


New Aid Officer Workshop



April 10-12, 2024 · Great Wolf Lodge · Dallas/Grapevine

A stage with red curtains and a yellow spotlight. The text is centered on the spotlight.

Act 5:

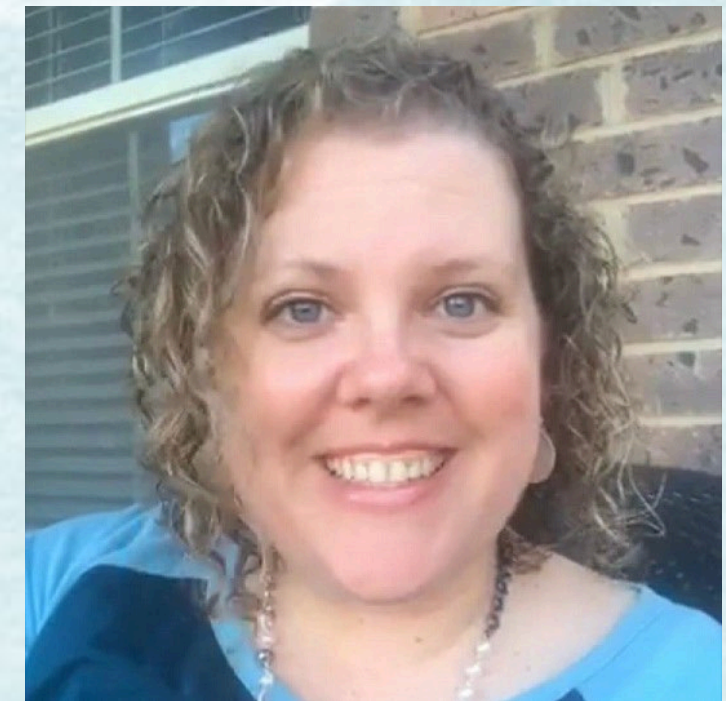
Professional
Judgment

Presenters



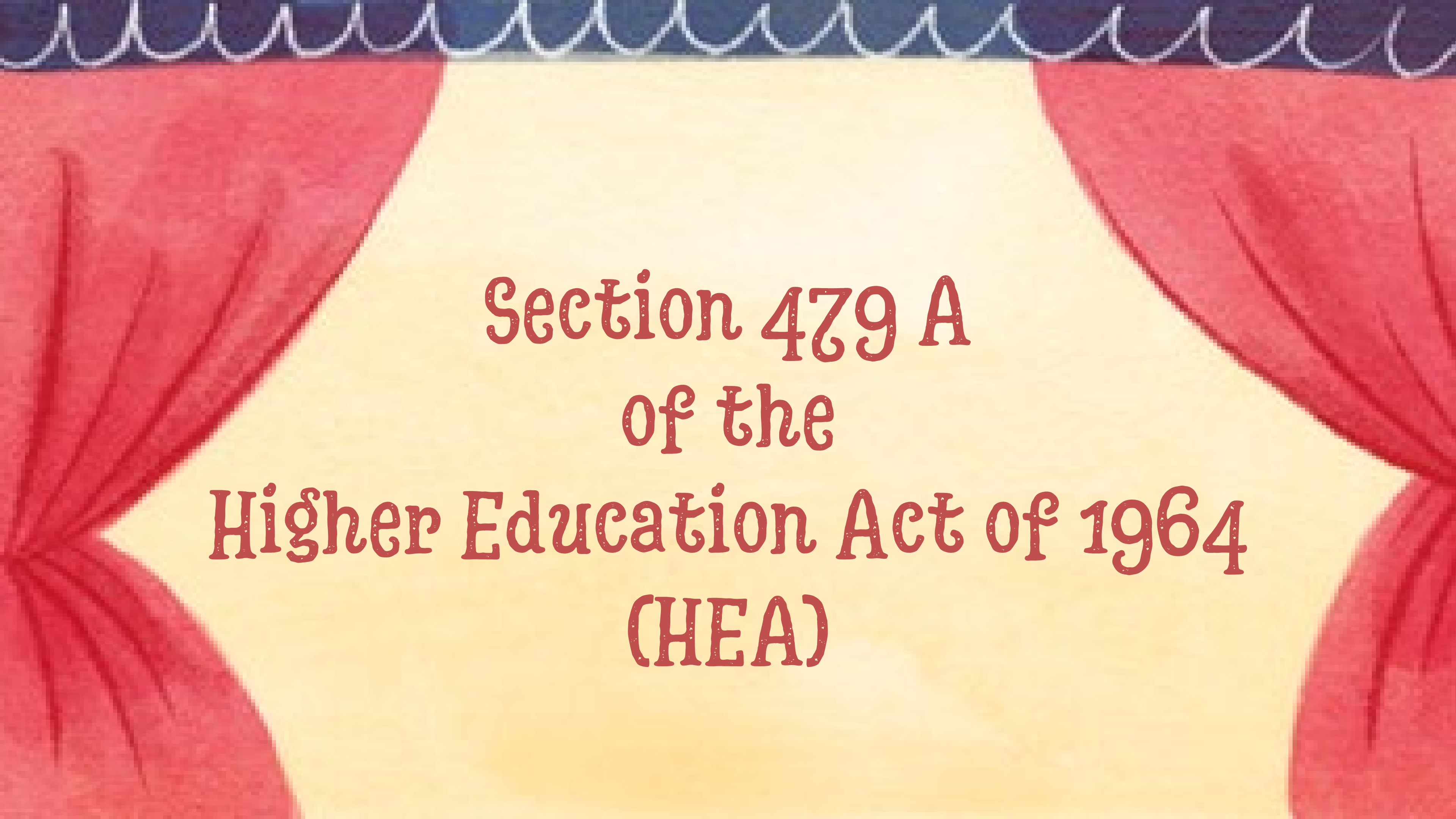
