

Professional Judgment

Federal Student Aid, Training and Information Services Group



Objectives

This session will provide an overview of the statutory ability to make case-by-case adjustments based on special circumstances, commonly known as professional judgment (PJ). The session will also include information on the use of PJ during the declaration of the national emergency related to COVID-19.

- Understand and locate guidance on PJ
- Identify circumstances where PJ may be exercised
- Describe the primary areas impacted by PJ and exclusions
- Explain the requirements for written policies, procedures and documentation



Resources

- [Higher Education Act of 1965, Section 479A](#)
- [34 CFR 685.301\(a\)\(8\)](#)
- [2022–23 FSA Handbook, Application and Verification Guide, Chapter 5](#)
- [GEN 11-07, GEN 21-02](#)
- [Professional Judgment Wednesday Webinar](#)
- [FSA Partner Connect Help Center](#)



Key Concepts

Professional Judgment:

- Financial aid administrators (FAA) may make adjustments on a case-by-case basis due to documented special circumstances, to student's cost of attendance or the data used to calculate his or her EFC.
- Must have a written policy/procedure for PJ circumstances and decision makers
- Submit a PJ change electronically, via FAA Access to CPS Online or third-party software

Income Protection Allowance:

FAA's may consider the Income Protection Allowance (IPA) for basic family living expenses when using PJ. The IPA:

- Informs data elements adjustments used to calculate the EFC
- Reduces Adjusted Gross Income (AGI)
- Shown on the ISIR

Prohibitions:

- Institutional policies that deny all PJ requests

- Circumventing Title IV law or regulations
- Waiving student eligibility requirements
- Changing dependency status from independent to dependent

Special Circumstances:

Conditions that **differentiate** an individual student from a class of students



 **Types of Documentation**

Obtain sufficient documentation to justify why a PJ determination was made. The documentation will vary by circumstance.

Adjustment	Documentation
Adjustments to Cost of Attendance (COA)	<ul style="list-style-type: none"> • Student account statement • Housing contract or lease • Bookstore (or other provider) receipt • Contract or receipts from provider • Study abroad contract • Signed statement from student, parent, spouse, or other
Adjustments to Expected Family Contribution (EFC)	<ul style="list-style-type: none"> • Unemployment verification letter • State unemployment agency online unemployment insurance records • Other supporting documents

 **Check Your Understanding**

Student Scenario

Jackie has documented housing expenses of \$28,800/year for a 2-bedroom off campus apartment. She attends school year-round. Her IPA is \$60,000. 22% of IPA covers housing (\$13,200). Would you consider a PJ decision? If so, list the documents would you collect?