

Top 5 Mistakes Parents Make on the FAFSA

Each year more than one million parents complete the Free Application for Federal Student Aid, a necessary step for getting need-based aid and - for some schools - even merit aid. We have discovered five key errors that parents make when completing the FAFSA, potentially costing them thousands in free money in grants and scholarships.

Be sure you don't make the same mistakes!

1. Including retirement funds as parent assets.

While you're able to tap your 401(k) or IRA to pay for college, we don't recommend it, and the government isn't going to consider those accounts when they calculate the EFC, so don't list them. If you do, you'll see your EFC rise unnecessarily.

2. Listing 529 plans as a student asset.

Even if the 529 is FBO (for the benefit of) your child, the Department of Education views them as parent assets, which means they're counted at a lower percentage than if they were a student asset.

3. Not including 529 plans at all.

Yep, 529s are included in the government's calculation of your EFC, so they need to be on there. We highlight this mistake because when a client who's a Department of Education employee neglected to list them on his application, we realized that *even people who work for the FAFSA get things wrong!*

4. Not getting an EFC-reduction analysis *before* submitting the FAFSA.

Do you appreciate when your accountant helps you save on your tax return? That's possible with your EFC as well! A few minutes with a college funding professional before you submit the FAFSA could yield thousands more in grants and scholarships.

5. Not asking when you have questions along the way.

Completing the FAFSA can be a frustrating and confusing process, and there's a tendency to throw up your hands and just click "Submit" to be done with it. But that can be a costly mistake in time, lost aid, or both.

Want to avoid these common mistakes and many others that parents make on the FAFSA? Sign up for your free course and resources at [CompleteMyFAFSA.org](https://www.CompleteMyFAFSA.org)!

The logo features the words "complete my" in a lowercase, orange, cursive font, positioned above the word "FAFSA" in a large, bold, blue, serif font. The entire logo is set against a light gray background with a thin blue border.

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