INTRODUCTION

The Student Aid Manual (SAM) is designed to assist CUNY financial aid personnel in understanding how student financial assistance is awarded and disbursed at the colleges of City University of New York. This manual details the regulatory and procedural environment through which student financial assistance must be administered so that CUNY financial aid personnel can perform their administrative roles more responsibly and effectively. The SAM is not designed to replace regulatory documents and communications from funding agencies, but instead serves as a supplement to these documents. The SAM is not intended to provide detailed guidance for aid program management using CUNYfirst – the needed guidance and training materials for working in CUNYfirst are published separately. The Federal Student Aid Handbook and the U.S. Department of Education’s Information for Financial Aid Professionals (IFAP) website (http://www.ifap.ed.gov/ifap/) serve as the primary resources for administering Title IV programs. HESC Programs, Policies and Procedures and the HESC website (http://www.hesc.ny.gov/content.nsf/CA/Programs_Policies_and_Procedures_Guide_to_Grants_and_Scholarships_Programs) serve as the primary resources for administering NYS programs. The material in the SAM attempts to integrate CUNY practices with federal, state and city policies and procedures.

CUNY’s financial aid policy is based upon the premise that financial aid resources are to be awarded to students in an equitable and consistent fashion throughout the University. All available funds must be awarded and disbursed in accordance with federal, state, and city regulatory and program guidelines.

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3 Components of the CUNY Financial Aid System

- Establishing Student Cost of Attendance Budgets
- Determining Expected Family Contribution
- Packaging with Student Financial Assistance

Student Cost of Attendance Budgets (COA)

The student’s cost of attendance budget (COA) is the first fundamental component required to determine a student’s need for financial assistance. The COA is defined as a calculated dollar amount needed for a student to attend CUNY for a defined academic or award period.

The COA has two components: educational expenses (that is, expenses directly related to attending college, such as tuition, fees, books, supplies and carfare) and living expenses (housing, food & personal expenses). CUNY has established two standard student budgets: (1) students living with parents and (2) students living away from parents. The student’s living arrangements will determine which budget category (living with or living away) is used for packaging.

CUNY makes certain assumptions in determining the COA. For example, it is assumed that students will use the New York City transit system to travel to and from school and that those not living with parents are sharing housing costs with someone else.

Chapter 6 of this manual provides the individual components of the COA and explains the rationale used to derive them. These budgets represent the maximum expenses for the awarding of need-based aid to a student studying at City University of New York.

Determining Expected Family Contribution (EFC)

A federally mandated calculation is performed for each student through an approved federal methodology which calculates the number of dollars students are expected to have available to meet their college expenses. This sum is referred to as the expected family contribution (EFC). The EFC calculation is an objective formula used to measure the ability of students and/or their families to meet their educational costs. Further, use of the EFC formula is mandated for meeting the requirements of most federal and some state aid programs. The FAFSA is the instrument used to collect the data for the EFC calculation.

There are several assumptions underlying the calculation of an EFC:

- Parents of dependent students are assumed to have an obligation to provide their children with as much financial assistance as family circumstances permit.
- The family’s size and any extraordinary expenses are considered in evaluating the family contribution.
- The formula recognizes the need to preserve some of the family assets for the parents’ retirement and the education expenses of other children in the family.
OSFA

Step Three of the FAFSA is used to determine which analysis (independent/dependent) is used to obtain the appropriate family contribution. Unlike the cost of attendance budget which is determined by the student’s living arrangements (living with parents or living away from parents), the EFC calculation is based on the student’s dependency status (dependent or independent).

Chapter 7 of this manual provides information on the components of the EFC formula for each category and furnishes worksheets to allow the administrator to hand calculate EFCs.

Packaging

Packaging is the system by which individual students are awarded available financial aid funds based on each student’s financial need. To learn the financial need of a student, the family contribution (EFC) is subtracted from his or her cost of attendance budget. Unmet need establishes the maximum aid $ that can be awarded from all sources.

Awards packaging occurs centrally either through the mass packaging equations built into CUNYfirst or through the University’s packaging module in FAP. Both modes of packaging are designed to allow financial aid administrators flexibility in the consistent and equitable allocation of aid. Monies from all of the programs for which the student is eligible are used to finance a student’s need. The most common sources of financial aid for CUNY students include:

- **New York State Tuition Assistance Programs (TAP, PTAP, APTS)**
- **Federal Pell Grant**
- **Campus-based Federal Aid Programs**
  - Federal Work-Study (FWS)
  - Federal Supplemental Educational Opportunity Grant (FSEOG)
  - Federal Perkins Loan
- **Federal Direct Loan Program**
- **Special Program Awards**
  - SEEK
  - College Discovery
  - Bilingual
  - Honors College
  - Accelerated Study in Associate Programs (ASAP)
- **Other Awards**
  - New York State Scholarship for Excellence
  - Leaders of Tomorrow Scholarship

Chapter 9 of this manual sets forth the awards packaging parameters at CUNY for the current award year. More detailed guidance for awards packaging in CUNYfirst is published separately.
Introduction

CUNY Model Code of Conduct (revised March 10, 2010)

The Chancellor has requested that CUNY and its colleges, in order to comply with the HEOA, display the following model code of conduct prominently on their websites.

