


Understanding How to Use Professional Judgment for Dependency Status Overrides

National Association of Student Financial Aid Administrators

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Understanding How to Use Professional Judgment for Dependency Status Overrides

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Objectives

In this session we will:

- Review the dependency status questions,
- Provide guidance on appropriate reasons for a dependency override,
- Review alternatives to dependency status overrides, and
- Discuss dependency status examples and scenarios

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Dependency Status Questions

1. Age
 - Age 24 by December 31 of the award year
2. Marital Status
 - All married applicants are considered independent
 - Students may not project marital status if he or she intends to be married after filing FAFSA

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Dependency Status Questions

3. Graduate or Professional Student
 - One who is enrolled in a course of study beyond the third year of the undergraduate level leading to a graduate or first professional degree, and
 - Who is not treated for financial aid purposes as an undergraduate

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Dependency Status Questions

4. Veteran of U.S. Armed Forces
 - A veteran of the U.S. Army, Navy, Air Force, Marines, or Coast Guard is considered independent
 - An individual who is currently on active duty and is not scheduled to be discharged during award year is not a veteran and must answer "no" to the FAFSA dependency question regarding veteran status

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Dependency Status Questions

5. Children and legal dependents

- Students who have legal dependents are independent
- Legal dependents comprise children of the student who receive more than half their support from the student, and
- Other persons (except a spouse) who live with and receive more than half their support from the student as of the FAFSA signing date and will continue to do so for the award year

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Dependency Status Questions

6. Orphan, Foster Child, or Ward of the Court

- Student with both parents deceased age 13 or older is an orphan and considered independent
- Student who was at any time since the age of 13, a foster child or a ward of the court or ward of the state is independent

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Dependency Status Questions

7. Emancipation and Legal Guardianship

- Student is independent if the student is, or was upon reaching the age of majority, an emancipated minor or in legal guardianship, both as adjudicated by a court in the student's state of legal residence at the time of the adjudication

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Dependency Status Questions

8. Unaccompanied Homeless Youth

- For 2010–11, the student was determined at any time since July 1, 2009, to be an unaccompanied youth who was homeless or self-supporting and at risk of being homeless

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Determining Dependency Status

Exercise 1

Sonya is 21 years old. She served in the Marines for five months until she was arrested and jailed for one month for hitting an officer. She was released from service. Sonya's DD Form 214 papers indicate that she was discharged as having "bad conduct". For Title IV purposes, does Sonya meet the definition of a veteran?

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Determining Dependency Status

Exercise 2

Felix is 22 years old. When Felix was twelve, both his parents died. Felix was sent to live in a foster home. At age 15, Felix was legally adopted by a distant relative. For Title IV purposes, is Felix dependent?

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Determining Dependency Status

Exercise 3

Brad is 18 years old. His mom is deceased and his father locked him out of the house on 04/05/09, because of an argument. Brad stays with friends, and occasionally, a cousin. Mostly, he stays on the streets. He has registered with a local youth shelter and uses the shelter as a place to eat and shower. He never sleeps at the shelter. The director of the shelter has determined that Brad is homeless. For Title IV purposes, must Brad apply as a dependent student?

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Dependency Status Appeals

- Written policies and procedures ensure that your institution applies its policies consistently and fairly to all students
- NASFAA's Policies and Procedures Tools useful in developing policies and procedures

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Dependency Status Appeals

Dependency status override decision is:

- Based upon student's unusual circumstances
- Reviewed on a case-by-case basis and decision is documented
- Override can be performed on the student's initial paper FAFSA or after the student's FAFSA has been filed

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Inappropriate Reasons for an Override

The following reasons are unacceptable for a dependency status override:

- Parent refuses to complete the FAFSA
- Parental unwillingness to pay
- Parents do not claim the student as a dependent for income tax purposes; and
- Student demonstrates total self-sufficiency

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Appropriate Reasons for an Override

- Unusual circumstances include an abusive family environment or abandonment by parents
- Determined on a case by case basis with documentation provided by the student

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Alternatives to Dependency Overrides

Student may be able to receive unsubsidized Stafford loans if student obtains a signed statement documenting:

- Parents refusal to provide FAFSA information, and
- Parents do not and will not provide any financial support to the student

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Alternatives to Dependency Overrides

Institution has the discretion to award its own institutional funds based on its own packaging policy

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Circumstances for an Override

- Policies should clearly state type of circumstances for which institution will consider dependency status override request
- Procedures should provide general process for reviewing an override request and how to address any exceptions to policy

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Override Performed at Another School

Optional to accept a dependency override determination made by another school that occurs within the same award year without collecting documentation from student or prior school

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Dependency Status Appeal Documentation

- No standard guidelines for documentation;
- Sufficient notes should be made so that another aid administrator reviewing student's case could easily ascertain the reason for the decision made.
- Source of information, name of the aid administrator making decision, and the date should be recorded

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Process for Requesting an Appeal

Decisions should be made to consider any one or all of the following:

- Accepting only signed written requests;
- Verbal requests for appeal;
- Standard dependency status appeal form;
- Using on-line request form and electronic documentation; and
- Incomplete appeals

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Process for Requesting an Appeal

- Policy should set a deadline to receive appeals for a given award year
- Policies should identify staff responsible for reviewing appeals

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Subsequent Award Year Requests

- Dependency status overrides are only valid for one award year
- Should have policy in place regarding reviewing the circumstances of students for whom you performed an override in a previous year

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Communication with Students

Policy considerations for communication with students include:

- Whether or not a student is required to have contact with office before submitting appeal,
- Frequency of contact during appeal process, and
- How a student is notified of outcome

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Consumer Information

Institution's consumer information procedures should address how information about dependency status appeals is disseminated

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Dependency Status Scenario 1

Student lived with this mother and stepfather and does not have a relationship with his biological father. Student's stepfather never adopted him. Student's mother dies, and he continues to live with his stepfather. Is student independent?

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Dependency Status Scenario 2

If a student becomes pregnant during the award year, must her dependency status be updated?

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Dependency Status Scenario 3

Student is dependent, but the parents live outside the U.S. Student is not receiving any financial support from the parents. Is this a situation for which a dependency override would be appropriate?

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Dependency Status Scenario 4

Student's parent provided information on FAFSA and submitted required verification documentation. Parent is now incarcerated. Should school perform a dependency override?

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Dependency Status Scenario 5

Student's parents have kicked her out because they disagree with her sexual orientation. Parents are no longer providing any financial support. Student has some sporadic contact with her parents. Is a dependency override warranted?

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Questions?

Please send your questions to:

askregs@nasfaa.org

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