

# NEW FAFSA POLICIES FOR HOMELESS AND FOSTER YOUTH

On December 27th, 2020, the Consolidated Appropriations Act, 2021 was signed into law. This legislation includes significant new financial aid policies, including revisions to the Free Application for Student Financial Aid (FAFSA) for unaccompanied youth experiencing homelessness and former foster youth. The changes reflect many years of SchoolHouse Connection's advocacy; they will remove many barriers to financial aid faced by young people and improve their ability to access and complete higher education. This brief document summarizes the provisions related to homelessness and foster care and includes links to helpful resources.

The legislation also makes broader changes to financial aid policy, including restoring Pell Grant eligibility for incarcerated students, removing the ban on federal student aid for students with prior drug convictions, and making adjustments to living expense allowances in the Cost of Attendance. For more information on these and other important amendments, see the #RealCollege Statement on the Consolidated Appropriations Act.

## Effective Date

The changes are effective as of July 1, 2023, and apply to the 2023-2024 award year and subsequent years. The 2023-24 FAFSA will be available for completion on October 1, 2022. Until then, the current rules are in place. Resources on FAFSA and homelessness can be found on our dedicated Financial Aid page.

## New FAFSA Policies for Unaccompanied Homeless Youth

### **1. Presumption of Subsequent Year Eligibility.**

Under the Act, any student who is determined to be an unaccompanied homeless youth for a preceding award year “shall be presumed to be independent for each subsequent year at the same institution” unless “the student informs the institution that circumstances have changed” or “the institution has specific conflicting information about the student’s independence, and has informed the student of this information.” This eliminates the requirement that unaccompanied homeless youths’ status be redetermined every year, which many unaccompanied homeless youth find to be intrusive, re-traumatizing, and burdensome. It shifts the burden of proof from the student (who, under current law, must prove that circumstances have not changed) to the institution (which must present “specific” information to the student indicating that circumstances have changed).

### **2. Expanded list of officials and programs who may verify that an applicant is an unaccompanied homeless youth (and therefore an independent student).**

Under the Act, the following parties may verify a youth’s status as an unaccompanied homeless youth: school district homeless liaisons; the director or a designee of a director of “an emergency or transitional shelter, street outreach program, homeless youth drop-in center, or other program serving individuals who are experiencing homelessness;” the director or a designee of a director of a program funded under a TRIO or Gaining Early Awareness and Readiness for an Undergraduate program (“GEAR UP”) grant; and a financial aid administrator at another institution who previously made a determination. Current law limits verifications to school district homeless liaisons, Runaway and Homeless Youth Act providers, U.S. Department of Housing and Urban Development homeless providers, and financial aid administrators.

### **3. Financial aid administrators must consider and accept documentation from one of the entities who are authorized to verify a youth’s status as an unaccompanied homeless youth, unless there is “documented conflicting information.”**

Documentation from one of the authorized entities may include “a documented phone call, written statement, or verifiable electronic data match.”

#### **4. Financial aid administrators must make a determination of unaccompanied homeless youth status for youth who cannot get determinations from other authorities.**

Financial aid administrators' determinations must be based on a written statement from, or a documented interview with, a student that confirms that a student is an unaccompanied homeless youth (or unaccompanied, at risk, and self-supporting). The determination must be made independently from the reasons that the student is an unaccompanied homeless youth, or is a youth who is unaccompanied, at risk of homelessness, and self-supporting. In other words, financial aid administrators may not consider why a student is unaccompanied and homeless; whether a financial aid administrator considers the applicant's reasons for becoming unaccompanied and homeless valid is irrelevant to the required determination of unaccompanied homeless youth status.

### **New FAFSA Policies for Former Foster Youth**

#### **1. Presumption of Subsequent Year Eligibility.**

Students determined in a preceding year to be independent based on former foster care status "shall be presumed to be independent for each subsequent year at the same institution" unless "the student informs the institution that circumstances have changed" or "the institution has specific conflicting information about the student's independence, and has informed the student of this information."

**2. If an institution requires documentation that a student was in foster care when the student was age 13 or older, the financial aid administrator must accept any of the following documents (in the absence of documented conflicting information):** A court order or official State documentation that the student received Federal or State support in foster care; a documented phone call, written statement, or verifiable electronic data match, which confirms the student was in foster care at an applicable age, from a State, county, or tribal agency administering a program under part B or E of title IV of the Social Security Act, a State Medicaid agency, or a public or private foster care placing agency or foster care facility or placement; a documented phone call or a written statement from an attorney, a guardian ad litem, or a Court Appointed Special Advocate that confirms that the student was in foster care at an applicable age, and documents the person's relationship to the student, or verification of the student's eligibility for an education and training voucher under the John H. Chafee Foster Care Program under section 477 of the Social Security Act (42 U.S.C. 677).

## Additional New FAFSA Policies for Both Homeless and Foster Youth

**Determinations of unaccompanied homeless youth and foster youth status must be made as quickly as practicable**, may be made as early as the year before the award year for which the student submits the application, and must not be made later than during the award year for which the student initially submits the application.

### Provisional Independent Status

**It is important to note that the new homeless and foster youth provisions are different and distinct from a new policy providing “Provisional Independent Status” for students who are not able to contact a parent, or for whom contact with parents would pose a risk to the student.** Under the “Provisional Independent Status” policy, otherwise dependent students may complete the FAFSA as a “provisional” independent student if they believe they may qualify for independent student status due to unusual situations such as parental abandonment, abuse, neglect, legally granted asylum, or student or parental incarceration, and would likely meet the criteria for a dependency override. The student would receive an estimate of their federal Pell Grant award and other information based on an independent status. Financial aid administrators are required to notify these students of the institution's process, requirements, and timeline for an adjustment to be completed under a “professional judgement” review. The “Provisional Independent Status” policy differs significantly from the provisions for unaccompanied homeless youth and foster youth. For homeless and former foster youth, the determination of independent student status is **not** a matter of professional judgment and is not discretionary. Financial aid administrators are **required** to make determinations – and are not given the discretion involved in the exercise of professional judgment.

### Additional Resources

- [Sample Form Letters to Determine the Independent Student Status of Unaccompanied Homeless Youth](#)
- [Financial Aid for Youth Who are Homeless \(or At Risk of Homelessness\) and On Their Own](#)
- [Tips for Helping Homeless Youth Succeed in College: Accessing Financial Aid](#)
- [Tips for Preparing for an Independent Determination Financial Aid Interview](#)
- [The FAFSA: Four Things You Can Do to Help Homeless and Foster Youth](#)