CUNY’s Model Code of Conduct

- The provisions of this Model Code of Conduct apply to all employees of CUNY or any of its constituent colleges or units.
- Conflicts of interest between the responsibilities of employees involved in student financial aid and such employees’ relationships with lenders are strictly prohibited.
- For purposes of this Model Code, a lender is defined as (i) any entity that itself or through an affiliate engages in the business of making loans to students, parents, or others in order to finance higher education expenses or to securitize such loans; (ii) any entity, or association, that guarantees such loans; or (iii) any industry, trade, or professional association that receives money from any such entity.
- No employee may accept a gift from a lender. A gift is defined as any gratuity, favor, discount, entertainment, hospitality, loan or other item having a monetary value of more than a nominal amount. It includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.
- No employee may accept any compensation of any kind or reimbursement of expenses for serving as a member of a lender’s advisory board.
- Neither CUNY nor any of its colleges may accept anything of value from a lender in exchange for any advantage or consideration provided to the lender related to its educational loan activity. This prohibition includes, but is not limited to, a ban on (i) revenue sharing by a lender with CUNY or a college; (ii) acceptance of computer hardware for which below market value is paid; and (iii) acceptance of printing costs or services. Revenue sharing means an arrangement whereby a lender pays a higher education institution a percentage of the principal of each loan directed toward the lender from a borrower at the institution.
- Neither CUNY nor any of its colleges may use preferred lenders. Preferred lenders include either lenders with which CUNY or a CUNY college enters into a formal agreement or lenders that CUNY or a CUNY college informally recommends to students. Therefore, CUNY employees may neither adopt preferred lender lists nor, more informally, recommend particular lenders to students seeking advice on alternative loan providers.
- Neither CUNY nor any of its colleges shall link or otherwise direct potential borrowers to any electronic Master Promissory Note or other loan agreement in an electronic format that incorporates any preferred lender list or similar device into the electronic medium, including any drop-down menus of possible lenders for the student to select. Instead, students must be presented with the opportunity to enter the lender code or name for any lender offering the relevant loan.
If CUNY ever enters the “School as Lender” program as permitted under federal law, it may not treat School as Lender loans any differently than if the loans originated directly from another lender. The School as Lender program allows higher education institutions to function directly as a lender to its students.

Neither CUNY nor any of its colleges shall enter into agreements with lenders to provide “opportunity loans.” Opportunity loans are loans provided up to a specified amount to students with poor or no credit history, or international students, whom the lender claims would otherwise not be eligible for the lender’s alternative loan program. Opportunity loans may not be in the borrower’s best interest because of the high interest rate on the loans.

No employee or agent of a lender may staff a CUNY or college financial aid office. Neither CUNY nor any of its colleges may identify an employee or agent of a lender as an employee or agent of CUNY or one of its colleges.

New York State’s SLATE Act of 2007
Passed unanimously by the NYS Legislature in May 2007, The Student Lending Accountability, Transparency and Enforcement (SLATE) Act of 2007 includes the following provisions:

- Prohibits lenders from making gifts – including the practice of revenue sharing to colleges and universities or their employees in exchange for any advantage in loan activities;
- Bans colleges and universities from soliciting, accepting or receiving any gifts whatsoever – including those construed as part of a revenue sharing practice – from lenders in exchange for advantageous loan consideration;
- Bans college and university employees from receiving any advantage, reimbursement or benefit from serving as a member of a lender’s advisory board;
- Prohibits lender employees and agents from posing as college or university employees, including staffing the school’s financial aid offices with lender employees;
- Bans lenders and schools from agreeing to certain quid-pro-quo high-risk loans that prejudice other borrowers or potential borrowers; and,
- Dictates strict criteria that schools must abide by if they continue to use “preferred lender” practices.
CUNY Conflict of Interest Policy
The CUNY Board of Trustees approved a new CUNY Conflict of Interest Policy on June 23, 2008. Under the Policy, which is effective as of July 1, 2008, all University activities are to be conducted in accordance with the highest standards of integrity and ethics and in a manner that will not reflect or appear to reflect adversely on the University's credibility, objectivity, or fairness.

