Chapter 1 – General Student Eligiblity Requirements

This Chapter outlines basic student eligibility requirements related to student financial aid programs administered by the Iowa Department of Education (Iowa College Aid). Specific requirements about individual programs can be found in individual program chapters (see Chapters 4 through 17).

A. Eligible Students

To receive state-funded student financial aid in Iowa, students must be:

- Residents of the state of Iowa (as defined in this Chapter), and
- United States citizens or nationals, or
- U.S. permanent residents, other eligible noncitizens, or citizens of the Freely Associated States: the Federated States of Micronesia and the Republics of Palau and the Marshall Islands (as stipulated for Federal Student Aid eligibility).
    - The All Iowa Opportunity Scholarship requires a student to be a US citizen or national or a U.S. permanent resident.

Undocumented students are not eligible for financial aid programs appropriated by the State of Iowa:

On 2/19/2013, the Iowa Attorneys General Office issued informal advice to Iowa College Aid on the legality of allowing undocumented students access to state-funded student financial aid programs (conclusion shown below).

Homeland Security's implementation of Deferred Action for Childhood Arrivals (DACA) reflects a significant change in policy regarding the enforcement of immigration laws. DACA, however, does not alter the federal government's prohibition on the receipt of state-based aid by individuals who are not qualified aliens, non-immigrants or humanitarian parolees under section 1621. Iowa College Aid continues to be prohibited by federal law from providing state-based aid to undocumented students regardless of their deferred action status.

These general guidelines are consistent with Federal Department of Education requirements provided in Volume 1, Chapter 2 of the Federal Student Financial Aid Handbook. Other general eligibility requirements, consistent with Title IV federal student aid eligibility, are also applicable to state financial aid eligibility.

In addition, applicants must:

- Be currently enrolled or planning to enroll in an undergraduate or graduate degree program that is eligible for federal student aid programs authorized under Title IV of the federal Higher Education Act of 1965.
- Complete required application(s).
- For need-based programs, demonstrate financial need as defined by Iowa College Aid (in Section E of this chapter).

B. Application – Student and Family

To be considered for scholarships and grants administered by Iowa College Aid, Iowa residents (and their parents when applicable) must complete the Free Application for Federal Student Aid (FAFSA). Applications must be received by the Department of Education's FAFSA Processing System (FPS) and the student's Application Receipt Date on the Institutional Student Information Record (ISIR) must be on or before the corresponding state deadline. FAFSAs submitted by mail are still based on the Application Receipt Date on the ISIR (not the postmarked date). The FAFSA serves as an application for the following Iowa College Aid programs:

- Future Ready Iowa Last-Dollar Scholarship
- Iowa Tuition Grant – Not-For-Profit
- Iowa Vocational-Technical Grant
- Kibbie Grant (Iowa Skilled Workforce Shortage Tuition Grant)
- Iowa Workforce Grant

The following programs require completion of both the Iowa Financial Aid Application (IFAA) and the FAFSA. For a complete list of application deadlines, please refer to the specific Iowa Student Financial Aid Guide Chapter for each program or refer to Appendix D.

- All Iowa Opportunity Scholarship
- Education & Training Voucher Program
- Future Ready Iowa Grant
- GEAR UP Iowa Scholarship
- Iowa National Guard Service Scholarship
- Iowa National Guard Master's Scholarship

The following programs require completion of the IFAA only. Application deadlines can be found in the respective chapter(s) of this Guide.

- Iowa National Guard Professional Qualification Scholarship

The IFAA is available on the Iowa Department of Education website. Students are also given the opportunity to link to the IFAA directly from the FAFSA, as long as students list Iowa as their legal state of residence.

Iowa Work-Study applicants are not restricted by FAFSA filing deadlines; however, applicants must file FAFSAs and demonstrate need.

Iowa College Aid encourages students and college/university officials to make all changes and adjustments directly through the FPS. This process can be handled by students updating FAFSA on the web, submitting revised FAFSA Submission Summaries, or by college/university officials submitting updates and/or corrections directly through the FPS.

Iowa College Aid will receive corrections, adjustments, and changes made through the FPS for all Iowa residents. College/university officials must report any changes to student information that affect eligibility for state programs that are not reported through the processor. Iowa College Aid is unable to process revisions provided directly by students to Iowa College Aid.