Ilaria Puente

**Associate Director of Financial Aid
Rice University**



Melissa Jones

**Assistant Director of Financial Aid
University of Mary Hardin-Baylor**



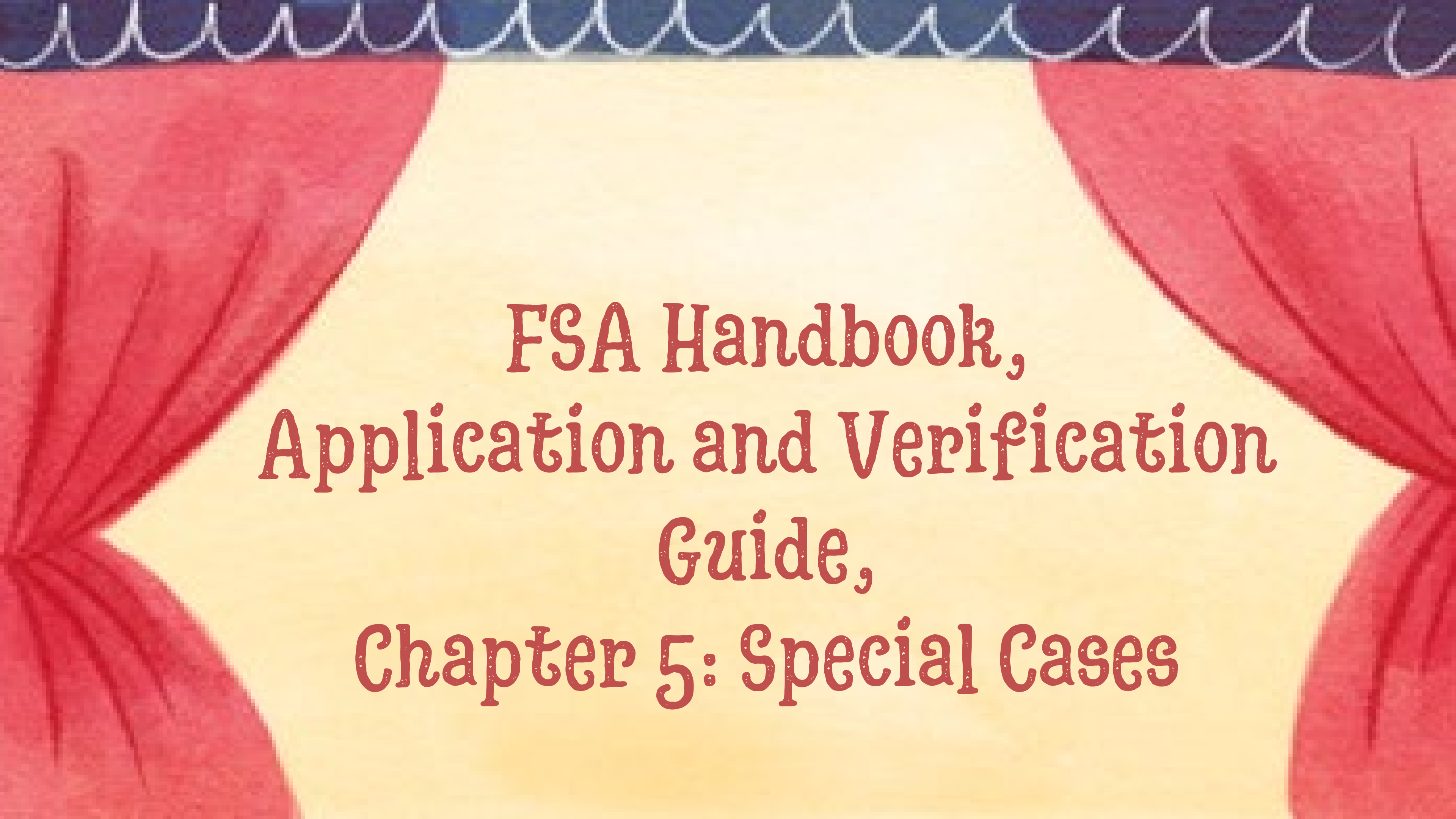
Section 479 A
of the
Higher Education Act of 1964
(HEA)



