RETURN OF TITLE IV FUNDS DUE TO COMPLETE WITHDRAWAL

Official Withdrawals. The Higher Education Amendments of 1998, Public Law 105-244, substantially changed the way funds paid for a student’s education are handled when a recipient of Title IV funds completely withdraws from school. Title IV funds include Federal Pell Grant, FSEOG and student loans.

When a student officially withdraws from credit courses, his/her tuition will be returned to the U. S. Department of Education according to the Return to Title IV Funds calculation, as outlined in the Higher Education Amendments of 1998, effective October 7, 2000. Current Federal regulations require that a Return to Title IV Funds (R2T4) calculation be performed whenever a student who has received any Title IV aid completely withdraws from the College before the student completes the period of enrollment for which he/she was charged. The amount of Title IV Program assistance earned is based on the amount of time (days attended) the student spent in academic attendance. The R2T4 calculation will determine the amount of aid the student has earned and/or the amount of unearned institutional charges (tuition, fees, and books) that must be returned to Title IV federal programs.

The percentage of institutional charges that must be repaid to Title IV programs is determined by the length of time that a student attends classes and/or the date of complete withdrawal. A semester is 16 weeks. A Title IV recipient attending eight (8) weeks will have incurred an overpayment of 50%.

Up through the 60% point in each payment period or period of enrollment, a pro rata schedule, using the number of days attended, is utilized to determine the amount of Title IV funds the student has earned at the time of withdrawal. After the 60% point in the payment period or period of enrollment, a student has earned 100% of the Title IV funds. That is, after attending at least 60% of the semester, the student is considered to have fully earned 100% of the Title IV funds. The 60% point in the semester is usually on or about November 1 for the fall semester and April 1 for the spring semester.

If a student receives less federal student aid than the amount earned, the school must offer a disbursement of the earned aid that was not received. This is called a post-withdrawal disbursement. Any post-withdrawal disbursement due must meet the required conditions for Title IV funds disbursements and be in accordance with all rules and regulations governing Title IV policy. A post-withdrawal disbursement must be made within 120 days of the date the institution determines that the student withdrew. Written notification identifying the type and amount of Title IV funds that make up the post-withdrawal disbursement will be provided to the student no later than 30 days after the school determines that the student withdrew.

Students who officially withdraw from College and are receiving federal student aid must obtain the Financial Aid Officer’s signature before the College Registrar will process the withdrawal. At that time, the amount of aid earned will be determined so that the student will know the amount of funds he/she has earned and the amount that he/she is responsible for repaying.

The amount of aid that is unearned is considered an overpayment of Title IV funds. It is the student’s responsibility to repay the total amount of the overpayment.

Unofficial Withdrawals. For students who dropout or do not officially withdraw, the last day of attendance at an academically-related event, as reported by an instructor, will be used to determine the applicable Return to Title IV overpayment. Students who do not earn any credit(s) for a semester (0.00 GPA) will be identified as having withdrawn without official notification. These students will be notified within 30 days of the unofficial withdrawal determination.

Refunds and repayments to the Title IV programs on behalf of student financial aid recipients must be distributed in the following order:

1. Unsubsidized Federal Stafford Loan
2. Subsidized Federal Stafford Loan
3. PLUS loan
4. Federal Pell Grant
5. FSEOG
Students will be notified within 30 days of the Financial Aid Office's determination of the unofficial withdrawal. Once the student is notified that he or she owes a repayment of federal funds, he or she must respond with payment within 45 days. After the 45 days, the student's portion of the repayment will be referred to the U. S. Department of Education as an overpayment. The student will then become ineligible for federal aid.