C. Iowa Residency

Only students who are residents of the state of Iowa can receive state-funded scholarships and grants. This section outlines how Iowa College Aid determines residency status for state financial aid programs. Note that for Iowa National Guard education benefits, Iowa residency is determined by the adjutant General of Iowa (See Chapter 6, section C).

Generally, if an independent student indicates on the FAFSA that they have lived in Iowa since July 1, 2023, and there is no reason to believe otherwise, the student is considered an Iowa resident for purposes of Iowa College Aid administered scholarships and grants.

A student's domicile is presumed to be the same as their parent unless the person is independent and establishes a separate domicile.

If a student comes to Iowa primarily for educational purposes, that student will be considered a nonresident for Iowa College Aid's programs. The burden of proof that the student came to Iowa for reasons other than pursuing an education or that the student has subsequently established Iowa residency falls on the student.

For students that are documented Iowa residents but list a state of legal residence on the FAFSA other than Iowa, the State of Legal Residence on the ISIR must be updated to Iowa and must be submitted to the FPS. The updated ISIR record should be available in ICAPS within two weeks of submitting the update to FPS, and will be available for reporting in ICAPS.

For the 2026-27 academic year, if the student is a documented resident of Hawaii or Alaska, and must remain a resident (due to the Pell Grant calculation using the poverty guideline for the student's family size and state of residence), then you must email a copy of the ISIR via secure email to Iowa College Aid; we will add the student record to ICAPS.

1. Community Colleges

When determining Iowa residency for a given student, the following policies are utilized, although certain exceptions exist (explained below):

Community Colleges – refer to Iowa Administrative Code chapter 281-21, Iowa Community College Uniform Policy on Student Residency Status.

https://www.legis.iowa.gov/law/administrativeRules/agencies

Exception - If the individual qualifies for Iowa resident classification under section in 281—21.2(11)b(5) only, that individual is not considered a resident of Iowa for purposes of state-funded student financial aid.

2. Regent Universities, Private Colleges/Universities, Barber & Cosmetology Schools

Refer to the Board of Regents policy, Iowa Administrative Code, Chapter 681, Section 1.4.

https://www.legis.iowa.gov/law/administrativeRules/agencies

Exception- If the individual qualifies for Iowa resident classification under section in 681—1.4(2)b only, that individual is not considered a resident of Iowa for purposes of state-funded student financial aid.

When determining Iowa residency under the Board of Regents policy, the following guidelines should be considered:

1. Financially dependent students, whose parent(s) move from Iowa after the student enrolls in postsecondary education, remains an Iowa resident throughout terms of continuous enrollment. Students are continuously enrolled if they maintain enrollment throughout the regular nine-month academic year. (Students may reside with parent(s) during the summer unless the course of study requires summer enrollment.)
2. If the parent(s) of dependent students move from Iowa while the students are seniors in high school, the students are considered Iowa residents as long as the students do not establish domicile in another state.
3. Individuals who come to Iowa and enroll in any postsecondary education institution for a full or substantially full program are presumed to have come to Iowa primarily for educational purposes and are not considered to be Iowa residents.
4. Former Iowa residents who leave Iowa for periods of less than 12 months and reestablish domiciles in Iowa are considered to be Iowa residents. If the absences are longer than 12 months, students may be considered residents if they reestablish Iowa domiciles and present evidence showing long-term ties to Iowa. A student who establishes Iowa residency, then moves to another state, can be considered a resident if they provide proof of the continual Iowa domicile.
5. Independent students who move to Iowa may be considered Iowa residents at the next enrollment period following 12 consecutive months in Iowa provided the students have not enrolled as more than half-time students in any academic year term, at any postsecondary institution; are not enrolled for more than 4 credits in a summer or winter term at any postsecondary institution for any classification; and provided evidence of the establishment of an Iowa domicile. The 12 consecutive months need not be the first 12 months students are in Iowa.
6. Continuously enrolled dependent students who are financially dependent upon their parent(s) and whose parent(s) move to Iowa may be considered Iowa residents at the beginning of the next term.
7. Refugees or individuals granted asylum by the government may be considered Iowa residents only if they come directly to Iowa from refugee facilities or ports of debarkation or come to Iowa within a reasonable time and have not established domiciles in other states.
8. Aliens who have immigrant status establish Iowa residency in the same manner as U.S. citizens.
9. American Indians who have origins in any of the original people of North America and who maintain cultural identification through tribal affiliation or community recognition with a tribe or nation connected with the state of Iowa may be considered Iowa residents.
10. Individuals who have received a homeless youth determination may be classified as Iowa residents.