FAFSA

Simplification Act

DCL GEN-22-15



**FSA Handbook,
Application and Verification
Guide,
Chapter 5: Special Cases**

Professional Judgement

What

Exercise
discretionary action
for unusual
circumstances

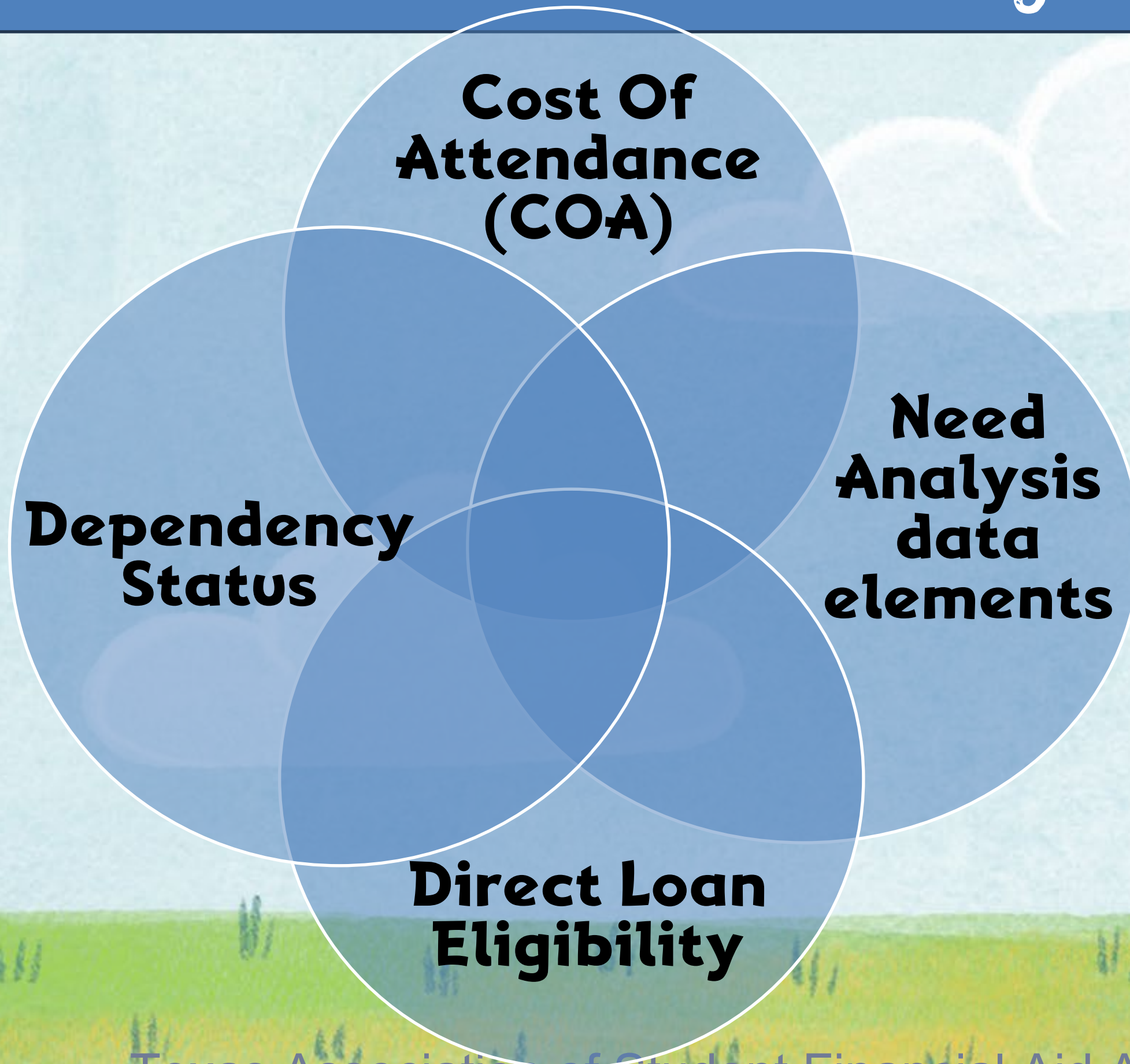
When

On a
case-by-case
basis

Why

The FAFSA is a
snapshot
of a student's financial
situation

PJ Authority



Principles of PJ

- ❖ **Subjective Nature**
 - No right or wrong answer
- ❖ **Case-by-Case Decisions**
 - Not Across the board
- ❖ **Fully Documented Decisions**
