

How to Pay for College
Webinar Series – Part 3

Financial Aid Updates & Special Circumstances

February 24, 2021



Welcome!



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Many thanks to the following for their generous contributions:

Cornerstone Funder



Supporters



Guest Presenter

Carrie Warick

Director of Policy & Advocacy

National College Attainment Network



Guest Presenter

Daniel Barkowitz

Assistant Vice President,
Financial Aid/Veteran's Affairs

Valencia College



Questions & Conversation

- Submit your questions in the box
- Share on social media
 - Twitter: @FLCollegeAccess
 - #FCAN
 - #TalentStrongFL

This webinar is being recorded; all materials will be available within a week of recording



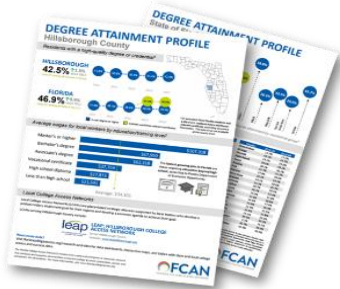
Our mission:

We lead the collaborative movement to ensure every Floridian achieves an education beyond high school and a rewarding career.

Our vision:

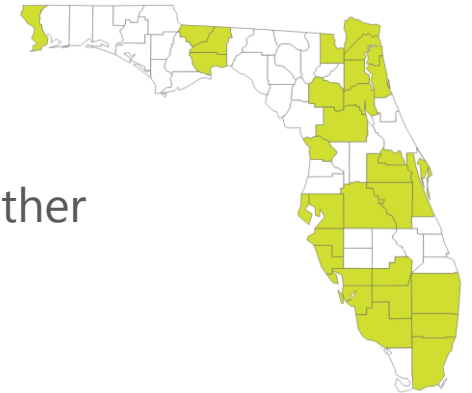
A Florida working together, where education is the pathway to economic mobility for all.

FCAN's Work



Research and Data FCAN publishes research and data on evidence-based practices and policy opportunities to strengthen Florida's talent pool.

Local college access networks (LCANs) LCANs support 82% of the state's population. These organizations are made up of community leaders who come together to create solutions and partnerships to support local talent development.



**COLLEGE
READY
FLORIDA**

Statewide Initiatives FCAN coordinates 4 College Ready Florida initiatives that provides schools and community organizations resources to help students continue their education after high school.

7 Conditions for Success

Opportunity for everyone: To build a talent-strong economy, all Floridians need access to a postsecondary education and the supports to complete it.

Clear information and guidance: Students and families need exposure and counseling early and often to make informed decisions about their futures.

Affordable: Postsecondary education needs to be within everyone's financial reach, regardless of household income or life circumstances.

Multiple pathways to success: Floridians benefit from multiple learning opportunities for academic achievement and career advancement.