The Policy sets forth the general standards of conduct and the rules regarding hiring, employment, and contracting decisions and supervisory responsibility involving certain family members that apply to any individual who is, or at any time becomes, an officer, full-time or part-time employee, or post-doctoral associate at the University, or a student engaged in faculty directed research at the University other than as part of his or her coursework, whether or not the student is paid for the engagement. The Policy also sets forth specific obligations of covered individuals who are involved in research or similar educational activities at the University and the University's procedures for managing Conflicts of Interest that may arise in connection with those activities.


Professional Judgment
Federal regulations give the discretionary authority to a Financial Aid Administrator (FAA) to determine the independent status of individual students and to address the economic needs of a student’s household experiencing “special circumstances.” This exercise of discretionary authority is commonly referred to as professional judgment (PJ).

A FAA may, on a case-by-case basis, exercise PJ when a student who does not meet the federal criteria for independent status presents compelling reasons to be considered independent. PJ may also be used when the stated FAFSA income and household data produces an EFC that overstates the economic strength of a student’s household or fails to take into account unusual but legitimate economic burdens. In such cases, the FAA may, but is not required to, “override” student’s dependency status, or “adjust” the budget and/or the data elements used to calculate the EFC so as to more accurately reflect the student’s household circumstances. The burden for documenting such circumstances rests with the individual student and all PJ decisions must be supported by complete documentation in the student’s file.

The statutory authority for PJ decisions applies to all Title IV programs (including the Federal Pell Grant Program). FAAs are only permitted to modify only the data items used in the COA and the EFC calculation. FAAs are under no obligation to approve any dependency override or to adjust any income data element and FAA PJ decisions are not subject to student appeal to the US Department of Education. Also note that the Department of Education does not mandate that the FAA use the authority given to it to make professional judgments; its use by financial aid administrators is optional.

While the Department of Education grants significant latitude in the exercise of professional judgment, the FAA may not change the dependency status of a student who already meets the federal definition of independent back to dependent, may not alter the
EFC formula or any of the table values used therein, may not adjust the EFC directly, or create a new cost of attendance category. PJ must be applied on a case by case basis only. It may not be applied to a group of students, even if every member of that group appears to have the same characteristics. Its use may not be applied in an arbitrary manner to circumvent regulations or the intent of the law, or to render an otherwise ineligible student eligible.

### Dependency Status Overrides

DCL GEN-03-07 published May 2003 gives more explicit guidance than was available previously on overriding dependency status. DCL GEN-11-15 published July 2011 expands upon this guidance by reviewing the conditions and documentation that support the use of dependency status overrides. The following reproduces the substance of the guidance contained in these DCLs: In the course of conducting recent compliance reviews of institutions participating in the Federal student aid programs, ED has found that some institutions have not been properly following the statutory requirements for making dependency overrides as well as not adequately supporting their dependency override decisions with sufficient documentation. In working to improve compliance at these institutions, ED has determined that issuing comprehensive guidance that reviews the conditions for making dependency overrides and documenting these overrides would help improve compliance with these requirements at all schools participating in the Title IV, HEA programs.

### Background

Section 480(d) of the Higher Education Act of 1965, as amended (HEA), defines an independent student as someone who fits into one or more of the following specific categories: (1) 24 years of age or older by December 31 of the award year; (2) A married individual; (3) Working on a master’s or doctorate degree or graduate certificate; (4) Currently serving on active duty in the U.S. Armed Forces; (4) A veteran of the U.S. Armed Forces; (5) Having legal dependents other than a spouse; (6) From age 13, an orphan, being in foster care, or a ward of the court; (7) An emancipated minor or in legal guardianship as determined by a court in applicant’s state of legal residence; (8) An unaccompanied youth who was homeless or at risk of being homeless as certified by a school district homeless liaison, a director of an federally funded emergency shelter program or a director of a runaway or homeless youth shelter.

An individual who does not qualify as an independent student under one of these…categories may be considered an ‘independent student’ under section 480(d)(7) of the HEA. Under that provision, a student is considered to be an independent student if he or she: “is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances”....
Making Dependency Status Overrides

An individual who does not qualify as an independent student, for financial aid purposes, based on the answers provided on the FAFSA may be considered for a dependency override under section 480(d)(7) of the HEA if he or she: “is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances”

The decision to override the normal dependency criteria must be made on a case by case basis and must explain and document the “unusual circumstances” that necessitate the exception.

Situations that might warrant a dependency override include, but are not limited to: 1) the student’s voluntary or involuntary removal from the parents’ home due to an abusive situation that threatens the student’s safety and/or health 2) the student’s abandonment by the parents or the inability of the student to locate the parents.

The following criteria do not qualify as “unusual circumstances” and may not be used to justify a dependency override: 1) Parents refusing to contribute to the student’s education; 2). Parents unwilling to provide information on the application or for verification; 3)Parents not claiming the student as a dependent for income tax purposes; 4)Student demonstrating total self-sufficiency.

The law requires that a determination of unusual circumstance(s) must be made each award year and students granted a dependency override one year should not automatically be considered independent in a subsequent year.

