print in BLOCK CAPITAL letters and skip a box between words; for multi-line responses, wrap any incomplete words onto next line:

1	4	1	6		P	L	U	M		S
T		A	P	T	4					

Continue on next line.
- Report dollar amounts such as \$12,356.41 without cents; if negative, completely fill the circle (⊖) before the answer box: ⊖\$

				1	2	3	5	6
--	--	--	--	---	---	---	---	---

Refer to the notes on pages 21–23 as instructed.

For help in filling out the FAFSA form, go to StudentAid.gov/fafsa/help or call 1-800-4-FED-AID (1-800-433-3243). If you need assistance in another language, visit StudentAid.gov/apply-for-aid/fafsa/filling-out/other-languages.

2026-27 FAFSA[®] Form

- **APP-25-18**
- **Beta 1 testing – 8/4/25 (MS and FL in this group)**
- **Beta 2 testing – 8/21/25**
- **Beta included real online FAFSAs and paper FAFSA submissions; valid ISIRs; addressing user feedback**
- **Released – 9/24/25**

PLANNED CHANGES

- **Question 12 – Student Race and Ethnicity**
 - **Separate Hispanic, Latino, or Spanish origin question removed**
 - **“Hispanic or Latino” and “Middle Eastern or North African” added**
- **Real-time identity verification for studentaid.gov account creation**
- **Simplified contributor invite process**
 - **Students invite contributors, parents invite spouse by entering email**

2025-2026 FEDERAL PELL GRANT AWARDS



Pell Grant Minimum remains at \$740, and Maximum remains at \$7,395



**Jan. 31, 2025 DCL:
(GEN-25-02) 2025-26 Federal
Pell Grant Maximum and
Minimum Award Amounts**

ONE BIG BEAUTIFUL BILL ACT – PUBLIC LAW NO.: 119-21



**STUDENT ELIGIBILITY
PROVISIONS**



**ORIGINATION AND
DISBURSEMENT
PROVISIONS**



**LOAN REPAYMENT
AND SERVICING
PROVISIONS**



**SCHOOL ELIGIBILITY
AND ACCOUNTABILITY
PROVISIONS**

GEN-25-04; APP-25-23

STUDENT ELIGIBILITY PROVISIONS – EFFECTIVE JULY 1, 2026 FOR AY 2026-2027



- Exempts certain assets from need analysis formula
- Changes AGI for Maximum and Minimum Pell Grant eligibility
- Eliminates Pell Grant eligibility for students with SAIs twice Max Pell Scheduled Award amount
- Eliminates Pell Grant eligibility for students with non-Federal grant aid equaling or exceeding COA

ORIGINATION AND DISBURSEMENT PROVISIONS EFFECTIVE JULY 1, 2026 WITH EXCEPTIONS



- **Eliminates Direct PLUS Loans for graduate and professional students**
- **Revised Direct Loan annual and aggregate limits for graduate and professional students**
- **Revised Direct PLUS Loan annual limits and creates new aggregate limits for parent borrowers**
- **Prorates annual loan limits based on enrollment status**
- **Permits institutions to limit total borrowing if applied to all students in same program**

LOAN REPAYMENT AND SERVICING PROVISIONS EFFECTIVE DATES VARY



- **Revises income-based repayment (IBR) plans**
- **Establishes two new repayment plans**
- **Limits deferments and forbearances**
- **Expands options for borrowers with certain defaulted loans**

SCHOOL ELIGIBILITY AND ACCOUNTABILITY PROVISIONS EFFECTIVE DATES VARY



- **Creates Workforce Pell Grant Program**
- **Establishes new educational program criteria for Direct Loan eligibility**
- **Delays current borrower defense regulations**
- **Delays current closed school discharge regulations**

WHAT IS THE RATIONALE?

Per American Enterprise Institute (AEI) “Analysis of the One Big Beautiful Bill Act’s Effect on Student Loans” (7/16/25):

- Expected to save taxpayers \$307B over the next decade.
- Creates a new income-driven student loan repayment plan that will prevent borrowers’ balances from rising over time and ensure that most borrowers pay down their loans quickly.
- Loan limits for undergraduate students remain unchanged.
- Graduate students account for 17% of overall postsecondary enrollment yet 50% of the federal loans originated (\$511B) go to graduate students.
- Parent PLUS loans account for approximately 12% of federal loans originated & 1/5 of the borrowers had an EFC = 0.
- ED can revoke a degree program’s eligibility for federal student loans if the earnings of its graduates are too low (i.e., Do No Harm).