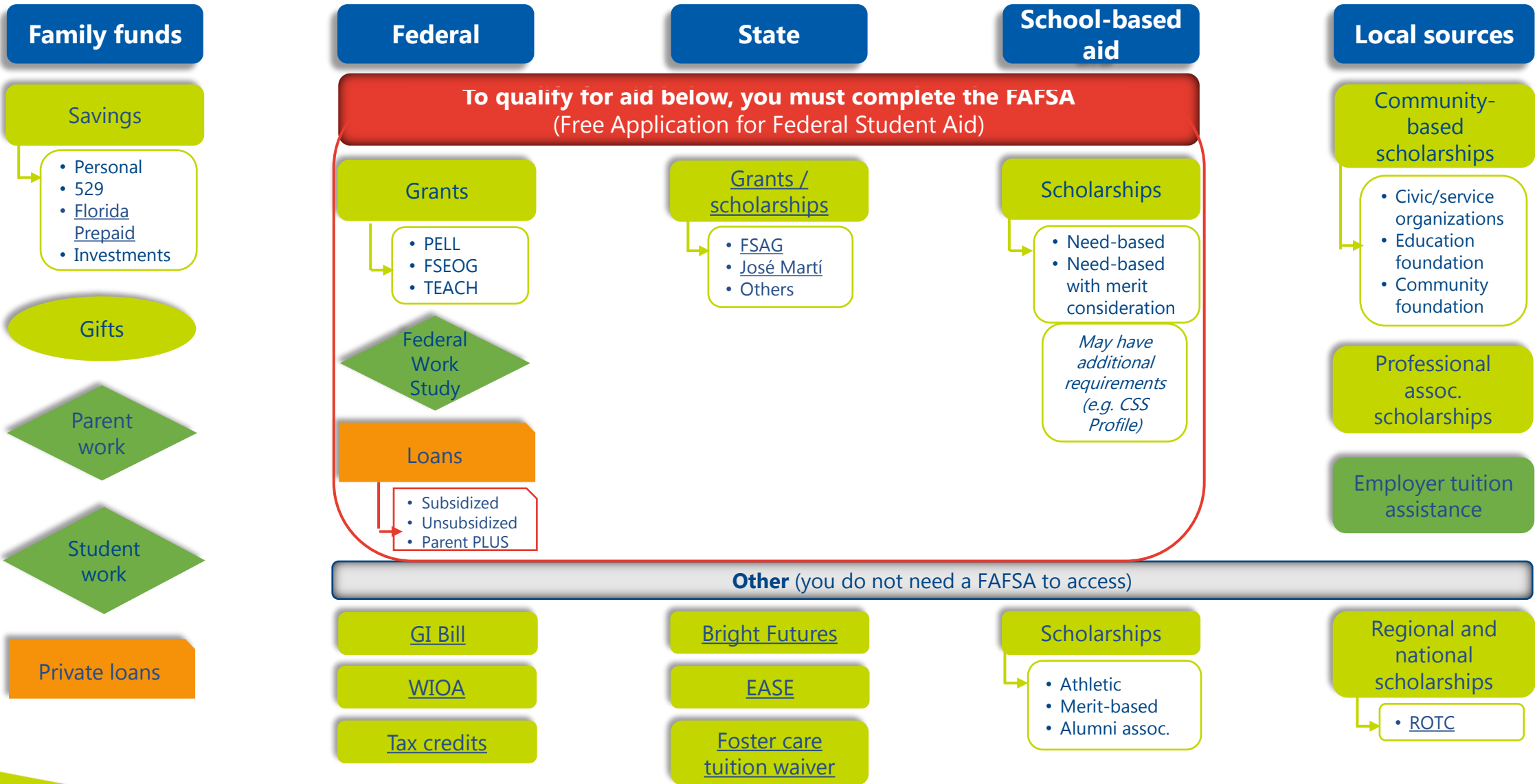
Lifelong learning: No degree or credential is "one and done;" Floridians need to prepare for career changes through continuous learning.

Effective use of data: Transparent access to data on education and economic outcomes, especially for Florida's diverse populations, helps achieve our goals.

Community collaboration: When community partners work together toward a shared vision, they remove barriers, build a robust workforce, and improve the quality of life for their regions.

Introduction

HOW TO PAY FOR COLLEGE



Color Key

- Free resources
- Work-related sources
- Loans
- ◆ Earned money

Financial Aid Updates

Update from Washington: Consolidated Appropriations Act of 2021

February 24, 2021



@NCANetwork

CONSOLIDATED APPROPRIATIONS ACT OF 2021

- President Trump signed into law, December 2020
- All 12 Appropriations Bills
 - Pell Grant Funding increase: \$6495 for AY2021-22
- COVID Supplemental Relief
 - \$82 billion for education funding incl. \$22.7 billion for higher education institutions and student relief.
 - SNAP Eligibility change: Students who attend at least part- or full-time are eligible if they have an EFC of \$0 or are deemed eligible for federal/state work study programs. Learn more via the [U.S. Food and Nutrition Service](#).
 - \$3.2 billion – Emergency Broadband Benefit Program, students with FRPL or Pell recipients are eligible
- FAFSA Simplification Act

