

Professional Judgment / Special and  
Unusual Circumstance(s) Policy  
2024 / 2025

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**The Academy does not have an appeal committee for Professional Judgment.**

**Professional Judgment/Special and Unusual Circumstances Policy**

A professional judgment (PJ) is requested when the student or parent's circumstance has changed since submitting the FAFSA, which would have an effect on the student/parent(s) ability to pay for the student's education. The two categories Financial Aid Administrators (FAA) consider in exercising Professional Judgment are special circumstances and unusual circumstances. A student may have both a special circumstance and an unusual circumstance. Starting with 2024-2025, the FAFSA will ask students if they have a special and/or unusual circumstance. If the student answers yes to either question, it will be flagged on the ISIR for The Academy FAA.

Legislation provides FAA's the latitude and authority to consider individual circumstance and enables responsiveness to situations that cannot be fully anticipated.

- All professional judgments will be considered by the financial aid administrator (FAA) on a case-by-case basis as directed by Congress.
- No adjustments can be made until verification is completed.
- Conflicting information must be resolved prior to making any adjustments.
- The decision of the FAA is final and there is no option for an appeal.

**Special circumstances** which refer to financial situations that justify making an adjustment to the data elements in the SAI calculation or the components of the COA. Special circumstances that could result in a PJ are as follows and may not be all inclusive.

- Weather disaster personally affecting student/family.
- Medical or dental expenses not covered by insurance.
- Unusually high dependent care costs
- Divorce or Separation
- Death of a spouse or parent who has supported the student.
- Homelessness
- Dramatic change in income or assets or the student's status
- Supporting family member or student is a dislocated worker.
- Disability of a supporting family member
- Converting a regular IRA into a Roth IRA by transferring funds increases income on the tax return, even though the family's income level / assets did not increase.
- With documentation can adjust the income from work and from unemployment to zero
- FAA must collect third party documentation related to the special circumstances that differentiate the student to justify the PJ and maintain the appropriate documentation in the student's file to substantiate the use of the PJ

**Data Element Adjustments**

- May not adjust the SAI by itself
- May adjust any data element used to calculate the SAI.
- FAA decides which adjustment is most appropriate.
- The choice of the data element and the corresponding value must reflect the student's individual situation.

### **Adjustments include but may not be limited to:**

- Tuition and Fees
- Allowance for textbook and kit items, transportation and miscellaneous personal expenses
- Allowance for food and housing
- Allowance for dependent care, if applicable
- Allowance for a licensure fee including multiple attempts.

### **Cost of Attendance Adjustments**

- The FAA has the liberty to change appropriate or necessary COA Components based on the special circumstance of a student.
- FAA may offer (at the schools option but is not required), to a dependent student an unsubsidized loan without parental data being provided on the FAFSA if the FAA verifies:
  - The parent(s) have ended financial support or parents refuse to fill out the FAFSA.
    - Parents must provide a signed and dated statement to document:
      - Has stopped providing financial support.
        - Documentation must include the date the support ended.
      - Will not provide financial support in the future.
      - Their refusal includes non-completion of parental section of FAFSA.
    - If parents refuse to provide a statement, documentation from a legitimate third party attesting to the situation.
    - This is not considered a dependency override.
  - FAA must collect and maintain the appropriate documentation to substantiate the above.
  - Parent may not borrow a PLUS loan for this student.
  - Students then becomes eligible for an unsubsidized Direct Loans ONLY at the current dependent student annual loan limits (no additional unsub as when a parent is denied a Plus loan)

### **Income Protection Allowance**

- When making adjustments for unusual expenses, an FAA must keep in mind that and Income Protection Allowance (IPA) is already included in the SAI calculation to account for modest living.
- Assumptions for reasonable breakdowns for the IPA include:
  - 30% allotted for food
  - 22% for housing
  - 9% for transportation
  - 16% for clothing and personal care
  - 11% for medical care
  - 12% for other family consumption

### **Refusal to Certify / Originate a Loan**

- An Academy FAA can refuse to certify / originate a loan or can choose to originate a loan less than the full amount the student is eligible to receive on a case-by-case basis.
- The student's file must contain documentation with action and reason for the action.
- Student must be given reason for the determined action by the FAA
- Decision cannot be discriminatory.

**Unusual circumstances** which refer to conditions that justify an adjustment to a student's dependency status based on a unique situation and allow FAA's to complete a dependency override. Unusual circumstances which could result in a PJ are as follows and may not be all inclusive.

