

Financial Aid Simplification and Transparency (FAST) Act

A Bill introduced by Senators Alexander and Bennet to simplify the federal financial aid programs and application process.

What the Bill Does:

- **Eliminates the Free Application for Financial Student Aid, or FAFSA** by reducing the 10-page form to a postcard that would ask just two questions: What is your family size? And, what was your household income two years ago?
- **Tells families early in the process what the federal government will provide them in a grant and loan** by using earlier tax data and creating a look-up table to allow students in their junior year of high school to see how much in federal aid they are eligible for as they start to look at colleges
- **Streamlines the federal grant and loan programs** by combining two federal grant programs into one Pell grant program and reducing the six different federal loan programs into three: one undergraduate loan program, one graduate loan program, and one parent loan program, resulting in more access for more students.
- **Enable students to use Pell grants in a manner that works for them** by restoring year-round Pell grant availability and providing flexibility so students can study at their own pace. Both provisions would enable them to complete college sooner.
- **Discourages over-borrowing** by limiting the amount a student is able to borrow based on enrollment. For example, a part-time student would be able to take out a part time loan only.
- **Simplifies repayment options** by streamlining complicated repayment programs and creating two simple plans, an income based plan and a 10-year repayment plan.

Background:

- Approximately 22 million students are enrolled in more than 6,000 institutions of higher education in the U.S.
- In 2013, taxpayers lent more than \$102 billion in new federal student loans to 10 million college students.
- 9.2 million students received a Pell grant in 2012-2013 with an average award of \$3,477 and total federal expenditures of \$33 billion.

Points to Consider:

- Financial aid experts widely agree that simplifying the federal aid programs and application process would increase college access and reduce burden for students and families.
- A recent study from the National Bureau of Economic Research confirms that directly helping students and families fill out the financial aid application dramatically boosts college enrollment and success.
- Each year, as many as 2 million students eligible for Pell grants fail to even complete the application for federal aid.
- At a time when a college degree is more important than ever for getting a job and making a good living, red tape and confusion are the adversary for millions of students.

If you have any questions, please contact Bob Moran, on Senator Alexander's HELP Committee Staff, at: robert_moran@help.senate.gov or (202) 224-6770 or Juliana Herman in Senator Bennet's office at: Juliana_herman@bennet.senate.gov or (202) 224-1334