

RETURN OF TITLE IV FUNDS POLICY

The Higher Education Amendments of 1998 include new regulations governing the return of federal financial assistance for financial aid recipients who completely withdraw from school in any semester. This policy governs all Federal loan and grant programs, including Federal Unsubsidized Stafford Loans, Federal Subsidized Stafford Loans, Federal Direct Loans, Federal Perkins Student Loans, PLUS Loans, Federal Pell Grant, Federal SEOG, and other Title IV programs except Federal Work-Study.

These regulations govern the return of aid disbursed for a student who completely withdraws from a term or payment period. During the first 60% of the period/semester, a student “earns” aid in direct proportion to the length of time he or she remains enrolled. The percentage of time that the student remained enrolled determines the percentage of disburseable aid for that period that the student earned. If the student received more assistance than earned, the unearned excess funds must be returned to the federal programs. A student who remains enrolled beyond the 60% point earns all aid for the period.

Students planning to withdraw need to start at the Registrar’s Office to request a Withdrawal Form. Institutional charges and financial aid will be adjusted once the Withdrawal Date has been determined. For students receiving financial aid, the refund must first be repaid to the Title IV programs, state grants, and institutional funds in accordance with existing regulations in effect on the date of withdrawal and with respect to various types of aid. It is possible that the student who withdraws will still have an outstanding balance due to the University.

The Withdrawal Date is determined as follows:

- Official Withdrawals – the later date of when the student began the institution’s official withdrawal process OR officially notified the institution of intent to withdraw;
- Unofficial Withdrawal – the midpoint of the period for a student who leaves without notifying the institution.

If the student has to leave without notification because of circumstances beyond the student’s control, the institution may determine a withdrawal date related to those circumstances. The institution has the option to always use the student’s last day of attendance at a documented academically related activity.

The University takes the responsibility on behalf of the student to return unearned federal financial aid funds that were applied directly to institutional charges. The student is responsible for return of unearned federal financial aid funds that were disbursed directly to him/her. To prevent undue hardship, allowances have been made if the unearned assistance repayment owed by the student is due to a loan program. Funds due for repayment to a loan program, permit the student to repay according to the terms of the promissory note. In addition, if the student is directly responsible for repayments of unearned assistance to a federal grant program, only one-half (50%) of the calculated repayment is required.

Federal grant money determined to be returned by the student is considered an overpayment. The student must repay that amount in full or make satisfactory repayment arrangements with the U.S. Department of Education. Repayment arrangements must be made by the student within 45 days of the date the University notifies the student of the overpayment status. The student is ineligible for future Federal financial assistance if a satisfactory repayment arrangement has not been met.

Unearned federal financial aid must be returned to program funds up to the amount of assistance that the student has received from the program in the priority order established by regulation: Unsubsidized Direct Loan, Subsidized Direct Loan, Federal Student Loan, PLUS Loan, Federal Pell Grant, Federal SEOG, TEACH Grant and other Title IV programs.

If the student withdraws and there is aid that could have been disbursed, the student may be eligible for a post withdrawal disbursement. Once the calculation has been performed, the student will be notified by mail of the availability of a post withdrawal disbursement. In the letter it will state what types of aid and the amounts that are available. It will also give them 14 days to respond to the letter if the student wants the aid available to disburse. If the student does not respond within the 14 days, all loan disbursements will be cancelled. However all Pell grants that are available for a post withdrawal disbursement will be credited to the students account.