

Q&A with Federal Student Aid about Rapid Rehousing

This Q&A is between Dr. Sara Goldrick-Rab and Federal Student Aid (facilitator: Jenna Sablan, ED) and took place electronically the week of January 13, 2025.

Question: Can [state-funded rapid rehousing support](#) be counted as “emergency financial assistance” and excluded from Other Financial Assistance (OFA)?

Background: The FAFSA Simplification Act achieved something great for students by [excluding emergency aid](#) from OFA. Prior to that, students getting emergency aid were often penalized with the loss of other financial aid or outright denied help for lack of room in their aid package. But the question of what constitutes emergency financial assistance is increasingly complex, particularly as states begin providing subsidized services as emergency aid.

Case in point: Homeless students in CA are getting important help from a state-funded rapid rehousing program. But some students are being denied that support and/or their financial aid is being reduced because the financial aid administrators claim that rapid rehousing dollars do not equate with emergency assistance. They say this based on their understanding of these EA criteria:

- Grant or loan aid (whether institutional funds or aid from some other non-Title IV source) — they claim RR is neither
- For “unexpected” expenses— they claim rent can’t be unexpected

I believe the clear intent of the law is to allow students to get basic needs support like RR without penalty. But until this issue is clarified, some of the most vulnerable students are being denied essential housing support.

Answer from FSA:

“The rapid rehousing grant/program does not appear to have consistent or “across the board” eligibility, purposes, or use. Schools should consider the information available to them regarding the student’s circumstances, and the purpose of the rehousing grant the student received to determine whether the funds are OFA. For example, if the student receives the funds to help pay for housing cost like any other student that receives a grant or scholarship to pay for the housing cost included in the student’s cost of attendance, than the rehousing grant would be considered OFA. However, if the students receive the funds as part of an emergency event, or if the grant is part of the rehousing programs structure for education and preparation for transitioning to housing rather than the housing itself, than the school *may* determine that the student’s receipt of the grant is not OFA.”

Dr. Goldrick-Rab's Conclusion:

Rapid rehousing assistance aims to quickly assist people experiencing homelessness by providing temporary financial assistance to secure permanent housing, along with supportive services to help them stabilize their living situation and prevent them from returning to homelessness.

There is strong evidence that homelessness meets the definition of an *emergency*, and many cities, organizations, and agencies treat it as such because it brings significant health risks, social impacts, and potential for life-threatening situations:

- People experiencing homelessness are at a significantly higher risk of health issues like exposure to infectious diseases, and mental health complications
- Homelessness can disrupt families, limit educational opportunities, and contribute to social isolation.
- People experiencing homelessness are often more vulnerable to violence, abuse, and exploitation.

In addition, rapid rehousing is clearly directed at the *transition to housing*.

For those reasons, financial aid offices at institutions seeking to address students' basic needs should be actively encouraged and supported to follow FSA's guidance above and exclude the rapid rehousing assistance from OFA.