DCL GEN-03-07 published May 2003 and DCL GEN-11-15 published July 2011 give explicit guidance on overriding dependency status.

Collecting and Maintaining Acceptable Documentation Adequate documentation is a critical aspect of the dependency override process. The documentation must include the reason for the determination and must support the decision. In almost all cases, the documentation should originate from a third party with knowledge of the unusual circumstances of the student. The third party confirming the student’s unusual circumstance could include: counselors or teachers, clergy, community groups, government agencies, medical personnel, courts, or prison administrators. In rare circumstances where third party confirmation cannot be obtained, the financial aid administrator may - but is not required to - accept a signed statement from the student alone, or the student and his or her relatives or friends; however, the use of this form of documentation should occur only in extremely rare circumstances.

Financial Aid Administrator's Written Determination After reviewing all relevant documentation related to a student's assertion that there are unusual circumstances that support why he or she should be considered to be independent rather than dependent, the financial aid administrator must make a specific determination for the student. Upon
making such a determination that a dependency override is warranted, the financial aid administrator must prepare a written statement of that determination, including the identification of the specific unusual circumstance upon which the financial aid administrator based his or her determination. The institution must maintain this documentation and the supporting documentation used to make each determination.”

**Accepting Dependency Status Overrides Performed At Other Schools** Schools may accept a dependency override performed by another school within the same award year. The school does not need to document the student’s special circumstances but need only document it is accepting the dependency override already performed. The school that originally performed the dependency override must maintain the documentation. Schools have complete discretion on which, if any, dependency overrides they will accept from another school. Also, dependency overrides do not carry over from year to year; the FAA would have to reaffirm with documentation that the unusual circumstances still exist and a subsequent year dependency status override is still justified.

**Adjustments for Special Circumstances**

An administrator may use professional judgment on a case by case basis and with adequate documentation to alter the values of the data elements used to calculate the expected parent or student contribution (or both) or to adjust the student’s cost of attendance. The decision to adjust either a data element or the cost of attendance depends on whether the special circumstance relates to the family’s ability to pay or reflects higher than usual educational costs for the particular student. For example, when a student already has a zero EFC, a cost of attendance adjustment might be the only way to provide a student with additional assistance. [See Chapter 6 of this manual for more information on cost of attendance adjustments.]
Special circumstances are "conditions that differentiate an individual student from a class of students rather than conditions that exist across a class of students." Section 479A(a) of the Higher Education Act presents examples of special circumstances where a financial aid administrator may wish to exercise his or her professional judgment. These may include but are not limited to:

- Tuition expenses at an elementary or secondary school
- Medical, dental or nursing home expenses not covered by insurance
- Unusually high child-care or dependent-care costs
- Recent unemployment of a family member or an independent student
- A student or family member who is a dislocated worker as defined in section 101 of the Workforce Investment Act of 1998
- Change in the number in household size
- Change in housing status
- Other changes in a family’s income or assets.

The use of professional judgment, especially to address a student’s financial and family circumstances that may have changed from the base year information originally reported on the student’s FAFSA, may be critical in determining whether the student can enter or continue in postsecondary education. A changed circumstance certainly includes the loss of a job or a reduction in work hours or wages, but it also includes, for example, the income loss associated with a prospective student’s decision to leave the workforce or to reduce work hours in order to return to school.

When adjustments are made that are related to the student’s or the student’s family’s income, it is appropriate to use information that realistically reflects the individual’s and/or family’s current and near-term economic situation. For example, for an individual who has lost a job or has taken a significant salary cut beginning in November of 2013, you may choose to project income for the next 12-month period (December 2013 through November 2014) and use that figure instead of the base year income (calendar 2012) that was initially used in the calculation of the student’s expected family contribution (EFC). Of course, verifiable third-party documentation of the changed circumstances should be obtained in order to support any decision to use professional judgment.

While not every student will become eligible for a Federal Pell Grant as a result of an adjustment based on your exercising professional judgment, many may become eligible for a subsidized Federal Stafford Loan or for assistance from one of the campus-based programs.

Remember that the examples provided in the law do not authorize across-the-board adjustments. Even if students are found to meet the examples of special circumstances listed above, the HEA still requires a case-by-case review by the financial aid administrator. Each student must still demonstrate that a special circumstance exists that can be documented and recorded by the financial aid office. As with dependency status overrides, the aid office must also maintain documentation of the administrator’s written determination made after review of the student's circumstances (i.e., whether to make any adjustment, and the nature of any adjustment made). The prohibition against across-the-
board adjustments does not prohibit an institution from identifying conditions that might trigger a review by the financial aid administrator.