- Human trafficking, as described in the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7101 et seq.);
- Legally granted refugee or asylum status;
- Abandonment or incarceration of the surviving parent(s); or
- An abusive family environment that threatens the student's health or safety
- Incapacity of parents including but not limited to:

- Incarceration
- Mental Disability
- Physical Illness
- Death of a sole surviving parent
- Other extenuating circumstances sufficiently documented by a signed letter from a legitimate third party
- Verified as an unaccompanied youth who is homeless.

### **Data Element Adjustments**

- May include an adjustment to a student's dependency status as a dependency override
- FAA decides which adjustment is most appropriate.
- The choice of the data element and the corresponding value must reflect the student's individual situation.

### **Adjustments include but may not be limited to:**

- The FAA has the liberty to change a student from dependent status to independent status based on the unusual circumstance of a student.

### **Steps for a Professional Judgment**

Any request for consideration of an adjustment based on special and/or unusual circumstances must be made by the student to The Academy FAA. The following information must be submitted by the student requesting the adjustment:

- A written request to The Academy FAA with detailed description of the special and/or unusual circumstance
- The type of adjustment being requested (income adjustment, expenses adjustment or dependency status adjustment)
  - Documentation for Special Circumstance:
    - Evidence of the reduction of income or the adjustments based on income and/or;
    - Evidence documenting the additional expenses for adjustment to the cost of attendance and/or;
  - Documentation for Unusual Circumstance:
    - A detailed description of the sources of financial support covering the cost-of-living expenses
    - Evidence documenting the unusual circumstance and sources of financial support from third-party individuals or organizations.
- FAA's will notify students of the school's process, requirement, and reasonable timeline to review adjustment requests after their FAFSA form is submitted
- Confirmation of completed verification is required before proceeding.
- The Academy must have adequate documentation to substantiate the request / approval of a PJ.
  - Must collect and use data that best represents current student and family circumstances.
  - PJ will be related to needs analysis of data specific elements on the FAFSA that have changed.
    - Documentation can include but not limited to bank statements, copies of tax returns, pay stubs, medical bills, or signed and dated documentation from a third-party person, ie: pastor, priest, doctor, or other proof of the hardship incurred by the student/parent.
- FAA will make a determination once all documentation is received.
- FAA will provide students with a final determination of their dependency status and financial aid award as soon as practicable after reviewing all requested documentation but no later than 60 days after the student enroll.
- FAA will presume 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 and the student's independence.
- Pending the FAA has allowed the student to submit a PJ form:

- The student will make adjustments on the PJ form to the data entered by the student/parent on the FAFSA to reflect the changes within the family to amend the student's eligibility for Title IV Funding.
- Will identify the corrections as a PJ adjustment and submit to the FAFSA Partner Portal (FPP) for processing.

## **Documentation**

### **Documentation**

- Academy will document that it is exercising a PJ and collect documentation to substantiate the special and/or unusual circumstance of the student and will include:
  - Action taken
  - Rationale for the decision
  - Data supporting the action taken
  - All parties involved in the PJ process
  - Date the decision was made
  - Response to the applicant
  - Collect supporting documentation before a PJ decision is made
- Documentation will be circumstance specific to support the action taken
- Will only exercise a PJ per the current award year in which circumstance has transpired.

### **Restrictions**

- The Academy will abide by all laws and will not modify either the formula or tables used in the SAI calculation-will not circumvent the regulations or law
- Will not adjust data elements or the cost of attendance solely because one believes the tables are neither appropriate or adequate
- A PJ will not be used to waive general student eligibility requirements to circumvent the law or regulations
- The decision to do a PJ for a student must not be contrary to the PJ's provisional intent
- Use a PJ to make an otherwise independent student dependent
- Cannot use generally prevailing conditions such as a factory closing as a basis of a PJ
- Project a future PJ for award years beyond the current award year
- The SAI result of a PJ must be used for all FSA funds awarded to the student
- Will not establish classes of students for which a PJ is routinely exercised.

### **Unreasonable judgments for a PJ or reoccurring expenses include:**

- Change in rent or mortgage
- Student demonstrates self-sufficiency
- Vacation expenses
- Tithing expenses
- Standard of living expenses such as car payments, utilities, children's allowances, credit card debt, etc.
- Standard maintenance repairs such as car or home repairs
- Medical insurance premiums
- Past student loan debt
- **If the FAA makes a PJ adjustment, the FAA will ensure the Adjustment flag is set in FAA Access or via the Electronic Data Exchange (EDE)**