HIGH LEVEL SUMMARY OF FAFSA SIMPLIFICATION ACT

- # of questions on FAFSA reduced from 108 to 36 according to Sen. Alexander (retired).
 - Expected Family Contribution becomes Student Aid Index
 - Simplified Needs Test becomes Exempt from Asset Reporting
- New max. and min. Pell eligibility determination allows for better early awareness.
 - Changes in Pell Grant eligibility increases the number of Pell eligible students.
- Effective Date? July 1, 2023 (AY23-24).
 - FAFSA opening Oct 1, 2022



FAFSA SIMPLIFICATION CHANGES

QUESTIONS ELIMINATED

- Exact number will vary based on family's financial strength
- Eliminates several questions that <1% of FAFSA filers answer with a non-zero response.
- Eliminates questions that create barriers, such as the prohibition on students with drug convictions from receiving aid and selective service registration.
- Removes Number in College Question from SAI calculation
- FUTURE Act of 2019 will bring changes to automatically transfer fields available from the IRS
 - Family size will now be determined by number of dependents on taxes

QUESTIONS REQUIRED

1. Name
2. Contact information
3. Social security number
4. Date of birth
5. Marital status
6. Citizenship status
7. Gender
8. **Race or ethnicity**
9. State of legal residence and date of residency
10. Name and location of high school
11. Name of institution to where the applicant is applying (or continuing enrollment)
12. Period of enrollment for which aid is sought
13. Whether a student's parents attended college
14. Required asset information
15. Number of family members (other than the student) who will be enrolled at least half time
16. Whether an applicant can be considered a member of certain categories of individuals (i.e., homeless, veteran, etc.)
17. Whether Federal means tested benefits were received (including school meals)
18. Any exempt payment from an IRA distribution or pensions/annuities

EXPECTED FAMILY CONTRIBUTION -> STUDENT AID INDEX

- The “Expected Family Contribution” (EFC) is now the “Student Aid Index” (SAI) to better communicate to students the role of the FAFSA calculation on their aid eligibility.
- Those eligible for maximum Pell Grants will automatically receive an SAI of \$0 (or less by calculation).
- Creates Negative SAI down to **-\$1,500**
 - Non-tax filers will automatically receive most generous SAI
 - FAFSA Filers can also receive a calculated negative SAI
 - Allows for aid above cost of attendance, but not an increase in the maximum Pell Grant.
 - Negative SAI students are eligible for the maximum Pell Grant award, like students with a \$0 SAI.

SIMPLIFIED NEEDS TEST -> EXEMPT FROM ASSET REPORTING)

- Filers eligible for SNT do not need to answer asset questions
- Eligibility:
 - Earnings below \$60,000 adjusted gross income
 - Tax filers who file the simple tax form (excluded from SNT: Schedule A, B, D, E, F, H or Schedule C for more than \$10,000)
 - Means-tested benefit recipients
 - Filers who automatically are eligible for maximum Pell Grant

CHANGES TO FAFSA QUESTIONS

- Changes in Family Size:
 - Parents who are separated must now be legally separated
 - Family size will come from the PPY tax return, using IRS definition
 - Family size now includes: student, parent/spouse as applicable, dependents from PPY tax return
 - Secretary provided authority to use flexibility if family size has changed since PPY
 - Age now based on tax year, not the award year.
 - Independent students still at 24, but since FAFSA uses prior-prior tax year, this will actually make some students dependents longer.
- Changes in Cost of Attendance Calculation
 - Students who live at home with parents can no longer have \$0 for cost of living
 - Transportation includes travel among home, school, work
 - Federal loan fees must be included, but private loan fees may not be included
 - Licensing/certification/credential fee cost incurred during academic year must be included