When adjusting data items to account either for income loss or unusual expenses, the administrator should look at the nature of the income that was reduced and the way that family paid the unusual expenses, whether from current income or from asset reserves. The majority of income or expense adjustments will involve the changing one of two data items: (1) the family’s adjusted gross income (AGI); or (2) the family’s assets. For example, in a situation where a family member is ill, one might adjust the AGI to reflect lower earnings in the coming year or adjust the assets to reflect the family savings that have been spent on medical expenses.

In making adjustments for unusual expenses, the administrator must remember that the income protection allowance (IPA) already factors modest allowances for basic living expenses into the EFC calculation [30% for food, 22% for housing, 9% for transportation, 16% for clothing and personal expenses, 11% medical expenses and 12% miscellaneous]. Before making an adjustment for an unusual expense you must first determine whether some or all of the expense under consideration may have already been accounted for in the EFC calculation.

For example, a dependent student’s family of 4 (with 1 in college) has documented $4000 in medical expenses. If the IPA for a family of 4 is $22,200, then 11% of $22,200 (that is, the % of the IPA covering a household’s medical expenses) = $2442. The final adjustment would include just the incremental difference between the total documented medical expenses ($4000) and the amount allotted to medical expenses for a family of 4 in the IPA ($2442). Therefore, $4000 - $2442 = $1558 which would be considered the “unusual” amount of the expense.

Verification and Professional Judgment

If the applicant’s FAFSA information is selected for verification, the applicant must complete verification before the school exercises any of its PJ authority under section 479(a) of the HEA to make changes to the applicant’s cost of attendance or to the values of the data items required to calculate the EFC. If, as a result of verification, any of the original FAFSA data are found to be in error, the school must submit these corrections to the federal processor and wait for a new ISIR before making the adjustment.

Adjustments to data items must be made on correct data only. To ensure the PJ is made on correct applicant data, PJ changes should not be submitted until after an ISIR has been received confirming the processing of any verification corrections.
If the FAFSA has not been selected for verification, the school may proceed with the PJ adjustment without completing verification first. Transactions that reflect professional judgment adjustments to an applicant’s FAFSA information will not be reevaluated under the verification selection model and therefore, will not be selected for verification as long as the FAA sets the professional judgment flag when the changes are submitted.

The school does not have to complete verification before submitting a dependency status override because the authority to make an otherwise dependent student independent is separate and apart from the authority to exercise professional judgment. If the application is selected for verification by the CPS when processed, it would be necessary to complete verification before awarding and disbursing aid.

Student Marital Status Changes

A change in a family’s economic situation after a FAFSA is filed due to the death, separation or divorce of one of the parents of a dependent student, or the spouse of an independent student, has long been recognized as a special circumstance that might warrant the use of professional judgment because the information reported on the original FAFSA may no longer accurately reflect a family’s ability to pay.

The verification regulations provide the FAA with the discretion to require an update to a student’s marital status (and corresponding changes in household size, number in college and dependency status) “to address an inequity or to more accurately reflect the applicant’s ability to pay”. The FAA may change an applicant’s marital status without regard to whether the applicant’s information was selected for verification. However, the change in marital status can only be made if the change would result in a change in the applicant’s dependency status for the award year.

There are now two reasons why a student might change the answer to the FAFSA question concerning the student's marital status:

- **Correction**: If the answer on the FAFSA was incorrect as of the FAFSA application date, the applicant may change the answer to correct the error.
- **Update**: If the answer on the FAFSA was correct as of the FAFSA application date, but has subsequently changed, the college financial aid administrator may choose to allow or disallow a change to the answer on the FAFSA.

In both cases the change in status should be reviewed by the college financial aid administrator. Financial aid administrators should look for comment code 75 to identify students who have changed the student's marital status.

If the student says that the marital status was in error, the FAA should ask for a copy of the marriage certificate and compare the date of the certificate with the FAFSA’s application date. If the marital status was not in error, but has subsequently changed, the FAA will need to decide whether to allow or disallow the change.

The FAA may update an applicant’s marital status on a case by case basis and must document the reason for the decision. An institution that decides to update applicants’ marital status may have as part of its policy a cut-off date after which it will not consider any updates to a student’s marital status.
When an applicant updates marital status, the CPS will apply Reject 21 to the resulting transaction. If the FAA agrees to accept the applicant’s marital status change, he or she will enter an appropriate administrator-only override that will result in a new transaction with a corrected EFC.

When an allowable change in an applicant’s marital status is made, all other FAFSA information that relates to the new marital status and new dependency status must be updated, regardless of whether the student is being verified. This includes income (either adding the spouse’s income/asset information or deducting a former spouse’s income/asset information) as well as household size and number in college.

It is reasonable to expect that if a school chooses to update an applicant’s marital status, it will be in situations where the marital status changes from single to married and the dependency status changes from dependent to independent. However, under the regulations, it is possible for an applicant who was independent only because he or she was married when the FAFSA was first completed to go from independent to dependent. If the institution changes the applicant’s marital status to unmarried, making the student dependent, the FAFSA must be updated with parental information.

