

Best Practices in Professional Judgment

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Did you know that SKY FALL
won 3 Academy Awards for
Best Song, Best Score and Best
Cinematography



When the
SKY is
FALLING,
You can
make a
difference

Today's Agenda

- What is Professional Judgment (PJ)?
- What are the Requirements?
- Panel Discussion and Q&A



Professional Judgment

*IN General-Nothing in this part shall be interpreted as limiting the authority of the financial aid administrator, on the basis of **adequate documentation**, to make adjustments on a **case-by-case basis** to the **cost of attendance** or the values of the **data items required to calculate the expected student or parent contribution** (or both) to allow for treatment of an individual eligible applicant with special circumstances...”*

HEA Sec. 479A(a)

Other Forms of Professional Judgment

Students without parent support-eligible for a Direct Unsubsidized Loan

Citation: FSA Handbook AVG-115

Loan origination and eligibility -denying or reducing a Direct Student Loan

Citation: FSA Handbook Volume 3 -86

HEA Sec. 479(A)(c), 34 CFR 685.301(a)(8), DCL GEN-11-07

What is Adequate Documentation?

Documentation must:

- support the decision
- include the reason for the decision
- should in almost all cases originate from a third party with knowledge of the unusual circumstances of the students

A third party could include:

- a teacher,
- counselor,
- medical authority,
- member of the clergy,
- prison administrator
- government agency

What is Case by Case?



The adjustment must relate to the special circumstances that differentiate the student – not to conditions that exist for a whole class of students.



PJ: Cost of Attendance

Cost of Attendance is an estimate of the student's educational expenses for the period of enrollment. Components include:

| | |
|-----------------------|---|
| Tuition/Fees | Books, supplies, transportation, personal |
| Room and Board | Dependent Care |
| Study Abroad Expenses | Employment Expenses for Co-Op Study |
| Loan Fees | Disability Expenses |

You may determine on a case-by-case basis that an adjustment to one of these components is warranted.

PJ:Data Elements

You must:

- document the reason and the adjustment in the student's file.
- In FAA Access or EDE, select “EFC adjustment requested” for the professional judgment field.


If the student is selected for verification, you must complete verification before exercising PJ.

PJ:Data Elements

Common requests for Data Element Adjustments

- Recent unemployment of a family member
- Divorce or Separation of the student/parent
- Elementary or secondary school tuition
- Medical or dental costs not covered by insurance
- Roth IRAs

| | | |
|----------------------------------|--|--|
| 101q. Ninth Federal School Code: | | <input type="text"/> <input type="checkbox"/> Correct to Blank |
| 101r. Ninth Housing Plans: | | Select <input type="text"/> <input type="checkbox"/> Correct to Blank |
| 101s. Tenth Federal School Code: | | <input type="text"/> <input type="checkbox"/> Correct to Blank |
| 101t. Tenth Housing Plans: | | Select <input type="text"/> <input type="checkbox"/> Correct to Blank |

| Step Seven: Signatures and Preparer's Information | Selected ISIR Value (Transaction #01) | Enter Correct Value |
|---|--|---|
| Signed By: | Applicant only | Select <input type="text"/> |
| Professional Judgment: |  | 1 - EFC Adjustment requested <input type="text"/> |
| Preparer's Use Only: | | |
| 104. Preparer's Social Security Number, OR (Enter just the numbers, without the dashes. For example, 123456789.) | | <input type="text"/> <input type="checkbox"/> Correct to Blank |
| 105. Preparer's Employer Identification Number (EIN): | | <input type="text"/> <input type="checkbox"/> Correct to Blank |

PJ-Dependency Status

A FAA may approve a dependency override on a case-by-case basis for students with unusual circumstances.

Unusual circumstances include:

- Abandonment by parents
- Abusive family environment
- Unable to locate parents
- Parent incarcerated or mentally incapacitated

PJ: Dependency Status

Conditions that do not merit a dependency override :

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

FSA Handbook, AVG-115, Dear Colleague Letters GEN-03-07 and GEN-11-15

PJ: Dependency Status

Overrides do not carry over from one year to the next; the FAA must reaffirm each year that the unusual circumstances persist and an override is still justified.

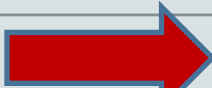
A school may “honor” an override determination by another school without documentation as long as it is in the same award year. This practice is optional.

PJ: Dependency Status

Submitting an Override through CPS

To override the student's dependent status on an initial application through FAA Access, the FAA should use the Dependency Override code of "1".

To override the student's dependent status after the initial application select FAA override from dependent to independent after question 57.

| | | |
|---|---|--|
| 45. Student Born Before January 1, 1990? | No | Select ▼ |
| 46. Is Student Married? | # No | Select ▼ |
| 47. Working on Master's or Doctorate in 2013-2014? | No | Select ▼ |
| 48. Is Student on Active Duty in U.S. Armed Forces? | # No | Select ▼ |
| 49. Is Student a Veteran? | # No | Select ▼ |
| 50. Does Student Have Children He/She Supports? | No | Select ▼ |
| 51. Does Student Have Dependents Other than Children/Spouse? | No | Select ▼ |
| 52. Parents Deceased?/Student Ward of Court?/In Foster Care? | # No | Select ▼ |
| 53. Is or Was Student an Emancipated Minor? | # No | Select ▼ |
| 54. Is or Was Student in Legal Guardianship? | # No | Select ▼ |
| 55. Is Student an Unaccompanied Homeless Youth as Determined by High School/Homeless Liaison? | # No | Select ▼ |
| 56. Is Student an Unaccompanied Homeless Youth as Determined by HUD? | # No | Select ▼ |
| 57. Is Student At Risk of Homelessness? | # No | Select ▼ |
| Dependency Override: |  | FAA override from dependent to independent ▼ |

Questions?

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Questions to consider

- *Do you have a written policy regarding PJ?*
- *Who can approve a PJ?*
- *Is there a deadline for requesting a PJ?*
- *Do you track the number of PJ that you receive and complete?*