IMPACTS ON THE PELL GRANT PROGRAM

STUDENTS ELIGIBLE FOR MAXIMUM PELL

- Maximum Pell Eligibility is based on these factors regardless of SAI
- Goal to allow for early awareness without completing FAFSA
- Students who meet one of the following will receive Max Pell:
 - Independent students who are not required to file taxes (automatic SAI \$0)
 - Dependent students whose parents are not required to file taxes (automatic SAI \$0)
 - Students/families with Adjusted Gross Income (AGI) below the following Federal Poverty Level percentages:
 - 225% - Dependent students with a single parent
 - 175% - Dependent students with parents who are not single
 - 225% - Independent students who are single parents
 - 175% - Independent students who are not single parents

MINIMUM PELL CALCULATIONS

- Minimum Pell Eligibility is based on these factors regardless of SAI.
- Goal to allow for early awareness without completing FAFSA.
- Students who meet one of the following will receive at least a minimum Pell:
 - Independent students who do not file taxes
 - Dependent students whose parents do not file taxes
 - Students/families with Adjusted Gross Income (AGI) below the following Federal Poverty Level percentages:
 - 325% - Dependent students with a single parent
 - 275% - Dependent students with parents who are not single
 - 400% - Independent students who are single parents
 - 350% - Independent students who are parents, but not single
 - 275% - Independent students who are not parents
- Students who meet these factors could receive a higher Pell based on their SAI calculation

NCAN SAMPLE PROJECTIONS, APPLIED TO AY20-21 USING 2020 FPL

NOT FOR PUBLIC DISTRIBUTION/ATTRIBUTION

Adjusted Gross Income - Dependent Student with Single Parent																			
Family Size	0-35,000	40,000	45,000	50,000	55,000	60,000	65,000	70,000	75,000	80,000	85,000	90,000	95,000	100,000	110,000	115,000	125,000	140,000	150,000+
2	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA
3	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA
4	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA
5	6,345	6,345	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA
6	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA
7	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA
8	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell

Adjusted Gross Income - Dependent Student with Married Parents																		
Family Size	0-35,000	40,000	45,000	50,000	55,000	60,000	65,000	70,000	75,000	80,000	85,000	90,000	95,000	100,000	105,000	110,000	115,000	120,000+
3	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA
4	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA
5	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA
6	6,345	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA
7	6,345	6,345	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA
8	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell

6,345	FAFSA Filer will be awarded a maximum Pell (or proportional for part-time) based on the Max Pell formula
Min Pell	FAFSA Filer is guaranteed at least a minimum Pell and may receive more based on their SAI calculation
Need FAFSA	FAFSA Filer is not guaranteed a Pell Grant of any size but may receive one based on their SAI calculation

NCAN SAMPLE PROJECTIONS, APPLIED TO AY20-21 USING 2020 FPL

NOT FOR PUBLIC DISTRIBUTION/ATTRIBUTION

Adjusted Gross Income - Single Independent Student with Dependent																			
Family Size	0-35,000	40,000	45,000	50,000	55,000	60,000	65,000	70,000	75,000	80,000	85,000	90,000	95,000	100,000	120,000	140,000	155,000	175,000	180,000+
2	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA
3	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA
4	6,345	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA
5	6,345	6,345	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA	Need FAFSA
6	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA
7	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA
8	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell

Adjusted Gross Income - Married Independent Student with Non-Spousal Dependent																			
Family Size	0-35,000	40,000	45,000	50,000	55,000	60,000	65,000	70,000	75,000	80,000	85,000	90,000	95,000	100,000	105,000	120,000	140,000	150,000	155,000
2	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA
3	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA
4	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA	Need FAFSA
5	6,345	6,345	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA
6	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA
7	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell	Need FAFSA
8	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Min Pell	Min Pell

