

# Policies for the Office of Student Financial Aid

## Subject

### Professional Judgment (D-3)

*Office of Student Financial Aid/Scholarships*

January 2023

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Professional judgment is the authority to allow, under the Higher Education Act, administrators to exercise discretion in specific areas of student aid administration.

Section 479A of the HEA recognizes the role of financial aid administrator's professional judgment in determining a student's financial aid awards.

Professional judgment provides financial aid administrators with flexibility to deal with unique circumstances affecting individual students. It allows personal intervention by financial aid administrators in cases that merit individual attention. It enables financial aid administrators to respond appropriately to student's individual circumstances, which can never be fully anticipated in legislation or regulation.

#### Principles of Professional Judgment

- ◆ Special Circumstances refer to the financial situations (loss of a job, etc.) that justify an aid administrator adjusting data elements in the COA or in the EFC calculation.
- ◆ Unusual Circumstances refer to the conditions that justify an aid administrator making an adjustment to a student's dependency status based on a unique situation (e.g., human trafficking, refugee or asylee status, parental abandonment, incarceration), more commonly referred to as a dependency override.
- ◆ The need for special treatment as well as the action taken must be adequately documented in the student's file
- ◆ Professional judgment must be administered on a case-by-case basis in response to an examination of a student's particular situation
- ◆ Across-the-board changes are not permitted, nor may financial aid administrators substitute data elements for a group of students when the substitution is not necessarily based on special circumstances
- ◆ Although several individual students may have similar problems that may be resolved in a similar way under professional judgment, this does not authorize treatment of similar cases on other than a case-by-case basis
- ◆ An institution may establish policies and procedures under which it identifies circumstances that can trigger review by a financial aid administrator
- ◆ Policies and Procedures regarding professional judgment provides a basic framework and guidelines within which students must be treated on an individual case-by-case basis.
- ◆ The financial aid administrator's authority extends to requesting and using supplementary information when making a professional judgment decision.

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- ◆ The financial aid administrator must make his or her own decision about discretionary adjustments. That is, a financial aid administrator at one institution may not accept adjustments made for a student by a financial aid administrator at another institution. The financial aid administrator may arrive at essentially the same conclusion based on his or her own examination of the student's circumstances but must document his or her own decision.
- ◆ If selected for verification, verification must be completed before professional judgment can be exercised for income adjustments.

Only students who have special circumstances that warrant an individual case study should request professional judgment. Students who apply for professional judgment must be aware of the fact that they must provide additional documentation in addition to the information provided to the Department of Education on their FAFSA. Students may apply for a professional judgment in the form of Income Adjustments, Dependency Overrides, Budget Increases, or any other extenuating circumstance allowed by the Department of Education. The "Application and Verification Guide" will be reviewed yearly to determine types of Professional Judgment allowed. Students should present proper documentation applicable to the professional judgment circumstance pertaining to them. Each circumstance may require different documentation depending on the situation, documentation of each instance must be attached.

Proper documentation will be taken from the student by a verification officer. Professional judgment cases will be voted on as soon as possible by committee members. The committee will consist of three (3) voting members and the non-voting committee chair. The committee will not meet, instead the group of files will be passed from one committee member to the next, until all members have voted, and then the folders will be returned to the committee chair for evaluation and processing.

The committee chair will tally votes and the majority decision will either approve or deny the request. The committee chair will then make all necessary changes determined by the results of the voting and will notify the student in writing of the decision. Committee decisions will be final. This process can take up to two weeks to complete.

Professional judgements are made on an award year basis and cannot carry over from aid year to aid year. If the circumstance is ongoing, they will need to complete the professional judgment process each year. Dependency override determinations made by a financial aid administrator at another institution in the same or a prior award year will not be used.

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Beginning with the 2023-2024 award year, it is presumed that any student who has obtained an adjustment for unusual circumstances and a final determination of independence to be independent for **each** subsequent award year at the **same** institution unless the student informs the institution that their circumstances have changed or the institution has conflicting information about the student's independence.

As previously provided by law, if a student pursues an adjustment for unusual circumstances and the financial aid administrator does not determine that the student should be considered independent, the student will only be eligible for dependent-level Direct Unsubsidized Loans unless they subsequently complete the FAFSA form as a dependent student by providing parental information.

Beginning with the 2023-2024 award year, a student is presumed to be independent for **each** subsequent award year at the **same** institution once the applicant's status as an unaccompanied and homeless youth **or** unaccompanied and self-supporting youth at risk of homelessness is verified, unless the institution has conflicting information about the student's status or the student informs the institution that their circumstances have changed.

Unaccompanied and homeless youth **or** unaccompanied and self-supporting youth at risk of homelessness is verified by one of the following authorities:

- A local educational agency homeless liaison, as designated by the McKinney-Vento Homeless Assistance Act
- The director of an emergency or transitional shelter, street outreach program, homeless youth drop-in center, or other program serving individuals who are experiencing homelessness
- The director of a Federal TRIO program or a Gaining Early Awareness and Readiness for Undergraduate program (GEAR UP) grant
- A financial aid administrator at another institution who documented the student's circumstance in the same or a prior award year.

If the student is unable to provide documentation from at least one of the entities listed above, the institution must review the student's circumstances and make the determination themselves.

Institutions must retain all documents related to unaccompanied homeless youth determinations for at least 3 years after the end of the award year last attended.