 - You can use any supplemental information you deem necessary. Documentation should be included.
- ❖ **Financial Aid Advisors Own Decision**
 - An institution may not accept a PJ made for the same student at another institution. The decision must be your own.
 - You must collect documentation and arrive at your own conclusion



Consider the Following Questions

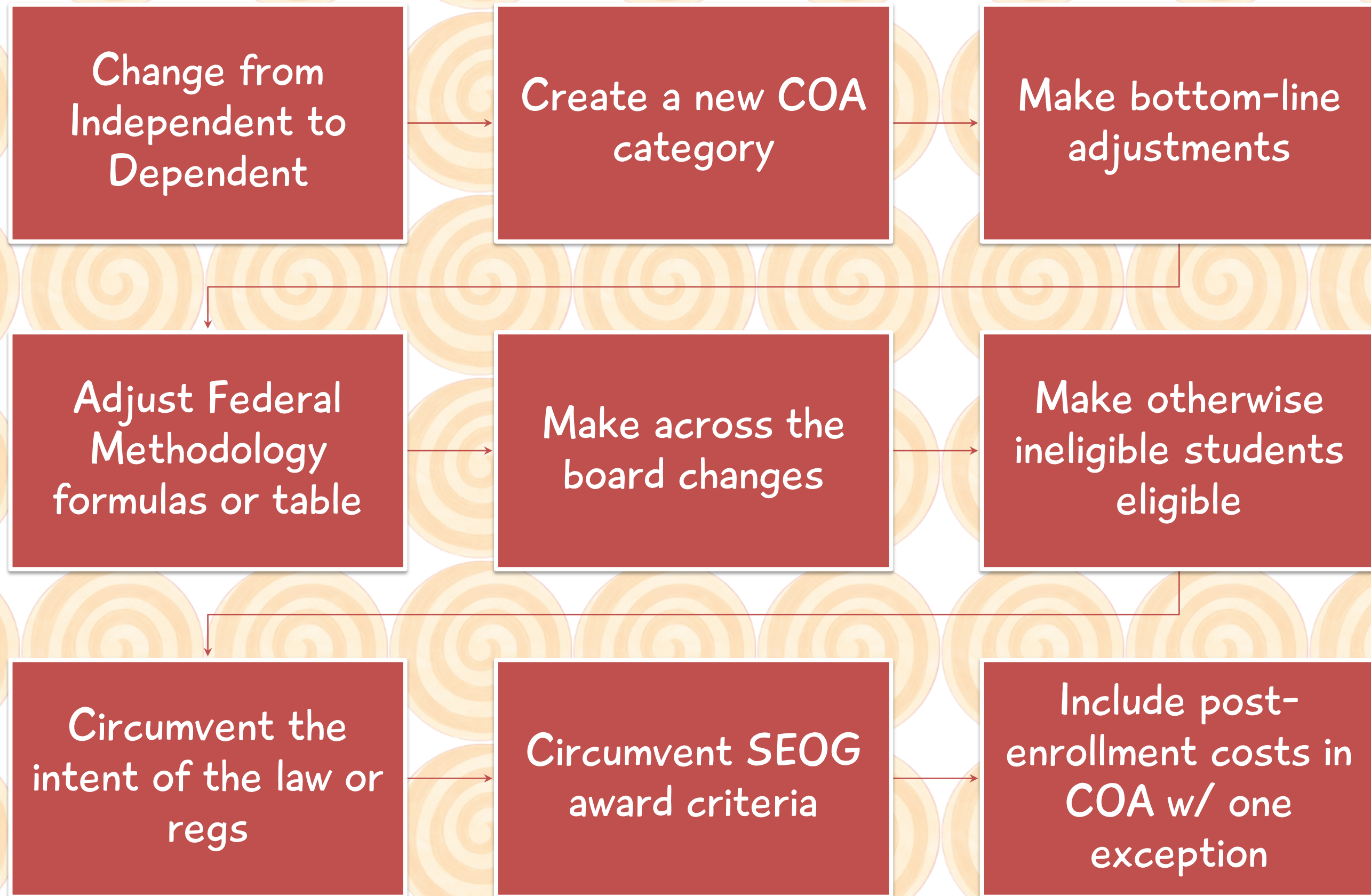
Is the student or the student's family experiencing special circumstances not dealt with adequately in the need analysis formula, or by other Title IV provisions for which the use of PJ is permitted?