Adjusted Gross Income - Independent Student without a non-spousal dependent							
Family Size	0-20,000	25,000	30,000	35,000	40,000	45,000	50,000
1	6,345	Min Pell	Min Pell	Min Pell	Need FAFSA	Need FAFSA	Need FAFSA
2	6,345	6,345	6,345	Min Pell	Min Pell	Min Pell	Need FAFSA

6,345	FAFSA Filer will be awarded a maximum Pell (or proportional for part-time) based on the Max Pell formula
Min Pell	FAFSA Filer is guaranteed at least a minimum Pell and may receive more based on their SAI calculation
Need FAFSA	FAFSA Filer is not guaranteed a Pell Grant of any size but may receive one based on their SAI calculation

EARLY AWARENESS REQUIREMENTS

- Consumer tools for early awareness for Pell eligibility, designed with user testing
- Outreach plans to first-generation families and families with low-incomes are now required in law. Pell Restoration/Second Chance Pell – the prohibition on incarcerated students applying for federal financial aid has been eliminated.

ADDITIONAL PROVISIONS IN HIGHER EDUCATION AGREEMENT

- **Pell Restoration for Incarcerated Individuals**
- **Subsidized Student Loan Cap:** The bill would eliminate the 150 percent cap on the receipt of subsidized undergraduate student loans.
- **Restoration of Pell eligibility for Successful BDR claimants:** The bill would restore Pell grant eligibility that a successful BDR claimant had used during the period covered by the BDR claim.
- **HBCU Capital Financing Loan Discharge:** The bill would discharge all existing HBCU capital financing loan balances and interest obligations at institutions with such loans.
- **Professional Judgment Codified**

PLEASE REACH OUT WITH QUESTIONS:
CARRIE WARICK - WARICKC@NCAN.ORG

Thank you!

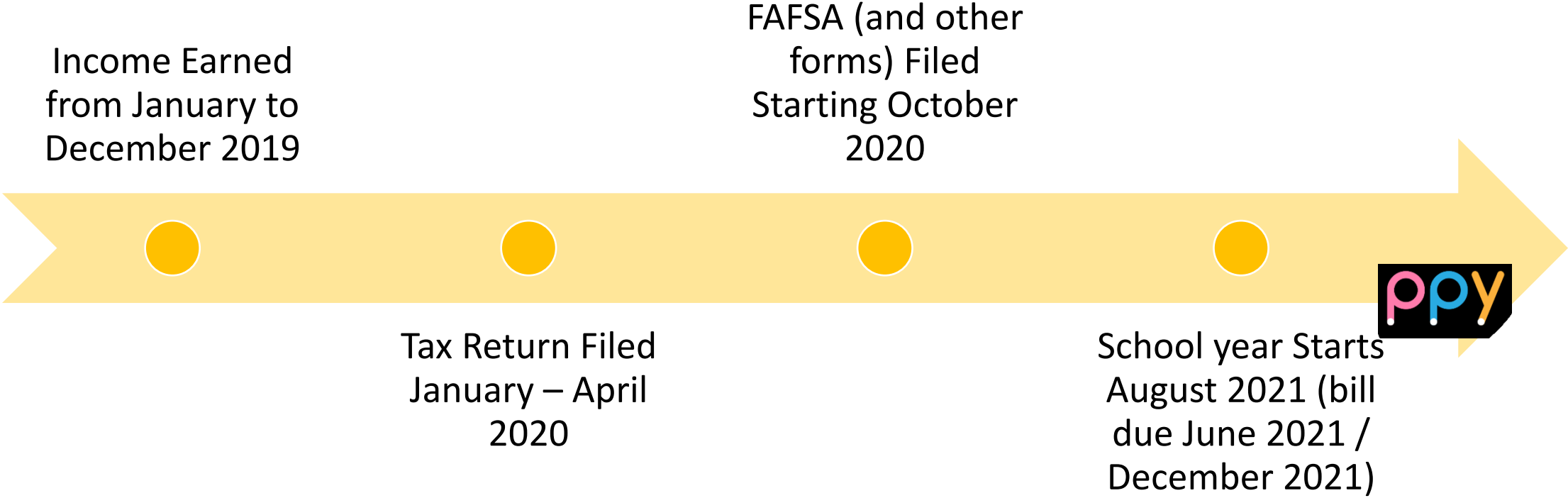
Read more via NCAN News:

