



# Next Step's Guide to FAFSA & CSS Profile (2025–26)


*Helping Families Maximize and Understand College Financial Aid*

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## Introduction

Paying for college is one of the biggest investments families make. Financial aid can significantly reduce costs — but only if forms are submitted **accurately and on time**. Two key forms determine aid:

- **FAFSA (Free Application for Federal Student Aid):** Used by every college to determine eligibility for federal grants, loans, and work-study.
- **CSS Profile (College Scholarship Service Profile):** Required by ~170 colleges, mostly private/selective, to award institutional aid.

 **Tip:** Even if you think you won't qualify for aid, filing these forms ensures you remain eligible for federal loans and may unlock merit-based or school-specific aid.

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## FAFSA Deep Dive






### Who Should File FAFSA

- Any student who might qualify for need-based aid
- Students applying to colleges that require FAFSA for merit aid
- Students who may need aid later in college (many schools will not accept aid requests in later years if you didn't apply as a freshman)
- Families with multiple children in college (colleges may still factor this into institutional aid, even though FAFSA no longer does)

## What You Need Before Filing

- **FSA IDs** (one for student, one for each parent contributor)
- Social Security Numbers or Alien Registration Numbers
- Federal tax returns (base year = 2 years prior to enrollment)
- W-2s, income records, bank statements, investment details, 529 plans
- List of schools applying to (up to 20)

## Key FAFSA Changes for 2025–26

-  *Siblings in college* no longer reduce federal contribution (but colleges may still consider via CSS/appeals)
-  *Grandparent 529s* no longer penalize students
-  Up to 20 colleges can now be listed
-  *Child support* reported as parent asset, not income
-  Family-owned businesses/farms must be reported regardless of employees

## Example: FAFSA & Student Aid Index (SAI)

If a student's FAFSA calculates an SAI of **\$30,000** and a college's **Cost of Attendance (COA)** is **\$80,000** and it meets 100% of need:

COA – SAI = Need

\$80,000 – \$30,000 = \$50,000 Need

Award might look like:

- \$5,500 → Federal loan (student)
- \$3,000 → Work-study/job
- \$41,500 → Institutional grants/scholarships/parent loans (federal)



## Special FAFSA Scenarios

- **Divorced/separated parents** → Only the parent who provided more financial support in the past 12 months reports income
  - **Remarried parents** → Stepparent's income/assets must be included
  - **Parents without SSNs** → Can still contribute (system allows without SSN)
  - **Foreign tax returns** → Manual entry required
  - **Multiple students in college** → FAFSA doesn't reduce contribution, but CSS Profile and appeals may
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## CSS Profile Deep Dive

### Why Some Schools Require CSS

- Provides a **more detailed look** at a family's finances than FAFSA
- Used to award **institutional aid** (often larger than federal aid)

### Key Differences from FAFSA

FAFSA	CSS Profile
Determines federal aid eligibility	Determines institutional aid eligibility
Shorter, simpler form	Longer, more detailed
Custodial parent only	Both biological parents + stepparents
Does not ask about grandparent contributions	Includes grandparent/others' contributions
Free to file	Costs to file (waivers available)

### What CSS Asks For

- Parent assets, home equity, business value
- Contributions from grandparents/others
- Siblings in college
- Noncustodial parent income (separate login)



Opens **October 1** via College Board ([www.cssprofile.collegeboard.org](https://www.cssprofile.collegeboard.org)).

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## Understanding Aid Packages & Loans

### What's in a Financial Aid Package?

- **Grants & scholarships** → Gift aid, no repayment
- **Work-study** → Part-time campus jobs
- **Loans** → Borrowed money (federal)

### Student Federal Loan Limits

- Freshman → \$5,500
- Sophomore → \$6,500
- Junior → \$7,500
- Senior → \$7,500
- **Max over 4 years:** \$27,000

2025–26 interest rate: **6.39%**, ~1% fee.

At a \$35,000 salary, monthly repayment = <8% of pre-tax income.



## Month-by-Month FAFSA & CSS Profile Timeline (2025–26)

### September (Prep Work)

- Gather prior-prior year tax returns (2024 for 2026–27 enrollment)
- Collect W-2s, bank/investment/529 info
- Make a list of colleges you're applying to
- Decide if you'll apply for need-based aid (check "yes" on college apps if so)

### October (Forms Open)

- **Oct 1:** FAFSA & CSS Profile open
- Create FSA IDs for student + parent(s)
- Submit CSS Profile if applying to ED/EA schools with November deadlines
- Start FAFSA (use estimates if necessary — don't wait)

### November (Early Deadlines)

- Submit both FAFSA & CSS Profile before **earliest college deadlines** (often Nov 1 or 15)
- Confirm deadlines with each school
- Double-check required contributors (custodial parent, stepparent, etc.)

### December – January (Regular Deadlines)

- Submit for RD deadlines (Jan 1–15 typical)
- Verify FAFSA was processed and check **Student Aid Index (SAI)** in your FAFSA Submission Summary
- Make corrections if needed

### February – March (Verification)

- Respond quickly to any **verification requests** (colleges may ask for tax transcripts, W-2s, etc.)

- Prepare documents for appeals if family financial circumstances change

#### April (Award Letters)

- Colleges release **financial aid offers**
- Compare net costs after grants/scholarships (not just loans)
- Ask financial aid offices to clarify any unclear terms

#### May (Decision Time)

- **May 1 (National College Decision Day):** Submit deposit and finalize enrollment
- File appeals if appropriate **before committing**

#### Summer (Final Steps)

- Complete **loan entrance counseling** (if borrowing federal loans)
- Confirm grants/loans/work-study applied correctly to your bill
- Set up a payment plan for the remaining balance

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### Common Mistakes to Avoid

- Reporting parent 529 plans as student assets (should be parent assets)
- Double-reporting assets in multiple sections
- Missing deadlines (especially for Early Decision)
- Checking “no” to applying for financial aid but later submitting FAFSA
- Not including all required contributors

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### Resources

- FAFSA: [www.studentaid.gov](http://www.studentaid.gov) | Helpline: 800-433-3243
- CSS Profile: [www.cssprofile.collegeboard.org](http://www.cssprofile.collegeboard.org) | Helpline: 844-202-0524
- Joanie Till: Next Step College Admissions Planning, LLC | [joanie@nextstepcollegeplan.com](mailto:joanie@nextstepcollegeplan.com)

