


**Professional Judgment
TASFAA 2011**

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Authority to Make Professional Judgment Decisions

- ▶ Section 479A of the Higher Education Act
- ▶ No specific regulations - US DOE is prohibited from making regulations
- ▶ Some general guidance and clarification provided in the Student Aid Handbook and in various Dear Colleague Letters



Areas for Consideration

- ▶ Dependency override - dependent to independent
- ▶ Calculation of EFC through data element change
- ▶ Cost of Attendance
- ▶ SAP appeal
- ▶ Unsubsidized Loan eligibility



The "Rules"

- ▶ Professional judgment decisions should be made for uncommon unusual circumstances
- ▶ Decisions must be made for individual students - not for a class of students

The "Rules"

- ▶ Decisions must be adequately documented and the documentation must be retained as part of the student record
- ▶ Cannot use professional judgment to waive general eligibility requirements

Dependency Override

- ▶ FAO has the authority to override the automatic independent criteria in specific documented situations
- ▶ Dependency overrides may be considered for students who are removed from parents' home, experienced abuse, are unable to locate a parent after reasonable attempts, etc.

Dependency Overrides

- ▶ FAO must document the situation including support from a third party
- ▶ Third parties could include:
 - Counselors or teachers
 - Clergy
 - Government agencies
 - Court documents
 - Medical personnel
 - How much documentation is appropriate?

Dependency Overrides

- ▶ You cannot use professional judgment to make an independent student dependent
- ▶ You must review the student's request annually and reaffirm that the student's situation has not changed

Dependency Overrides

- ▶ Beginning in 2009-2010 - a school may accept the dependency override that was performed and approved by another school - no additional documentation required (CCRAA)
- ▶ The school must collect its own documentation to renew the dependency override for future years

Dependency Overrides

- ▶ Specifically prohibited reasons to grant an override:
 - Parents refuse to contribute
 - Parents are unwilling to provide information
 - Parents do not claim the student as a dependent on the federal income tax return
 - Student has resources to be self-sufficient

Dependency Overrides

- ▶ Example

Need Calculation

- ▶ FAO may change specific data elements within the needs analysis formula such as AGI, untaxed income, household size, asset information, etc.
- ▶ FAO may not change:
 - Formula itself
 - Adjust the EFC without a calculation

Need Calculation

- ▶ EFC adjustment is only valid at the school who made the determination
- ▶ FAO must use a newly calculated EFC for all federal financial aid programs

Need Calculation

- ▶ Situations to consider
 - Loss of job (income)
 - Death/divorce of parents or student
 - Medical and dental expenses not covered by insurance
 - Elementary and/or secondary tuition costs

Need Calculation

- ▶ Situations to consider continued:
 - Homelessness
 - Reduction in income due to reduced work hours or cuts in pay
 - Parent in college
 - Dislocated worker status (parent, student, or spouse)
 - Other situations that impact the student's ability to pay for his/her education

Need Calculation

- ▶ Situations that are not "unusual"
 - Standard living expenses – 2 car payments and a house payment are not "special"
 - Regular consumer debt
 - Routine expenses of running a household (regular home repairs, utilities, pool maintenance)
 - Moving expenses – maybe/maybe not

Need Calculation

- ▶ FAOs are encouraged to consider special circumstances during the current economic downturn
 - Realities
 - Institutions may not have more funds to award
 - Students may have borrowed full annual maximum awards, so there is nothing else left to award to them
 - When might such a consideration make sense even if you have no more need based aid to offer?

Need Calculation

- ▶ Example

Cost of Attendance

- ▶ Cost of attendance categories
 - Tuition and fees
 - Room and board
 - Books and supplies, computer allowance
 - Transportation
 - Miscellaneous/personal expenses
 - Dependent/child care

Cost of Attendance

- Loan fees
- Study abroad expenses
- Cost of obtaining a first professional license or credential
- Disability related expenses for reasonable accommodations

Cost of Attendance

- ▶ Must document the reason for changing a standard COA element
- ▶ Examples of documentation:
 - Actual tuition and fees expenses from your Student Financials information
 - Medical, dental bills not reimbursed by insurance
 - Pay stubs, termination letters, lay off notices
 - Statement indicating the cost of child care

Cost of Attendance

- ▶ Example

Consideration

- ▶ When is it appropriate to change a data element and recalculate the EFC?
- ▶ When is it appropriate to increase COA?
- ▶ What is the advantage of one over the other?

SAP Appeals

- ▶ If the school allows SAP appeals, student must complete an appeal and present documentation supporting the reason(s) why he/she did not meet the criteria and what has changed to allow future success
- ▶ School must follow allowable SAP guidance
- ▶ Must be reviewed on a case by case basis

Unsubsidized Loan Eligibility

- ▶ Dependent students may be offered unsubsidized loans without parental data on the FAFSA if the FAO verifies:
 - Parent no longer provides financial support
 - Parent refuses to file the FAFSA
 - FAO must collect a signed statement from the parent affirming that the above is true and that they will not provide support in the future

Points to Ponder

- ▶ Not making a professional judgment decision is making one
- ▶ It is okay to decide that certain situations qualify for a professional judgment review as long as each student in that situation is reviewed individually and each decision is made individually
- ▶ Be consistent

Points to Ponder

- ▶ Your decision may differ from someone else's decision – that's okay!
- ▶ Professional judgment is a privilege that should be exercised with care
- ▶ Professional judgment doesn't always mean "yes" nor does it always mean "no"

Points to Ponder

- ▶ Once a professional judgment decision has been made, the decision, who made it, and the date should be retained with the other documentation the student provided.
- ▶ The student should be notified once the decision has been reached – even if the answer is no.

Questions?

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