[*Bipartisan Support for FAFSA Simplification
Eases Path to Accessing Financial Aid*](#)

Special Circumstances

FAFSA Filing: When Do Families File the Form? What Income Do They Use?

Example given is for the 2021-22 School Year. Income used comes from Prior Prior Year (PPY)



Learn more → <https://moneymanblog.com/2020/04/06/expecting-the-unexpected-in-your-pjs/>

What Happens If Income Has Changed?

Death of a Parent

- Before FAFSA is filed, PPY income reported is surviving parent only. If no surviving parent, student is independent.
- After FAFSA is filed, if no surviving parent, student is independent. Otherwise, Professional Judgment (PJ) Request.

Loss/Gain of Income

- Income is reported based on PPY year. If unusual income (settlement, etc.), PJ Request.
- If parent has lost employment in PY or CY, then PJ Request.



Learn more → <https://moneymanblog.com/2020/04/06/expecting-the-unexpected-in-your-pjs/>

What Is Professional Judgment (PJ)?

Authorized by HEA Sec. 479A(a):

- “IN GENERAL—Nothing in this part shall be interpreted as limiting the authority of the financial aid administrator, on the basis of adequate documentation, to make adjustments on a case-by-case basis to the cost of attendance or the values of the data items required to calculate the expected student or parent contribution (or both) to allow for treatment of an individual eligible applicant with special circumstances.”

PJ is not regulated by ED

Is subject to audit, but FAAs are given wide latitude (within a framework)

Dependent on Financial Aid Officer’s individual judgment



Learn more → <https://moneymanblog.com/2019/09/15/try-the-grey-stuff-its-delicious/>

What are the different kinds of PJ?

- From HEA 479A(a), the ability to:
 - Modify Cost of Attendance items
 - Modify values of data elements in the EFC formula
 - Offer a dependent student Unsubsidized Direct Stafford without requiring parent data on the FAFSA
- From HEA 479A(b), the ability to:
 - Exclude from family income the assets of sale of farm or business assets if such sale results from foreclosure, bankruptcy, or involuntary liquidation
 - Consider the costs that a student incurs based upon his/her disability
- From HEA 480(d)(7):
 - The ability to override the dependency status of an otherwise dependent student to allow her/him to be considered an independent student
- From 34 CFR 668.34(a)(9):
 - The ability to consider appeals for SAP statuses (Suspension and Maximum Hours)
- From HEA 479A(c):
 - The ability to refuse to certify a Direct Loan or to only certify a loan for less than the maximum amount.



What are the limits on PJ?

- Cannot:
 - Change independent student to dependent
 - Create a new category of costs
 - Adjust bottom-line EFC
 - Change the EFC formula
 - Make across-the-board changes
 - Make an otherwise ineligible student eligible
 - Circumvent the intent of the law or regulations
 - Include post-enrollment expenses
 - Cannot override dependency for
 - Parental refusal to pay for education
 - Parental unwillingness to provide FAFSA data
 - Parents not claiming student on taxes
 - Student demonstrating total self-sufficiency



Guidelines for PJ: The Musts and the Shoulds

- Must consider each decision independently (cannot make a change for a class or group of students)
 - But COULD make the same decision each time
- Must be able to show sufficient (or adequate) documentation for each decision made.
 - Must verify a student if the student is selected for verification before performing PJ.
 - Must show documentation used to make the decision.
 - Must show notation of the school's decision, how it was reached, and the action taken.
- Should have a consistent and fair evaluation process.
- Should explain on your website how to request PJ review.



