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I previously submitted a public comment concerning the impact of the early withdrawal of savings causing Schedule 1 to be required and thereby making the applicant ineligible for the simplified needs test.

I am following up with a related comment. Schedule 1 is also required when someone received jury duty pay. In effect, this penalizes applicants for performing a civic duty. So, perhaps this too should be added as an exception.

A fresh comment concerns the exclusion of whole life and cash value life insurance from assets on the FAFSA. There is no statutory basis for this, as 20 USC 1087vv(f)(1) specifically includes trusts and tax shelters as assets, and nowhere does it exclude life insurance from the definition of assets. Likewise, the regulations do not provide that whole life and cash value life insurance should be excluded from assets. Nevertheless, this exclusion of life insurance from assets causes significant harm to families, as life insurance salespeople encourage families to liquidate their assets to invest in such life insurance policies, policies that few consumers understand, but which carry high fees, high surrender charges and lousy returns on investment. These policies benefit the salespeople more than they benefit the family.