Note that the regulations do not allow for updating when an otherwise independent student marries or divorces, i.e., there is no change in dependency status and the student is not selected for verification.

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**Unaccompanied Homeless Youth**

As a result of the CCRAA, a student is independent if at any time on or after July 1, 2008, he or she is determined to be an *unaccompanied homeless youth* by a school district homeless liaison or the director (or designee) of an emergency shelter program funded by the Department of Housing and Urban Development (HUD). A director (or designee) of a runaway or homeless youth basic center or transitional living program can also determine a student to be an *unaccompanied homeless youth* or an *unaccompanied youth who is self-supporting and at risk of being homeless*. These authorities make this determination if the student is receiving their programs’ services or if, in the case of a school district homeless liaison, the student is in high school. An FAA may also determine if a student is either an unaccompanied youth who is either homeless or is self-supporting and at risk of being homeless. In a case where it is the FAA making the determination, it is important that students’ living situations and claims be examined on a case-by-case basis.

A student is considered homeless if he or she lacks fixed, regular, and adequate housing. This is broader than just living “on the street.” It includes temporarily living with other people because he or she had nowhere else to go; living in substandard housing (if it doesn’t meet local building codes or the utilities are turned off, it is generally not adequate); living in emergency or transitional shelters, for example, trailers provided by the Federal Emergency Management Agency (FEMA) after disasters; or living in motels, camping grounds, cars, parks, abandoned buildings, bus or train stations, or any public or private place not designed for humans to live in. It also includes living in the school dormitory if the student would otherwise be homeless. A student living in any of these
situations and fleeing an abusive parent may be considered homeless even if the parent would provide support and a place to live. There is no prescribed documentation for an FAA’s evaluation of the living arrangements of a student, but it must demonstrate that she meets the definition of this category of independent student. The determination may be based on a documented interview with the student if there is no other written documentation available. Students who are older than 21 but not yet 24 and who, if not for their age, would be considered unaccompanied homeless youths or unaccompanied, self-supporting youths at risk of being homeless, would have to be treated as a dependency override.

**Students Without Parental Support**

Although students whose parents refuse support are not eligible for a dependency override, the Higher Education Opportunity Act of 2008 (HEOA) granted that such students may receive unsubsidized Stafford loans only. For a student to be eligible for this provision, the FAA must collect a signed and dated statement from the parents indicating that (1) the parents refuse to provide information on the FAFSA (2) they do not and will not provide any financial support to the student and (3) the student does not reside with them. The date the support ended must be included as part of the statement. If the parents refuse to provide such a statement, a third party statement from a teacher, counselor, cleric, or court may suffice.

As noted above, this situation does not justify a dependency override. But as with overrides, making this determination is up to the discretion of the FAA. If you decide that a student falls into this category, you must document your decision and ensure that the student submits a FAFSA and passes all the eligibility matches.

The result will be a rejected application with no EFC. You can then award the student unsubsidized Stafford loans up to the maximum the student would normally be eligible for depending on his grade level (but not the amount a student can get when his parent is unable to get a PLUS loan). See DCL GEN-08-12 for more information.
Guide to Addressing Special Circumstances Chart

The following Guide to Addressing Special Circumstances suggests how one may evaluate situations that would seem to warrant a professional judgment adjustment. Apart from those conditions already mentioned in the previous discussion, such circumstances might include 1) support of “extended” family members, i.e., persons receiving support who do not qualify as family members according to FAFSA criteria; 2) non-recurring or “windfall” income (or assets) that do not accurately reflect award year resources; or (3) situations where families face unusually high debt burden not accounted for in the federal methodology formulae. This chart has been adapted from NASFAA Monograph #21 entitled: *Professional Judgment in Eligibility Determination and Resource Analysis*, a useful document available in its entirety from [http://www.nasfaa.org](http://www.nasfaa.org). Another useful reference is *Guide to Best Practices for Professional Judgment* prepared by Mark Kantrowitz which is available at: [http://www.finaid.org/educators/pj/](http://www.finaid.org/educators/pj/).