PJ Income options

- For Academic Year 2021-22
 - Base Year (or Prior Prior Year) is 2019
 - Prior Year is 2020
 - Will the FAA collect 2020 tax return to verify as family will have completed the return prior to start of 2021-22 academic year?
- Projected Year is 2021
 - Does the FAA ask for current paystubs and request final 2021 tax return (once filed) prior to releasing Spring aid?
- Calculated Year of July 1, 2021 to June 30, 2022
 - How do the FAA validate income?
- If loss of income happens in Spring semester (2022), what does the FAA do?
- Concept that income year should end by the time award year ends
- Other ideas?
 - FAAs are really unlimited as to how to consider income, so any year they create is OK.

2020

Federal Holidays 2020
 Jan 1 New Year's Day
 Jan 20 Martin Luther King Day
 Feb 17 Presidents' Day
 May 25 Memorial Day
 Jul 4 Independence Day (obs.)
 Sep 7 Labor Day
 Oct 12 Columbus Day
 Nov 11 Veterans Day
 Nov 26 Thanksgiving Day
 Dec 25 Christmas Day

2021

Federal Holidays 2021
 Jan 1 New Year's Day
 Jan 18 Martin Luther King Day
 Feb 15 Presidents' Day
 May 31 Memorial Day
 Jul 4 Independence Day (obs.)
 Jul 5 Independence Day (obs.)
 Sep 6 Labor Day
 Oct 11 Columbus Day
 Nov 11 Veterans Day
 Nov 25 Thanksgiving Day
 Dec 24 Christmas Day (obs.)
 Dec 25 Christmas Day
 Dec 31 New Year's Day (obs.)

2022

Federal Holidays 2022
 Jan 1 New Year's Day
 Jan 17 Martin Luther King Day
 Feb 21 Presidents' Day
 May 30 Memorial Day
 Jul 4 Independence Day
 Sep 5 Labor Day
 Oct 10 Columbus Day
 Nov 11 Veterans Day
 Nov 24 Thanksgiving Day
 Dec 25 Christmas Day
 Dec 26 Christmas Day (obs.)

Fed guidance on PJ in an era of COVID-19

- April 3, 2020 – UPDATED Guidance for interruptions of study related to Coronavirus (COVID-19) (<https://ifap.ed.gov/electronic-announcements/040320UPDATEDGuidanceInterruptStudyRelCOVID19>)
 - “Section 479A of the HEA gives an institution’s financial aid administrator (FAA) the authority to use professional judgment to make adjustments on a **case-by-case basis** to the **cost of attendance** or to the **values of the items used in calculating the EFC** to reflect a student’s special circumstances. The Department **encourages FAAs** to use professional judgment to reflect more accurately the financial need of students and families **affected by the COVID-19 pandemic**. In making case-by-case determinations, the FAA must **obtain and retain** in the affected student’s file **documents that supporting and substantiating** the reasons for any adjustment.
 - Institutions must make and document professional judgment determinations on a **case-by-case basis** without regard to how **broadly an event may affect its student population**. The use of professional judgment in the Federal Methodology need analysis is discussed in the Federal Student Aid Handbook. Additionally, FAAs **must report to the Central Processing System (CPS) as a “correction”** transaction and **with the “PJ” indicator** any professional judgment decisions that affect a student’s eligibility for a Federal Pell Grant.”



More Fed Guidance

- January 29, 2021 - Update on the use of “Professional Judgment” by Financial Aid Administrators (<https://ifap.ed.gov/dear-colleague-letters/GEN2102>)
 - “At all times, but particularly during this period of economic hardship, **you may use documentation of unemployment**—including, but not limited to, receipt of unemployment **benefits—to reduce or adjust to zero the income earned from work for a student and/or parent as well as make corresponding adjustments to Adjusted Gross Income (AGI)**. A letter from the state unemployment agency or other evidence that a student or parent is receiving unemployment benefits is **sufficient to adjust the calculated expected student or parent contribution** to account for the loss of employment on the family’s ability to contribute to educational expenses. Institutions making these adjustments should **retain these letters in your student records** to support the adjustments to student or parent income.”



