

Return of Title IV, HEA Financial Aid

Adjustments to a student's Title IV (federal) financial aid is required for a student who withdraws from school or drops out (cuts out) of school within a semester prior to the 60% point because of calculations required by federal regulations. A student in this situation will receive only federal aid for the portion of the semester that has been completed based on the student's last day of documented attendance. Because of the calculated adjusted financial aid amount, a student may then have charges on the student account at the College that will have to be paid by the student. Students who do not complete 60% of the semester will generally be required to return funds for which the calculation shows they are not eligible to receive.

Federal regulations specify how the school must determine the amount of Title IV financial aid that a student will earn if a student withdraws from school. Withdrawal means that a student ceases attendance at the college whether through the official withdrawal process or unofficial withdrawal by dropping out or ceasing to attend without notification (cut out). A specific formula is used to determine the amount of Title IV financial aid the student has earned based on the last date of attendance for the period. If a student received (or the school or parent on the student's behalf) less Title IV financial aid than the amount earned at the time of withdrawal, the student may be eligible to receive additional funds. If the student received more Title IV financial aid than earned, the excess funds must be returned by the school and/or the student.

The amount of aid earned as determined by the calculation is prorated based on the amount of time the student was in attendance. For example, if a student completed 20% of the semester, the student would earn 20% of the aid which was originally awarded based on the load and student's eligibility. Full time Pell Grant of \$2823 X 20% = \$565. That would be the amount of adjusted eligibility for the student for the semester.

If a student had not yet received all of the funds that were earned at the time of withdrawal, the student may be due a Post-withdrawal disbursement. Certain permissions must be obtained from the student depending on the type of Title IV aid which the student is still eligible to receive. The school may automatically use all or a portion of your Post-withdrawal disbursement of grant funds for tuition, fees, room and board. Other institutional charges for which permission may have already been given by the student at the time of charging to the student account may also be paid with Post-withdrawal funds. There will be some Title IV financial aid that may have originally been awarded to the student but because of eligibility requirements the student is no longer eligible to receive funds from that program.

If the amount of calculated prorated Title IV financial aid shows excess funds that must be returned, the school must return a portion of the excess funds equal to the lesser of: the student's institutional charges multiplied by the unearned percentage, or the entire amount of excess funds. The school must return this amount even if that amount was not kept by the school. The total amount of funds to be returned may also include funds that the student must return. Any loan funds that the student must return, will be repaid in accordance with the terms of the promissory note for making scheduled payments. Any amount of earned grant funds that the student must return is called an overpayment. The maximum amount of a grant overpayment that the student must repay is half of the grant funds the student received. The student does not have to repay a grant overpayment if the overpayment amount is \$50 or less. The school will provide instructions concerning the return of unearned grant funds.

The requirement for Title IV financial aid when a student withdraws is separate from any refund policy that the school may have; therefore, the student may still owe funds to the school to cover institutional charges. The school may also charge the student for any Title IV financial aid funds that the school was required to return. A student may review the school's refund policy in the catalog and student handbook or may ask the school for a copy. The school also provides the requirements and procedures for officially withdrawing from school in the catalog and handbook.

For additional information the student can contact the Financial Aid Office.