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</table>
| Unusual medical, dental or nursing home expenses | Can be a hardship affecting a family’s ability to pay.                               | See Table 1, Attachment A.                                     | 1. Base year federal income tax form, Schedule A - Itemized Deductions  
2. Receipts of actual medical, dental or nursing home payments. | 1. Reduce adjusted gross income (AGI) by medical, dental or nursing home expenses that exceed a certain percentage of total income.  
2. Reduce AGI by annual installment payments made for long-range medical, dental or nursing home care (e.g., cancer therapy or orthodontic work).  
3. Consider such long range indebtedness as allowance against assets (may be a more accurate reflection of cash flow, since expenses may be paid for over a period of years).  
4. Other. |
| Support of extended family                       | To address on a case-by-case basis families who provide financial support to relatives who are unable to support themselves adequately but don’t qualify as family members using | See Table 2, Attachment A.                                     | 1. Receipts  
2. Billing statements | 1. Reduce AGI by amount of support; or  
2. Adjust household size; or  
3. Adjust assets; or |
<table>
<thead>
<tr>
<th>Circumstance</th>
<th>Reason for Response</th>
<th>How to Gather Information</th>
<th>Possible Data Verification</th>
<th>Suggestions for Implementing the Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary and secondary school costs; child care and dependent care costs.</td>
<td>Identified added expenses related to attendance at tuition-charging schools, child care, care of an elderly family member.</td>
<td>See Table 3, Attachment A.</td>
<td>Base year federal income tax return (# of exemptions claimed, credits taken for care of dependent children, elderly or disabled family members); receipts for tuition payments; signed itemized statement of expenses.</td>
<td>1. Reduce AGI by tuition expense amount; or 2. Add amount of dependent care expenses to student’s cost of attendance; or 3. Adjust assets; or 4. Other</td>
</tr>
<tr>
<td>Unusual debts</td>
<td>To address on a case-by-case basis families with high debt payments for unusual situations, such as mortgages or credit card debts to cover unemployment expenses or failed businesses; legal fees for divorce, adoption, etc.; education loans of parents/spouses; or personal debts for non-discretionary expenses.</td>
<td>See Table 4, Attachment A.</td>
<td>1. Contracts, mortgages, or liens 2. Billing or payment summaries from persons, companies, or agencies to which money is owed.</td>
<td>1. Reduce AGI by amount of total annual installment payments on these debts; or 2. Adjust assets, if this treatment may be a more accurate reflection of the family’s cash flow, since the debt(s) will be paid for over a period of years; or 3. Other.</td>
</tr>
<tr>
<td>Income reduction or non-recurring income</td>
<td>To address on a case-by-case basis instances when base year income does not accurately reflect a family or student’s ability to pay for education, such as divorce or death, change or loss of employment, disability, or receipt of non-recurring (or “windfall”) income.</td>
<td>See Table 5, Attachment A.</td>
<td>1. For estimated income: signed statements documenting estimated earnings; alimony or child support designated in divorce agreements; unemployment compensation &amp; JTPA benefits; actual disability &amp; social security benefits received. 2. For non-recurring income: base year federal income tax return, Schedule A-Itemized Deductions; Form 3903 (moving expenses); Schedule D-Capital Gains &amp; Losses, etc.</td>
<td>1. Use expected year income. Consider using either anticipated current year income or academic year income. 2. If non-recurring income was spent in the base year, reduce AGI by that amount. 3. Replace the “windfall” amount with an average of incomes over the past several years. 4. If source of non-recurring income is an IRA or pension distribution that has been rolled over, it should not be counted as either income or as an asset because such retirement funds are not currently part of the need analysis calculation.</td>
</tr>
<tr>
<td>Circumstance</td>
<td>Reason for Response</td>
<td>How to Gather Information</td>
<td>Possible Data Verification</td>
<td>Suggestions for Implementing the Adjustment</td>
</tr>
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<tr>
<td>Dependency Status</td>
<td>To address on a case-by-case basis a student who does not meet the federal criteria for independent status but who may still be considered to be independent due to unusual circumstances (i.e. physical/ emotional abuse by a parent, abandonment, or estrangement).</td>
<td>See Table 6, Attachment A</td>
<td>1. Student personal statement 2. Base year federal income tax return for student 3. Court documents 4. Third party statements 5. Rental agreement; utility bills, etc.</td>
<td>1. Evaluate information submitted to determine if student should be considered independent based on “other unusual circumstances” category included in the statute. 2. Other</td>
</tr>
</tbody>
</table>
## Table 1: Unusual Medical, Dental or Nursing Home Expenses
(for independent students/spouses and parents of dependent students)

1. How much did you pay for your medical/dental insurance in 2014? (Do not include employer’s contribution.) $________________

2. What were your 2014 medical/dental/nursing home expenses not paid by insurance? $_______

3. Please explain if your unreimbursed medical/dental/nursing home expenses will be lower, the same, or higher in 2015 or 2016, and why: __________________________________________

   __________________________________________________________________________________

   __________________________________________________________________________________

4. From what sources will you finance these expenses?  

   __________________________________               $___________________  
   __________________________________               $___________________

## Table 2: Extended Family Support
(for independent students/spouses and parents of dependent students)

1. Do you contribute financial support to a relative (or relatives) not counted as members of your household?  
   _____Yes  _____No  

   If yes, complete the grid below for each relative indicated.

