

The FAFSA Simplification Act and Professional Judgment

The FAFSA Simplification Act **introduced changes related to professional judgment (PJ), dependency overrides, and homeless youth determinations** effective for the 2023-24 aid year and beyond. Institutions are now required to:

- Inform students about their ability to request PJ adjustments for special and unusual circumstances, such as publicly posting this option on their websites.
- Notify students of the school's process, requirements, and timeline for reviewing PJ requests.
- Abandon any policy of denying all PJ requests of a specific type, and remove deadlines by which students must submit PJ requests.
- Make determinations of independence for unaccompanied homeless youth, foster care youth, orphans, wards of the court, and students with unusual circumstances within 60 days of the student's enrollment.
- Presume any student who received a dependency override in a preceding award year 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.

The FAFSA Simplification Act also:

Creates a new distinction between special and unusual circumstances.

- Special circumstances relate to PJ adjustments to FAFSA data elements or to the cost of attendance (COA).
- Unusual circumstances relate to making an adjustment to a student's dependency status based on a unique situation, commonly known as dependency overrides.

Adds new examples of adequate documentation of special and unusual circumstances. Examples include but are not limited to:

- Documented interview between student and the financial aid administrator (FAA)
- Supplementary information about financial status or personal circumstances of applicant as it relates to special/unusual circumstances
- For unusual circumstances, proof of student or parent incarceration, documented phone call or written statement confirming unusual circumstances with certain authorities

Adds examples of special circumstances that may be used for adjustments related to Pell Grant eligibility only. Examples include but are not limited to:

- Recent unemployment of student or family member
- Student or family member is a dislocated worker
- Change in housing status resulting in the student being a homeless youth
- Unusual amount of losses claimed on tax return
- Receipt of untaxed foreign income for which taxpayer received a foreign tax credit
- Other changes or adjustments in the income, assets, or size of a family, or a student's dependency status

Adds examples of special circumstances for using PJ to adjust COA and Student Aid Index (SAI).

Examples include, but are not limited to:

- The existence of additional family members enrolled in college
- Severe disability of student, student's parent, student's spouse, or student's dependent
- Unusual amount of losses claimed on tax return

Creates a new FAFSA filing option, known as provisional independent student status, allowing the student to indicate on their FAFSA that they believe their personal family circumstances would qualify them for a dependency override. Selecting this option on the FAFSA permits dependent students to complete the FAFSA without parental information and to receive an estimated SAI, subject to final determination by the FAA.

Provides examples for an FAA to assist applicants who may have unusual circumstances based on instances in which the student is unable to contact a parent or where contact with parents poses a risk to the student, such as:

- Human trafficking
- Being legally granted refugee or asylum status
- Parental abandonment or estrangement
- Student or parental incarceration

Codifies previous guidance from the U.S. Department of Education (ED) that, during qualifying emergencies, financial aid administrators can use PJ to adjust income earned from work, based on receipt of unemployment benefits or proof of an application for unemployment benefits. Documentation is acceptable if submitted within 90 days of issuance. Exceptions to the 90-day time frame are permitted, provided there is no reason to believe there is conflicting information.

PJ Resources:

- [Dear Colleague Letter, GEN-22-15](#)
- [FAFSA Simplification Questions and Answers](#)
- [NASFAA Summary of FAFSA Simplification Changes](#)
- [NASFAA PJ Monograph](#)
- [NASFAA FAFSA Simplification AskRegs Knowledgebase](#)