Does the special circumstance warrant special treatment because it affects the student's or family's ability to contribute toward the cost of the student's education, or otherwise affects the student's ability to complete his or her program of study?

What should the special treatment be?

What documentation is needed to support the determination?

Areas Where PJ Does Not Apply



PJ & FAFSA Simplification

Special circumstances – refers to financial situations that warrant an update to COA components or data elements of the EFC

Unusual circumstances – conditions that justify an update to the student's dependency status



New PJ Policies

May not maintain a blanket policy of denying all PJ requests

Must develop policies and processes for reviewing PJ requests

Must publicly disclose ability for applicants to request PJs for special or unusual circumstances

Process and Communication Requirements

Provide information on process, requirements, and reasonable timeline for reviewing dependency determination requests

Provide final determination of dependency status and financial aid award **ASAP** after reviewing documentation

Retain all documentation, related to determinations for at least **3** years after student's last period of enrollment

Presume any student who obtained determination of independence to be independent for each subsequent award year at same institution

Special Circumstances



- ❖ **Change in employment status, income, or assets**
- ❖ **Change in housing status**
- ❖ **Child or dependent care expenses**
- ❖ **Medical/dental expenses not covered by insurance**

Special Circumstances



AGI



Wages Earned



Taxes Paid



Number in Household



Number in College*



Additional Financial Information



Untaxed Income



Dislocated Worker Status



Documenting Special Circumstances

Documented interview between student and FAA

Statements from students, parents, spouses, or third parties

Federal tax information such as IRS tax returns and W-2s

Court/legal documents

Other supplementary information on the applicant's financial status or personal circumstances

Unusual Circumstances

Unusual
circumstances
do not
include:

- **Parents refuse to contribute to the student's education**
- **Parents refuse to provide information for the FAFSA**
- **Parents do not claim the student as a dependent for income tax purposes**
- **Student demonstrates total self-sufficiency**

Unusual Circumstances

Unusual
circumstances
that can
be considered:

- **Human trafficking**
- **Legally granted refugee or asylum status**
- **Parental abandonment or estrangement**
- **Parental incarceration**
- **Contact with parents poses a risk**

Dependency Overrides

- May override a student's dependency status for unusual circumstances

- Dependent -> Independent
- Cannot go from Independent -> Dependent

Beginning with the 2023-2024 award year, FAAs may use a dependency override made in a prior award year at the same institution

Institutions can presume a student with a dependency override is independent in subsequent years unless the student tells you their situation has changed, or you have conflicting information



Dependency Override Documentation



- Signed statement from the student explaining the student's situation with parents
- Letters from third parties familiar with the situation
 - Teacher
 - Counselor
 - Medical authority
 - Government agency
- Student's income tax return if student worked
- Court documentation