2. Please explain if these expenses will be lower, the same, or higher in 2015 or 2016, and why: __________________________________________

   __________________________________________________________________________________

3. From what sources will you finance this support? ____________________________________

<table>
<thead>
<tr>
<th>Name of Supported Relative</th>
<th>Age</th>
<th>Relationship</th>
<th>Support Began (Month/Year)</th>
<th>Support Ends (Month/Year)</th>
<th>Amt. Paid by Other Sources</th>
<th>Reason for Support</th>
</tr>
</thead>
</table>
### Table 3  
**Elementary and Secondary Education and Dependent Care Expenses**  
(for independent students/spouses and parents of dependent students)

1. Do you pay for elementary or secondary education expenses or dependent care expenses?  
   - Yes  
   - No

2. List family members and the amount of relevant support given for each by completing the grid below.

3. Please explain if these expenses will be lower, the same, or higher in 2014 or 2015, and why.  

4. From what sources will you finance these expenses?  

<table>
<thead>
<tr>
<th>Name of Supported Relative</th>
<th>Age</th>
<th>Relationship</th>
<th>Child Care Expenses</th>
<th>Elementary Education Expenses</th>
<th>Secondary Education Expense</th>
<th>Adult Dependent Care Expense</th>
<th>Total 2013 Annual Expense</th>
</tr>
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</table>

### Table 4  
**Unusual Debts**  
(for independent students/spouses and parents of dependent students)

1. Do you or your parents have unusual debts or loans for which you or they are currently making monthly payments? (Include mortgages or credit card debts to cover unemployment expenses or failed businesses; legal fees for divorce, adoption, etc.; education loans of parents or spouses; or personal debts for nondiscretionary expenses.)  
   - Yes  
   - No

2. If yes, list type and purpose of debt, total amount owed and amount of monthly payment on the grid below.

3. Please explain if these expenses will be lower, the same, or higher in 2015 or 2016, and why.

4. From what sources will you finance this support?  

<table>
<thead>
<tr>
<th>Type or Cause of Debt</th>
<th>Who Owes</th>
<th>Amt. of Original Debt and Date Incurred (Month/Year)</th>
<th>Balance Owed on Debt</th>
<th>Date Payments Began</th>
<th>Monthly Payment</th>
<th>Holder of Debt</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>
### Table 5: Income Reduction
(for independent students/spouse and parents of dependent students)

1. Will your income and/or your spouse’s or parents’ income be less in 2015 or 2016 than in 2014 for any of the reasons listed in question 2? _____Yes _____No

2. If "yes", please check the appropriate reason and explain, giving the date of the change in your situation.

   - Date: ________________________________
   - a. ___ Unemployment or change in employment
   - b. ___ Divorce/separation
   - c. ___ Death of student’s spouse or parent
   - d. ___ Disability of student, or student’s spouse, or parent
   - e. ____ One-time income (examples: inheritance, moving expense allowance, back year social security payments, or IRA or pension distribution)

3. If 2e is checked, identify source of income and how funds were spent or invested.
   _______________________________________________________________________

4. If 2a, 2b, 2c, or 2d is checked, please complete the following income information for the period _____________________(month/year) to _____________________(month/year).

5. If you or your parent are divorced or separated, give only your information or the information of the custodial parent.

6. If the loss of income was due to the death of your spouse or parent, give only your information or the information of your surviving parent.
   _______________________________________________________________________

#### Anticipated income

- **Wages, salaries, tips** (including severance pay, disability payments and any income from work)
- **Other taxable income**
- **Un taxed social security benefits**
- **Public Assistance**
- **Child support received**
- **Other untaxed income**
- **Total anticipated income**
Table 6  Dependency Status

There are federal requirements that a student must meet to qualify for financial aid as an independent student. If you do not meet one of the criteria for independence, you will be evaluated as a dependent student, meaning that your parents must provide income and asset information. There may be special circumstances that warrant re-evaluation of your status by a financial aid counselor. Please provide the information requested below so that a final determination of your status can be made.

1. Please explain the circumstances in your family that have led to your being unable to obtain your parents’ financial information or signatures on your FAFSA. Describe your past and current relationship with each of your parents and provide a timeline with approximate dates of the events leading to the break in the relationship with them.

2. Please indicate the amount and the source (examples: your wages/benefits, support from parents, monetary gifts from persons other than your parents, interest income) of your annual income for 2013 and 2014.

3. Please complete the following information about your annual calendar year expenses:
   (If any amounts are zero, please explain who pays for these expenses.)

<table>
<thead>
<tr>
<th>Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
</tr>
<tr>
<td>Transportation (car payments, insurance, gas, maintenance)</td>
</tr>
<tr>
<td>Utilities</td>
</tr>
<tr>
<td>Child care and/or dependent care</td>
</tr>
<tr>
<td>Personal (clothing, entertainment)</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>