**Attachment B to DCL GEN-13-12**

**Changes to Parental Information FAFSA Collection**

**Frequently Asked Questions (FAQ)**

**April 29, 2013**

**Q1. What changes will be made to the collection of parental information on the Free Application for Federal Student Aid (FAFSA)?**

A1. Beginning with the 2014-2015 FAFSA, a dependent student[[1]](#footnote-1) will be required to include income and other information about both of the student’s legal parents (biological or adoptive) if the parents are living together, regardless of the parents’ marital status or gender.

**Q2. Is this a change from previous FAFSA parental information collection?**

A2. Yes. Despite the statutory provisions that only use the terms “parent” and “parents”, the FAFSA has long been constructed to collect information about both of a dependent student’s parents only if the parents are married. Thus, the FAFSA has used the gender-specific terms “mother/stepmother,” and “father/stepfather.” As a result, the FAFSA did not collect income and other information from one of a student’s legal parents if the parents are unmarried, even if they are living together. Moreover, because the Defense of Marriage Act (DOMA) provides that same sex marriages are not recognized for federal purposes, and because the FAFSA only collected parental information if the parents were married, it similarly excluded income and other information from a same sex spouse when the same sex parents are married under state law.

**Q3. Why is this collection of FAFSA information for both of the legal parents being made?**

A3. Collecting parental information from both of a dependent student’s legal parents will result in fair treatment of all families by eliminating longstanding inequities that were based on the legal relationship of the parents (married or not married) rather than on the parents’ relationship with their child. This change will ensure that limited taxpayer resources are directed to students with the most need, regardless of the student’s parents’ marital status or gender, when those parents reside in the same household. It also recognizes the diversity of today’s American families.

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**Q4. How will the collection of information from both of a dependent student’s legal parents (if they are living together) be used in determining the student’s eligibility for federal student aid.**

A4. The income and other information from both parents will be used to calculate the dependent student’s expected family contribution (EFC), which, in turn will determine the student’s eligibility for aid from the need-based federal student assistance programs authorized under Title IV of the Higher Education Act of 1965, as amended (HEA).

**Q5. What is an Expected Family Contribution (EFC)?**

A5. Expected family contribution (EFC) is a statutorily established term that represents a financial index used to determine, in part, the student’s eligibility for, and amount of, need-based Title IV HEA student assistance. Generally, the lower a student’s EFC the more need-based federal student aid eligibility the student has. A dependent student’s EFC includes a “parental contribution” that is based on parental information collected on the FAFSA. The EFC formulas are provided in Part F of Title IV of the HEA.

**Q6. What are the Title IV need-based student assistance programs?**

A6. The need-based Title IV HEA student assistance programs are the Federal Pell Grant, Federal Direct Subsidized Loan, Federal Perkins Loan, Federal Work Study (FWS), and Federal Supplemental Educational Opportunity Grants (FSEOG) programs.

**Q7. What is the legal basis for using information from the unmarried legal parent of a dependent student in the calculation of the student’s EFC?**

A7. The collection of information from both of a dependent student’s parents is statutorily supported in the section of the Higher Education Act (HEA) that describes the information to be used in the calculation of a dependent student’s expected family contribution (EFC). HEA section 475 generally includes the terms “parent” and “parents’” and not terms like “mother”, “father”, or “spouse”.

**Q8. Does this change the parental information that must be provided on the FAFSA when the student’s parent is divorced from the student’s other legal parent?**

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A8. This change does not impact the longstanding and statutorily required provision that when a dependent student’s parents are divorced information is reported only for the parent with whom the student resided for the greater portion of the 12 months preceding the date of completing the FAFSA. Collecting information from the unmarried legal parents of a dependent student will mirror that provision by not requiring the second legal parent’s information if the student’s unmarried parents do not live together. Under longstanding policy, in both circumstances, if the other parent provides financial support to the student, that support should be reported on the FAFSA in the “Untaxed Income” section.

**Q9. Will information about a stepparent continue to be used in the calculation of a dependent student’s EFC?**

A9. Yes. The HEA provides that when a dependent student’s parent is married to a person who is not the student’s legal parent the stepparent’s information is used in the EFC calculation [see HEA section 475(f)(3)].

