Earlier Date for Filing Fafsa Form for College Aid

Your Money Adviser

By ANN CARRNS  AUG. 10, 2016

As college-bound students prepare for a new school year, they should be aware of a new date that’s important for future financial aid: Oct. 1.

That’s the new, earlier date after which students can file the Fafsa, or Free Application for Federal Student Aid. The infamous form is used to calculate how much students and their families must contribute to the cost of college, and how much help they will get in the form of grants, scholarships and loans. Students seeking financial aid must file the form, used by most states and colleges as the gateway to financial aid, each year.

In the past, students had to wait until Jan. 1 to file the form. But in an effort to align the financial aid process with the typical college admissions cycle, the federal Education Department moved the initial filing date three months earlier.

The department also changed the rules to allow students to complete the form using older financial information. Previously, the form that was available on Jan. 1 used income from the tax year that had just ended. Students filing the form early this year, for instance, had to use 2015 income tax data. Financial advisers often urged students and families to file as soon as possible after Jan. 1, to maximize their
chances of getting state grants, because some states have early financial aid deadlines.

That presented a problem, however, because most people do not have the necessary information, like wage statements, to file their tax returns in early January. Instead, they had to file Fafsa forms using estimated income data, and remember to revise the form later, after they filed their tax return. That often meant the form was selected for “verification,” which requires submitting extra documents, said Mark Kantrowitz, a financial-aid expert.

The alternative was simply to file much later, he said, and risk missing out on aid.

The new rules have Fafsa filers use tax information from a year earlier — known, awkwardly, as “prior prior” year returns. (Students filing for the 2017-18 academic year, then, will use 2015 tax data.)

The main benefit of that change is that many more students can use the Internal Revenue Service’s Data Retrieval Tool, which automatically fills in the online Fafsa form with the necessary tax information, said Lauren Asher, president of the Institute for College Access and Success. “This really does simplify the aid process,” she said.

Colleges are taking steps to notify students of the new date. Thomas M. Ratliff, associate vice president at Indiana Wesleyan University in Marion, Ind., said the university was sending emails to students who had indicated interest in attending, making them aware of the Oct. 1 date. And the state’s association of financial aid professionals will hold a workshop in September for high school counselors, he said, to make them aware of the change.

One question is whether colleges will change their own financial aid application deadlines. Some — particularly institutions with rolling admissions — are reportedly moving up their “priority” financial aid application deadlines to November or December. That could put students in a time crunch in the fall, said Carrie Warick, director of partnerships and policy at the National College Access Network, which promotes college education for low-income students.
“At some institutions, if you miss a the priority deadline, there may be little to no aid after,” Ms. Warick said.

The network, she said, is urging colleges to set their aid application deadlines no earlier than Feb. 1.

Still, the Education Department is advising financial aid counselors to tell families to double-check their state and school financial aid deadlines. Parents, the department notes on its website, should “make sure that your child’s school and state deadlines have not changed, and plan accordingly.”

Here are questions and answers about the new Fafsa date:

**Does the change mean I must file the Fafsa form by Oct. 1?**

No. The form becomes available on Oct. 1, and you can file when you’re ready — although it’s still wise to file as soon as you can, Mr. Kantrowitz said.

**I already filed a Fafsa form this spring. Should I file it again after Oct. 1?**

Yes, if you’re seeking aid for the 2017-18 academic year. Because of the filing date change, students may actually file two separate Fafsa forms this calendar year — one that they already completed, for 2016-17, and a second one, which can be filed starting in October, for the following academic year.

**How do I use the I.R.S. Data Retrieval Tool?**

The online Fafsa form has a link that will allow you to use the tool.

Email: yourmoneyadviser@nytimes.com

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