Dependency Override Process

Student submits the FAFSA without parent information

Financial Aid Office collects supporting documents from student to review situation

APPROVED

Financial Aid Office determines if student qualifies for dependency override

Student contacts college's Financial Aid Office to notify of **unusual** circumstance

Financial Aid Office determines if student qualifies for dependency override

DENIED

Student must submit FAFSA with parent information

Decision Timing

Schools must review all requests for dependency determination ASAP; no later than 60 days after the student enrolls



Unusual Circumstances on the FAFSA

2023–24

- Indicate unusual circumstances; request independence determination with school

2024–25

- Indicate unusual circumstances; submit application under provisional independent status
- Receive provisional Student Aid Index (SAI), subject to school's final determination

The image features a stylized illustration of a stage. At the top, there is a dark blue scalloped border. Below it, red curtains are drawn back to reveal a bright yellow spotlight shining on a central area. The word "Scenarios" is written in a dark red, serif font with a dotted texture, centered within the spotlight.

Scenarios

Scenario 1: Janice



Janice works for Blue College. A student submitted a request to consider a documented out-of-pocket medical expense for a recent surgery. Janice rejected the student's request because Blue College has a policy of denying all PJ requests.

Q: Is Blue College's policy to deny all PJ requests valid?

Q: Is the student's request an example of a special or unusual circumstance?

Scenario 2: Megan

Megan also works at Blue College. An independent student lost his job in April 2023 due to an economic downturn in his state. He requests that Megan consider his request for a PJ for the 2023-24 award year. The student submitted his unemployment paperwork to Blue College.

Q: What is one change Megan can make to the student's FAFSA as part of her PJ determination?



Scenario 3: John

John is reviewing the FAFSA for a dependent student who reported that he was unable to provide parental information on his FAFSA.

Q: What three pieces of information John must provide the student?

Q: What is the reasonable timeline for his review?

Q: If a student received a determination of independence this year, can they be considered independent next year?



Scenario 4: Allie



Allie is a dependent student at Blue College. She is requesting a PJ for a high, unexpected medical expense not covered by her insurance. She provided supporting documentation. Allie was selected for verification.

Q: Which must Blue College complete first? PJ or verification?

Scenario 5: David



David's father died in a car accident when David was 8. In the 10 years since his relationships with his mother and stepfather have been rocky. On his 18th birthday, David was cut off financially and thrown out of the house. He has been crashing on the couches of friends. He has a trust fund but cannot access it until he has completed a four-year degree or he turns 25, whichever comes first. David wants to attend your school in the fall but does not have the financial means.

Q: Does David's situation qualify him for a dependency override?

Q: What documentation would you request?



PJ Activity

Birds of a Feather...

Let's move into 4 groups based on your institution:

- 4 Year Public Schools
- 2 Year Public Schools or Technical Schools
- 4 Year Private Schools
- Proprietary Schools

Scenario

Jerald, a dependent student, is a beginning freshman. His mother, Evelyn, was laid off work and has been unemployed for two years. She has decided to return to school to get a master's degree in Interior Design with a concentration in Visual Merchandising. Evelyn will attend classes full-time. She wants to be added to the number in college on Jerald's FAFSA.

- Could you use PJ to include Evelyn in the number in college? Yes or No
- If so, what documentation might be collected to support your PJ decision?
- Documentation may include, but is not limited to, documentation of tuition charges, proof of enrollment status from Evelyn's school, and documentation that the parent has been laid off work.

Scenario

Pryanka's parents called with extenuating circumstances. They had taken out a one-time IRA payment to pay off some outstanding debt and they also pay tuition for their younger children to attend private school. Would you make an adjustment?

- Can a loss of income be done for Pryanka? **Yes or No**
- If yes, what documentation would you request?

Scenario

Oliver's father died in a car accident when Oliver was 8. In the 10 years since, his relationships with his mother and stepfather have been rocky. On his 18th birthday, Oliver was cut off financially, and thrown out of the house. He has been crashing on the couches of friends. He has a trust fund but cannot access it until he has completed a four-year degree, or he turns 25, whichever comes first. Oliver wants to attend your school in the fall but does not have the financial means.

- Under Title IV statute, is Oliver independent? **Yes or No**
- Can a dependency override be done for Oliver? **Yes or No**
- If yes, what documentation would you request?

