

Oct. 1 is a new kickoff for FAFSA headaches: What do you do next?

USA Today Network - Susan Tompor
August 28, 2016

College students and their parents might feel like they've barely finished unpacking the U-Haul this school year ... when suddenly they face the unexpected chore of tackling the mind-boggling paperwork for financial aid for the 2017-18 academic year.

Yep, the 2017-18 school year.

Beginning this year, the FAFSA filing season launches Oct. 1. We're looking at a new timeline that starts three months earlier than many parents and students would anticipate.

Typically, the FAFSA filing season begins in January. But the Free Application for Federal Student Aid is moving to a new schedule to align financial aid applications with the college admissions season. You'd likely file for FAFSA even before you're admitted to a given college, if you're a high school senior. Many times, students apply to five or more colleges and need to review financial aid packages.

The change, first announced in September 2015, can help high school seniors make better decisions on where they'd like to attend college based on the financial aid offers they receive from schools. It's possible some awards letters could arrive a little earlier in the decision-making process, maybe even by early March instead of late March or April.

But if you overlook the new October kickoff and procrastinate too long, you risk losing out to others who realize that some financial aid is offered on a first-come, first-serve basis.

Abigail Seldin, co-founder of College Abacus, which offers a financial aid calculator, said some financial aid could be depleted sooner in the process than in past years because of the change in dates.

The time frame isn't all that's changing. Going forward, you're now going to be able to file a federal tax return from what's awkwardly called the "prior-prior" year.

Simply put: You'd use the 2015 federal tax return for the 2017-18 academic year; the 2016 return for the 2018-19 academic year and so forth.

Under the new system, more families should be able to use the Internal Revenue Service's Data Retrieval Tool to automatically fill in FAFSA form online with tax information.

Here are five things you need to know to about FAFSA:

1) What can you do now to prepare for the FAFSA Oct. 1 start?

By filing close to October, high school seniors would know earlier about their expected family contributions, as well, which should be useful as they weigh options to figure out where they can afford to go to school.

A few extra weeks can help families avoid stressing out as they move close to the May 1 decision date, when seniors inform a college of their plans to enroll.

Start setting aside documents now that you'd need to use to file the FAFSA, including 2015 federal tax returns, 1099s, current bank and brokerage statements. Other important records include the student's driver's license, the student and parent's Social Security cards, records relating to child support paid or received, taxable earnings from federal work-study.

Get a FSA ID at fsaid.ed.gov before the kickoff date. Mark Kantrowitz, publisher and vice president of strategy for Cappex.com, said many families have reported challenges getting the FSA ID. So it can help to work out some glitches before Oct. 1.

The FAFSA system switched from using a four-digit PIN to what's expected to be a more secure FSA ID. See www.studentaid.gov/fsaid to start.

Extra layers of security can mean that more people run into problems, including when you don't remember your username or password, Kantrowitz said.

Here's a tip: You are much more likely to lose access to your FSA ID if someone else creates it for you. Three unsuccessful login attempts are enough to lock someone out.

If you're having trouble with a FSA ID, you can call 800-557-7394.

2) Can you just copy the last FAFSA form, if both the 2016-17 and 2017-18 forms use 2015 federal tax data?

No. Some factors could have changed since you filed in January or February for the 2016-17 school year.

For example, you might have filed an amended federal income tax return, which changes the numbers, Kantrowitz said. Or the marital status of the student's parents might have changed.

Remember: The assets listed, such as bank accounts, are as of the date when the FAFSA is filed.

3) No one has to pay any money for FAFSA.

Richard Castellano, vice president of corporate communications for Sallie Mae, said there's some concern that people could try to take advantage of any confusion and offer more "help" for a fee. But stick with the government site at [FAFSA.gov](https://fafsa.gov) or get free help from your college's financial aid office.

For free help, you can call Federal Student Aid Information Center, which is sponsored by the U.S. Department of Education, at 800-433-3243.

4) Does it make any sense, really, to file for financial aid for the 2017-18 school year in October 2016?

Castellano noted that there's some concern that parents or students could be tempted to procrastinate.

"The earlier time frame could almost have families thinking 'I have plenty of time to wait,'" Castellano said.

But remember, applicants will no longer need to estimate income and tax information and many will be able to retrieve data directly from the IRS tool. So there could be somewhat fewer headaches.

College students and parents should not have to worry about being wrong with their guesstimates.

A student can submit a FAFSA for federal aid from Oct. 1 through June 30, 2018, for the 2017-18 school year. But individual states have their own deadlines for state aid so move sooner, rather than later, especially if you're applying to schools in several states.

Pay attention to any possible changes in admissions deadlines too.

5) Some old rules and tips still apply to FAFSA.

It's important not to inflate your wealth because you don't know what's required. Don't, for example, make one of the more common mistakes and list money held in 401(k) plans or IRAs. You don't list an estimate for the equity you hold in your primary home, either.

Also remember that students who apply earlier tend to receive more aid.

On the other hand, what if you're a returning college student and you still did not file for 2016-17 school year? Well, it is still possible to file the FAFSA. Your college must have your correct, complete information by your last day of classes or by June 30, 2017, for the 2016-2017 school year.

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