

Here's a financial aid question that I hear a lot: Why should I fill out the FAFSA?

Parents who grumble about completing the FAFSA form usually assume that they have zero chance of qualifying for student financial aid. In my experience, however, most people underestimate their eligibility for student financial aid.

Here then are six reasons to file the FAFSA:

- 1. You might qualify for a Pell Grant.** If you earn a high enough salary, you won't receive a Pell Grant, but many Americans who have been laid off or who are currently underemployed could. Nearly all Pell Grants — maximum amount is \$5,500 — are reserved for families making adjusted gross incomes of \$50,000 or less.
- 2. You might qualify for a state grant.** Many states offer their own financial aid grants and in some cases the financial eligibility ceilings are much higher. You can't qualify for state financial aid awards though without filing a FAFSA.
- 3. You want to qualify for federal student loans.** If you don't file the FAFSA, you won't have access to federal student loans. The federal Stafford loans offer the best interest rates and repayment terms for student borrowers and are vastly superior to private student loans.
- 4. You're divorced.** With divorced parents, the FAFSA only asks about the income and assets of the custodial parent. For financial aid purposes, the custodial parent is the one who has cared for the student for the majority of 2009. If the other parent is the family's big bread winner, a student could qualify for financial aid.
- 5. You will have two or more children in college.** Even if you didn't get any financial aid with one child in college, you should definitely try with two. With two in college, your expected family contribution — what the FAFSA formula concludes that parents can pay — drops by 50%. So if your EFC was \$30,000 for one child, it would drop to \$15,000 for each child when the second one starts college.
- 6. Your money is tied up in your home.** The FAFSA doesn't ask about home equity. So if you are house rich and cash poor, the FAFSA will give you a break.

Lynn O'Shaughnessy is the author of [The College Solution](#), an Amazon bestseller, and she also writes for [TheCollegeSolutionBlog](#). Follow her on [Twitter](#).