Examples could include a signed statement from Oliver, a letter from a third-party familiar with the situation, and/or the obituary for his father. Alternatively, the school may determine he is an unaccompanied homeless youth, in which case a dependency override would not be required.

Scenario

John has lived with his Uncle and Aunt since he was 12 years old. His mother has mental health issues and his dad is incarcerated. He is graduating from high school in the Spring and needs to complete his FAFSA to attend the local community college.

Under Title IV statute, is John independent? **Yes or No**

Should John use his Uncle and Aunt's information for the FAFSA? **Yes or No**

Can a dependency override be done for John? **Yes or No**

If yes, what documentation would you request?

Examples could include a signed statement from Oliver, a letter from a third-party familiar with the situation such as a high school counselor or pastor from their church, documentation from TDC of his father's incarceration, and letters from his Uncle and Aunt.

Scenario

Chris, Timothy, and John are brothers and attending the same school at the same time. Their mother has called the financial aid office several times about the possibility of doing a loss of child support PJ. Upon review, it is determined that the three students have been selected for verification due to the individual differences reported on the FAFSA regarding custodial parent on subsequent FAFSA years. Each student's scenario was slightly different (mom-dad-dad; mom-dad-mom; dad-dad-mom). While collecting information to complete verification, the financial aid advisor learns the following:

1. Mom and Dad were divorced 10 years ago, and Mom is still trying to sue Dad for financial support for various things.
 2. Dad is remarried, living in a different city, and is paying for the three students' school bills entirely.
 3. The students' custodial parent changes due to the fluctuating nature of their individual relationship with their mother in a given year. Mom has been known to manipulate the kids in order to get what she wants out of Dad.
- Would your school a loss of income PJs for Chris, Timothy, and John? **Yes or No**
 - If yes, what documentation would you request?

Scenario

Ari wants to stop including mother's information on the FAFSA, even though she would be considered the FAFSA parent. The student only speaks with her mother once a year in March, when her mother reaches out to collect the student's SSN for income tax purposes. Student explains that her mother is a gambling addict, has no permanent address that they know of, and needs to cut her mother off so that she doesn't end up using the student's information (SSN) for fraudulent purposes. Student has lived with other relatives over the years, but no legal action was ever taken to put the student into a conservatorship, etc.

- Would your school consider a dependency override for Ari? **Yes or No**
- If yes, what documentation would you request?

Scenario

Mauricio comes in and would like to discuss options on dependency override. He informs the advisor that his parents are verbally abusive to him because of a family secret he exposes to the police about his childhood with his uncle. He has only been out of communication with them for a year, and they wish to have nothing to do with him. Yet, the mother still pays for the student's health insurance. He provided supporting documentation from a teacher, a close family friend, and a sister.

- Does Mauricio use his parent's information for the FAFSA? **Yes or No**
- Can a dependency override be done for Mauricio? **Yes or No**
- If yes, what documentation would you request?

Scenario

Cherish originally completed the FAFSA indicating she had a special circumstance and did not provide parental income. Her mother passed away from COVID and her father has never been in the picture. The student also inherited the mother's 3 bedroom, 2 bath house that was completely paid off and receives a monthly benefits payment of about \$1800.00 a month. What would you do in this situation?

- Would your school consider a dependency override for Cherish? **Yes or No**
- If yes, what documentation would you request?