**Q10. Does the stepparent provision apply when the student’s parent is married, under state law, to a person of the same sex but is not one of the student’s legal parents?**

A10. It does not. The Defense of Marriage Act (DOMA) does not recognize, for federal purposes, same sex marriages. Therefore, for purposes of the FAFSA, under DOMA there can be no stepparent who is of the same sex as the student’s parent.

**Q11. Which dependent students will be impacted by the collection of FAFSA information for both of the student’s legal parents?**

A11. Most dependent students will not be impacted because those students are already reporting parental information for their legal parent or married parents. Only in the limited number of instances where both of the student’s legal parents are living together but are unmarried, or are of the same sex and whose marriage is recognized under State but not Federal law, will information that was not previously collected be collected and used in the EFC calculation.

**Q12. What will be the impact of the collection of FAFSA information for both of the student’s legal parents on the dependent student’s Title IV eligibility?**

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A12. In most of instances there will be less eligibility as more income and other financial resources are included in the EFC calculation. In a small number of cases there will be more Title IV eligibility because under the statutory formulas the offset for the additional person in the household will be greater than the limited income from that person.

**Q13. What is the estimated savings or costs to the Title IV student assistance programs of this change?**

A13. We are unable to estimate the impact of these changes, either in terms of number of students impacted or to the total cost/savings to the programs. There are no available data regarding students whose parent was reported on the FAFSA as “single,” but who is living with the student’s other legal parent.

**Q14. How will FAFSA applicants and their families know about this change in the parental information that must be reported on the FAFSA?**

A14. The instructions on the FAFSA will be modified to explain to the applicant that questions about the student’s parents relate to the student’s legal parents regardless of their marital status or gender, if those parents live together. A student’s legal parents are the student’s biological and/or adoptive parents. The Department will continue to work with the financial aid community and other interested constituencies, to develop the exact language of these instructions.

**Q15. How will financial and other information about a student’s unmarried parents be collected on the FAFSA?**

A15. The 2014-2015 FAFSA will include a new response of “Unmarried and both parents living together” to the FAFSA question that asks for the marital status of the dependent student’s parents. Thus, the possible responses will be “Never married”, “Married or remarried”, Unmarried and both parents living together”, “Divorced or separated”, and “Widowed”. Expanded FAFSA instructions and help text will be provided to explain to the dependent student applicant that the parents’ marital status question and other questions that refer to the student’s parents mean the student’s legal (biological or adoptive) parents if those parents are living together.

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Since parents who are not married could not have filed a joint IRS tax return together, FOTW will provide instructions on how the family should respond to questions such as “tax filing status”, “type of tax return”, and to Adjusted Gross Income (AGI) and other tax return questions. This also applies to married parents whose IRS filing status is “Married filing separately”.

**Q16. Will the collection of income and other information from the second parent impact state, institutional and private student aid programs?**

A16. Many state and some institutional and private aid programs use the EFC calculated from the FAFSA for determining a student’s eligibility. The administrators of those programs will need to determine, after considering the impact of this change and the reasons for it, whether to continue to use the FAFSA calculated EFC.

**Q17. How will this change impact independent students?**

A17. This change will not impact independent students. This change is only about using information about a dependent student’s legal parents. Married students of the opposite sex will continue to be considered independent, under HEA section 480(d), and information about both spouses will be collected and used in the calculation of the student’s EFC. Consistent with provisions of the Defense of Marriage Act (DOMA), a student in a same-sex marriage under state law must answer the student marital status question as “single”. This means that the income and other information from the student’s same-sex spouse is not collected and used in the calculation of the student’s EFC, as it would be for opposite sex married couples.

**Q18. What impact could the Supreme Court decision in the case involving a challenge to the constitutionality of the Defense of Marriage Act (DOMA) have on the subjects discussed above?**

A18. We cannot provide information about such an impact until the Court has issued and we have reviewed the decision.

1. For federal student aid purposes a dependent student is one who does not meet one of the qualifications for independent student status in section 480(d) of the Higher Education Act of 1965, as amended. [↑](#footnote-ref-1)