Additional residency determination examples include, but are not limited to the following:

- If a dependent student's parents are divorced/separated and not living together, use the residency of the parent whose data is provided on the FAFSA.
- If an independent student is enrolled and moves out of state, that student is no longer considered an Iowa resident. However, if the student is in the middle of an enrollment term, they are allowed to keep funding for the remainder of the term.
- If an independent student marries an Iowa resident, moves to Iowa, and enrolls in college, colleges/universities should direct the student to complete the Application for Iowa Resident Classification (Appendix E).

3. Residency Application Determination Process

If the student's residency is in question, the financial aid office can provide the student with the Application for Iowa Resident Classification, available in Appendix E. A college can utilize this information to make their own residency determination based on guidance in this chapter or, send the application to Iowa College Aid for review.

a. School Review Only

Once the student completes the Application for Iowa Resident Classification, the application will automatically be emailed to the financial aid office for review. The financial aid office can determine if the application information is consistent with admissions data received from the student and the FAO has the authority to make a determination about the student's residency, documenting it in the student's file and retaining the application as documentation.

b. Iowa College Aid Review

If the financial aid office is unable to make a determination about the student's residency, they must review the data on the application for completeness and accuracy then add comments in the appropriate section (including providing any corrections to student data) and sign the application. Once the college/university section is complete, the form will automatically be routed to Iowa College Aid.

Iowa College Aid staff will review individual student cases only if the Application for Iowa Resident Classification is signed by the financial aid office; applications that arrive without a college/university signature will be disregarded. When our staff determines the student's residency, Iowa College Aid will send a written determination to the financial aid office.

D. Enrollment

The number of enrollment hours required to qualify for assistance varies by program. Information concerning specific enrollment criteria is provided in each respective program chapter of this Guide. For all awards, college/university officials must maintain documentation verifying Iowa aid recipients' enrollment status and report the correct enrollment status in ICAPS.

Only courses that fulfill a requirement under the student's eligible certificate/degree program can be included in the credit hours used to calculate a state scholarship/grant award.

Similar to rules for the Federal Pell Grant, state scholarships/grants can pay only for courses and credit hours that a student actually attends. If a student never began attendance in a course that was used to calculate a state award, the state scholarship/grant award must be recalculated.

Consortium Agreements/Study Abroad

When a student is enrolled for a term via a consortium agreement or a study abroad program, state aid can be used toward the cost of attendance when:

- The student is enrolled at an eligible home institution in Iowa.
- The home institution awards financial aid and reports enrollment and state aid disbursements in ICAPS.
- All courses included in the enrollment status used to calculate state aid eligibility meet credit requirements within the student's program of study.

- The student pays tuition for the courses at the home institution.

E. Determination of Need

Iowa financial need is defined as the difference between the student's cost of attendance (COA) and the Student Aid Index (SAI) as calculated by the FPS using the information provided on the FAFSA. In most cases, students must meet the SAI criteria for state program eligibility, in addition having financial need, in order to qualify for state need-based aid.

Determining financial need: COA – SAI = financial need

Students can receive state need-based aid as long as it, in combination with other forms of need-based aid received, does not exceed the student's calculated financial need.

Students can receive state aid that is not based on financial need as long as all sources of aid received do not exceed the COA.

Federal veteran's education benefits, foster care benefits received under Title IV, Part E, of the Social Security Act; and emergency financial assistance that is excluded from other financial assistance (OFA) in the calculation of federal student aid will be excluded from OFA when calculating state financial aid programs administered by Iowa College Aid, except where otherwise indicated (ex. ETV is required to be applied in the calculation of a Last-Dollar Scholarship). Also, the Yellow Ribbon Program, a provision of the Post-9/11 Veterans Educational Assistance Act of 2008, allows institutions of higher learning to enter into agreements with the Department of Veterans Affairs (VA) to fund tuition expenses that exceed the maximum amount covered under the Post-9/11 GI Bill. Colleges/universities that volunteer to participate in the Yellow Ribbon Program must provide institutional contributions to eligible students. Institutional contributions provided by a participating college/university should not include state financial aid funding administered by Iowa College Aid.

