

RETURN OF TITLE IV FUNDS

POLICY

How a Withdrawal Affects Financial Aid

Pell Grant, Supplemental Educational Opportunity Grant, Unsubsidized Stafford Loans, Subsidized Stafford Loans, and Parent PLUS Loans (Title IV federal financial aid funds) are awarded under the assumption that a student will remain in classroom attendance for the entire period (semester) for which the funds were awarded. A student may find it necessary to withdraw from all classes during a semester.

When a student withdraws from courses for any reason, he/she may no longer be eligible for the full amount of Title IV funds that he/she was originally scheduled to receive. College students who receive federal financial aid and do not complete their classes during a semester could be responsible for repaying a portion of the aid they received.

Determining Aid Earned

If a student withdraws from the College, then the school, the student, or both may be required to return some or all of the federal funds awarded to the student for that semester. The federal government requires a return of Title IV federal financial aid that was received if the student withdrew on or before completing 60% of the semester. Federal funds, for the purposes of this federal regulation, include Pell Grant, Supplemental Educational Opportunity Grant, Unsubsidized Stafford Loans, Subsidized Stafford Loans, and Parent PLUS Loans. The formula used in this federal "return of funds" calculation divides the aid received into earned aid and unearned aid.

A student "earns" financial aid in proportion to the time he/she is enrolled up to the 60% point. The percentage of Title IV federal financial aid to be returned (unearned aid) is equal to the number of calendar days remaining in the semester when the withdrawal takes place divided by the total number of calendar days in the semester. If a student was enrolled for 20% of the semester before completely withdrawing, 80% of Title IV federal financial aid must be returned to the aid programs. If a student stays through 50% of the semester, 50% of Title IV federal financial aid must be returned.

For a student who withdraws after the 60% point-in-time, there is no unearned aid. However, a school must still complete a Return calculation in order to determine whether the student is eligible for a post-withdrawal disbursement.

In compliance with federal regulations, the financial aid office will perform the calculation within 30 days of the student's withdrawal and funds will be returned to the appropriate federal aid program within 45 days of the withdrawal date. An evaluation will be done to determine if aid was eligible to be disbursed but had not disbursed as of the withdrawal date. If the student meets the federal criteria for a post withdrawal disbursement, the student will be notified of their eligibility within 30 days of determining the student's date of withdrawal. If the eligibility is for a grant disbursement, the funds will be disbursed within 45 days of determining the student's date of withdrawal. If the eligibility is for a loan, the student will be notified in the same timeframe but they must also reply to the Financial Aid Office if they wish to accept the post withdrawal loan obligation. A post withdrawal disbursement of any funds would first be used toward any outstanding charges before any funds are returned to the student.

Unofficial Withdrawals

Title IV aid recipients who fail to withdraw but stop attending class are considered unofficial withdrawals. The Return to Title IV Funds policy requires the College to calculate the "earned" amount based on the last day of attendance of the semester. If the student stopped attending prior to the 60% point of the term, the student will be billed for the outstanding charges as a result of the Return of Title IV funds. Unofficial withdrawals are processed within 30 days of determining the student was an unofficial withdrawal.

Order of Return to Federal Aid Programs

In accordance with federal regulations, unearned aid will be returned to the federal programs in the following order:

- Federal Direct Loans: Unsubsidized, then Subsidized
- Federal Direct Parent Loans
- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant

Information Regarding Loan Repayment

The R2T4 calculation may result in the student's and parent's being responsible for directly returning additional loan amounts to the US Department of Education.

The loan grace period begins on the withdrawal date from the school, or when a student ceases to be enrolled on at least a half-time basis. If the student does not re-enroll as a half-time student within 6 months of withdrawal or less than half-time enrollment, the loans enter repayment. The student should contact the loan servicer or the US Department of Education to make repayment arrangements. The promissory note signed by the borrower outlines repayment obligations. The student should contact the servicer or the US Department of Education with any questions.

Consequences of Non-Repayment

Students who owe the US Department of Education for an overpayment of Title IV financial aid funds are not eligible for any additional federal financial aid until the overpayment is paid in full or payment arrangements are made with the US Department of Education.

Students who owe the College because of an R2T4 calculation will be placed on a financial hold. They will not be allowed to register for subsequent semesters or receive academic transcripts until the balance is paid.

NOTE: This policy is subject to revision without notice based on changes to federal laws and regulations or the College policies. If changes are made, the student is held to the most current policy. This statement is intended to provide an overview of policies and procedures related to a complicated and very encompassing regulation.