INVESTMENTS vs ASSETS

(2027-28 FAFSA)

This information is provided to help clarify the following financial terms when filling out the 2027-28 *Free Application for Federal Student Aid* (FAFSA) [*based on the most recent information from the U.S. Department of Education as of 6/9/26 and is subject to change].*

Investments vs. Assets

The following types of investments/assets may need to be reported on your 2027-28 FAFSA:

- Real Estate *(do not include the home in which your parents live)*
- Rental property *(includes a unit within a family home that has its own entrance, kitchen, and bath rented to someone other than a family member)*
- Vacation home(s)
- Trust Funds
- Money Market Funds
- Mutual Funds
- Certificates of Deposit
- Stocks and Stock Options
- Bonds and Other Securities
- Installment and land sale contracts *(including mortgages held)*
- Tax shelters
- Accounts designated for the student's benefit (including qualified education benefits, or education savings accounts such as Coverdell savings accounts, 529 college savings plans, and the refund value of 529 prepaid tuition plans)
    - Note: Qualified education benefits or education savings accounts must be reported as an asset of the parent if the student is considered a dependent on the FAFSA form.
        - f the student is considered an independent student on the FAFSA form, the education benefit or savings account is reported as an asset of the student.
- Uniform Gifts to Minors Act (UGMA) and Uniform Transfers to Minors Act (UTMA) accounts
    - UGMA and UTMA accounts are considered assets of the student and must be reported as an asset of the student on the FAFSA, regardless of the student's dependency status.

The following types of investments/assets are NOT to be reported on the 2027-28 FAFSA:

- Home in which you/your parents live
- Cash *(already reported elsewhere on the FAFSA)*
- Savings and checking account balances *(already reported elsewhere on the FAFSA)*
- Value of life insurance, ABLE accounts, and retirement plans [401(k) plans, pension funds, annuities, non-educational IRAs, Keogh plans, etc.]
- UGMA and UTMA accounts for which the student is the custodian, but not the owner, or the value of qualified education benefits or education savings accounts that are for the benefit of the parent's other children (not the student).
- The value of a business, farm, or commercial fishing operation

Examples

Example 1:

- You own (and if married, your spouse owns) an investment property valued at $100,000
    - However, $75,000 in debt is owed on the property
        - The net worth of the investment is $25,000 ($100,000 - $75,000 = $25,000)
- If you own (and if married, your spouse owns) multiple investments, total the net worth amounts and report them as a lump sum.

Example 2:

- You own (and if married, your spouse owns) two investment properties.
    - The first investment property is valued at $100,000.
        - The debt that is owed on the property is $110,000.
            - To calculate the net worth, perform the following calculation:
                - (Value of Property) minus (Debt Owed on Property) = net worth
                    - $100,000 - $110,000 = –$10,000
            - The net worth of this first investment property is $0, not negative value of $10,000.
    - The second investment property is valued at $200,000.
        - The debt that is owed on the property is $100,000.
            - (Value of Property) minus (Debt Owed on Property) = net worth
                - $200,000 - $100,000 = $100,000
            - The net worth of this second investment property is $100,000.
- If the net worth of the first investment property is $0 and the net worth of the second investment property is $100,000, then the amount to be reported for both properties is $100,000.

For more information, or for assistance completing the 2027/2028 FAFSA, please visit uwde.org/fafsa, dial/text 211 and ask for "Stand By Me NexGen," or email Cory Dunt (SBM NexGen Director) at cdunt@standbymede.org.