Closing Questions

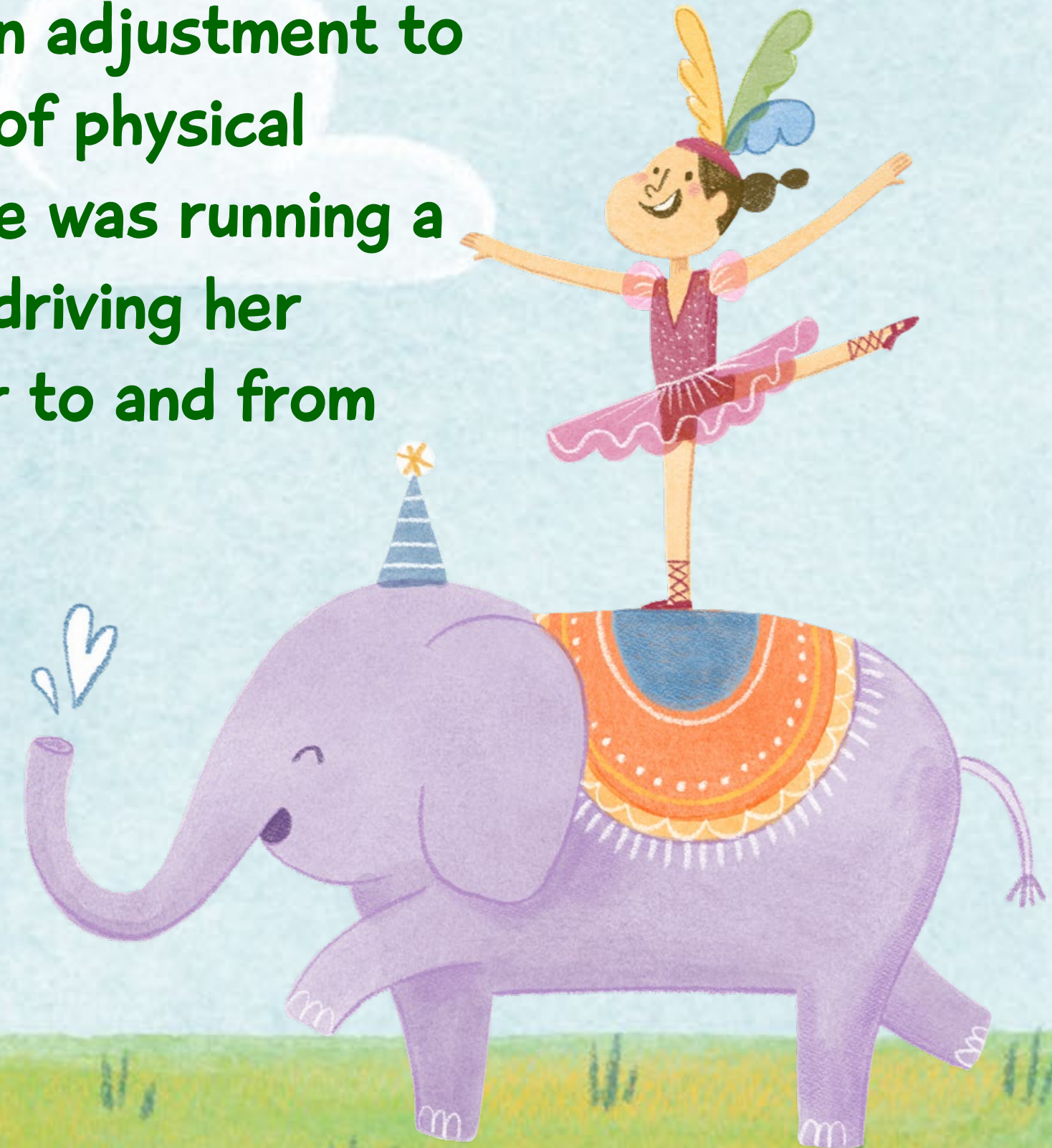
Which of the following, by itself, would be a sufficient reason for overriding a student's dependency status to make the student independent?

- The student is 22 years old and has been totally self-sufficient since graduating from high school at age 18.
- The student's parents do not like the student's choice of schools and have refused to support her.
- The student's parents do not claim the student as a tax exemption.
- The student's parents will not complete the FAFSA.
- The student's new stepfather threatens the student with physical violence when under the influence of alcohol.

Angela

Angela comes to the financial aid office asking for an adjustment to her cost of attendance to assist with the high cost of physical therapy for a sprained toe, which happened while she was running a marathon in Chicago. The injury prevents her from driving her manual transmission and has to now take a taxi/uber to and from school.

- Would you increase Angela's COA
 - Why or Why Not?
- Would you request documentation? If so, what?



Pam

Pam is requesting that you change her from an independent student to a dependent student. She does not want her parents to know that she is secretly married to someone of whom her parents do not approve of. Since they don't approve of him, they have told her that they won't pay for college if she continues to see him.

- Would you perform a Dependency Override for Pam?**
- Why or Why Not?**

Resources

[Application & Verification, Chapter 5: Special Cases](#)

[Professional Judgment, Dependency Status, and Verification Live Webinar June 15, 2023](#)

[The FAFSA Simplification Act \(GEN-22-15\) FAFSA®Simplification Act Changes for Implementation in 2023–24](#)

[2023–24 Professional Judgment and Dependency Status Determinations](#)





Questions

Thank You for
Completing our
Survey



Professional Judgment