



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

THE ASSISTANT SECRETARY

July 26, 2011

DCL GEN-11-15

SUBJECT: Dependency Overrides

SUMMARY: This Letter Reviews the Conditions and Documentation That Support the Use of Dependency Overrides by Financial Aid Administrators and Offers Several Examples of Such Dependency Overrides.

Dear Colleague:

Section 480(d) of the Higher Education Act (HEA) identifies eight criteria under which an individual may be considered as an independent student for purposes of receiving Title IV, HEA program funds. These criteria are fully described in the Application and Verification Guide within the Federal Student Aid Handbook. If a student meets one of the eight criteria, the student is considered an independent student and is not required to report financial and demographic information for his or her parents.

In unusual circumstances, financial aid administrators are given the authority, under Section 480(d)(1)(I) of the HEA, to determine that a student is independent; this is a dependency override. As with the authority to make adjustments 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 under Section 479A of the HEA (known as "professional judgment" decisions), dependency override decisions must be made on a student-by-student basis, and the basis for each determination must be well documented in the student's file.

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 may occur only in extremely rare circumstances.

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Situations that might warrant a dependency override include the student's voluntary or involuntary removal from the parents' home due to an abusive situation that threatened the student's safety and/or health, the student's abandonment by the parents, or the inability of the student to locate the parents.

In addition, we are providing the following examples to help you identify additional situations where a dependency override might be appropriate. As these examples illustrate, a student's unusual circumstance may result from a family crisis or an unlawful act, or it may be totally personal in nature.

- A student lives with her paternal grandparents. Her father was unable to raise her after his wife (the student's mother) died. He gave his parents the \$500,000 life insurance settlement to be used for the student's expenses and has had only brief and infrequent contact with her since that time. Neither the student nor her grandparents have any way of contacting her father. The student presents a letter from the family's clergy. In this situation, the institution may consider the letter acceptable documentation. The school must retain the letter in the student's file.
- A student was arrested, tried, and convicted for passing bad checks while he was in high school. He's now on probation under very strict criteria, one of which is that he is forbidden from having any contact with his mother. His father is deceased. He has no way of obtaining parental information. He provides a copy of the court document describing the conditions of his probation and a copy of his father's death certificate. In this situation, the institution may consider these two documents acceptable documentation. The school must retain the court document and death certificate in the student's file.
- During her first year of college, a student came out as a lesbian. Her parents have since refused to have any contact with her and have forbidden her from returning to the family home. The student has used the school's counseling resources. To document this situation, the student gives the school permission to contact the school's counseling center to obtain a letter from a counselor. The institution may consider the resulting letter acceptable documentation. The school must retain the letter in the student's file.

Please remember that these are examples of circumstances that might be unusual enough to warrant a dependency override. These examples are not intended to sanction dependency override decisions in every similar situation because decisions must be made on an individual, case-by-case basis.

Several conditions that do not qualify as unusual circumstances, either individually or in combination, include parents who refuse to contribute, are unwilling to provide information, or do not claim the student as an income tax dependent, or a student who demonstrates total self-sufficiency. In addition, the fact that a student's parents live in another country does not qualify as an unusual circumstance.

As provided in the HEA, a dependency override is an annual determination. An institution must affirm each year that the unusual circumstances still exist; however, a financial aid administrator may rely on a dependency override performed by another institution for the same award year. In addition, while an institution may make an otherwise dependent student independent, an institution may not make an independent student dependent.

If you have questions regarding the information provided in this letter, please contact Marty Guthrie by phone at (202) 219-7031 or by e-mail at Marty.Guthrie@ed.gov.

We hope this information is a helpful reminder about the process and documentation of dependency overrides as you assist students with unusual circumstances to pursue their educational goals.

Sincerely,

A handwritten signature in black ink, appearing to read "Eduardo M. Ochoa", with a stylized flourish at the end.

Eduardo M. Ochoa