Questions?

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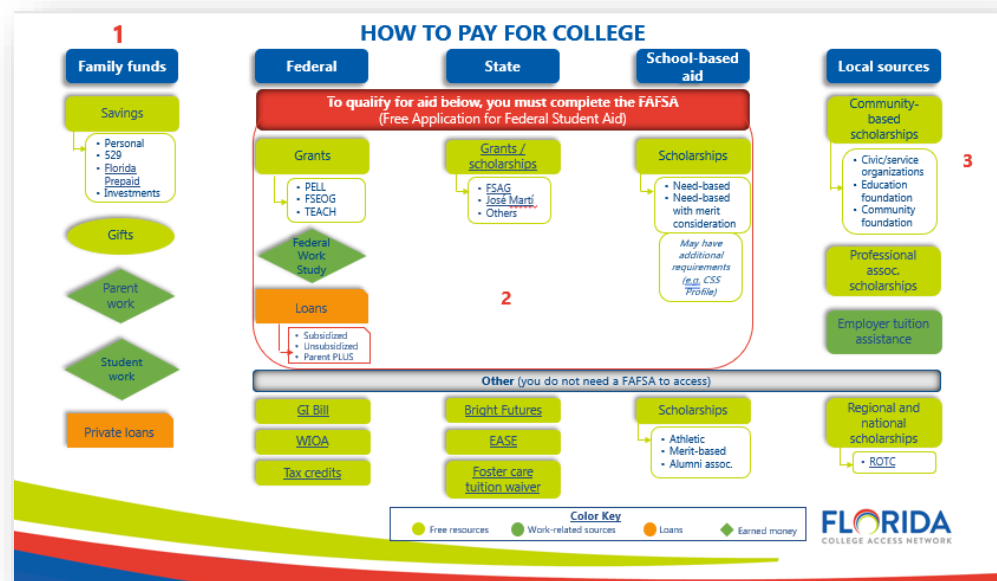


[@barkowitz](https://twitter.com/barkowitz)

Join us for Part 4:

Paying for College Webinar Series:

Part 4: FAFSA Verification Update: Reducing “melt” with a more targeted approach
March 11th, 1-2 pm



Learn More:

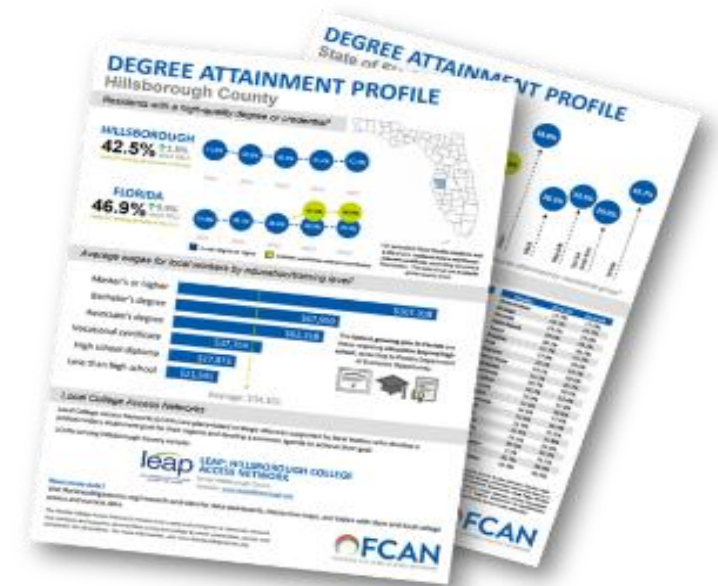
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Conclusion