In accordance with Iowa Code Chapter 12D.7, students, parents, and college/university officials may request that an SAI be recalculated by Iowa College Aid if the student or family was required by the federal Department of Education to include information about an Iowa 529 plan on the FAFSA. Iowa 529 plan proceeds are not to be included when determining eligibility for state-funded aid. College/University officials may request an SAI recalculation based on a 529 plan by emailing grants@iowacollegeaid.gov.

F. Professional Judgement

College/university officials must use sound judgment and detailed documentation when reviewing special cases for possible adjustments to the SAI, especially when judgments affect Iowa aid eligibility. College/university officials should maintain policies and procedures that govern their use of Professional Judgment, in accordance with guidance provided in the U.S. Department of Education's Federal Student Aid Handbook.

G. Interim Disbursements and Verification

For students selected for federal verification, one disbursement of state-funded student financial aid may be made prior to completing the verification process as long as college/university officials have no reason to believe application information is inaccurate. If students become ineligible for aid due to verification activities, refunds must be made to state-funded programs.

When projected income (income in the year the student begins school) is used, college/university officials must collect and review income documents and use new documented income to recalculate student SAIs and verify student eligibility. New SAIs must be calculated based on the actual base year income and must be completely documented in student files.

If a student is found to be ineligible for Iowa aid based on information collected and the new SAI calculation, college/university officials must provide updated student disbursement information in ICAPS. Iowa College Aid administered scholarships and grants must be returned to Iowa College Aid, and future awards for the student must be made based on final SAI calculations.

H. Restrictions

1. Defaulted Loans & Overpayment

Students receiving state-funded student financial aid must not be in default on any federal education loan or owe a repayment on any Title IV grant assistance or state award (this includes exceeding NSLDS loan limits).

After loan defaults/overpayments have been resolved, college/university officials may provide Iowa financial aid awards. Documentation of resolved loan defaults/overpayments must be maintained in student files. If the student's information in NSLDS or on the ISIR shows no federal student loans in a default status, or if the institution receives a default clearance letter, that student may qualify for state scholarships and grants.

If an initial disbursement of state aid is made to the student and a subsequent ISIR is received with a default/overpayment flag, the student can keep the initial disbursement that was made prior to the school being notified of the default, but all future state aid payments must be canceled until the default/overpayment is resolved.

2. Satisfactory Academic Progress

Students must be making Satisfactory Academic Progress (SAP) as defined by college/university standards. Students not meeting the college/university's SAP policies may not receive state financial aid. Retroactive awards cannot be made when students achieve SAP standing.

3. Ineligible Course Work

The repeat coursework policy for state financial aid mirrors the Federal Student Aid policy. If a student is retaking coursework and qualifies for Federal Student Aid for that coursework, the student also qualifies for most state aid, with exceptions noted below.

Iowa Code under the Iowa Vocational Technical Tuition Grant and the Kibbie Grant specifies that in certain situations, colleges cannot pay a student for repeated coursework. Those stipulations are provided below:

"A qualified full-time student may receive…tuition grants for not more than four semesters or the trimester or quarter equivalent of two full years of study...if a student resumes study after at least a two-year absence, the student may again be eligible for the specified amount of time, except that the student shall not receive assistance for courses for which credit was previously received."

The definition of 'courses for which credit was previously received' is a completed course for which a college awarded credit (for example, a passing grade).

Students also may not apply state funds toward courses to be completed through life experience credit, credit by examination, or correspondence study.

I. Appeals

1. Student

Students may appeal Iowa College Aid rules and/or application deadlines by providing a written explanation of the issue and related circumstances to grants@iowacollegeaid.gov. Iowa College Aid staff will use the procedures outlined at https://educate.iowa.gov/higher-ed/financial-aid/scholarships-grants/state-financial-aid-awards-appeals.

Students who received awards that require continuous enrollment and continuous receipt, and who have had their scholarship or grant revoked due to not meeting those requirements, may use the Continuous Enrollment Waiver (See Appendix F) to appeal continuous enrollment. Submission of the Continuous Enrollment Waiver is initiated by the institution. For more information on the waiver and process, please refer to Chapter 4 (AIOS), Chapter 10 (Future Ready Iowa Grant) and Chapter 15 (LDS).

2. Institution

A college/university may appeal a missed reporting deadline by submitting a Filing Deadline Appeal Form. If the appeal is approved, a college/university will be authorized to add or increase scholarship and grant disbursements following a term's final reporting deadline.