

# Return of Title IV Funds/Withdrawal

## RETURN OF TITLE IV FUNDS

According to federal guidelines (Section 668.22 of the Higher Education Amendments of 1998), withdrawing students who have received Title IV financial aid will have their financial aid recalculated according to the following guidelines:

- Only the amount of financial aid that has been earned (disbursed or could have been disbursed) based on the prorated amount of time the student has been in school for the semester will be retained on the student's behalf. Any aid that is not earned (based on the prorated amount of time) must be returned to the appropriate federal account/lender.

For example, if a student receiving \$10,141 in federal aid completes 20% of the trimester, he/she would have earned that percentage and the approved federal aid (\$2,028) therefore, 80% (\$8,113) of the disbursed aid remains "unearned" and must be returned to the federal programs. The college would refund 80% of the tuition charges (i.e if tuition charges of \$4,200, the refund would be \$3,360) to the appropriate federal program. No tuition refund would be disbursed to the student until Title IV (federal loans/grants) funds are repaid. A student withdrawing after the 60% point has earned 100% of the disbursed federal aid. Any unearned funds disbursed to the student in the federal loan programs would be repaid based on the terms of the borrower's promissory note.

- The date of withdrawal is the date the College receives notification (e.g., submitting a withdrawal request form or any other form of communication such as email or telephone call) from the student on their intent to withdraw. In cases of an unofficial withdrawal, meaning the student has not notified the college of their intent to withdraw, the Student Records Office will work with the Registrar's Office and the student's faculty to determine the last date of attendance and retroactively process a pro rata tuition calculation and R2T4 as needed.
- For students who have received federal financial aid, any refundable portion of tuition and fee costs that have been covered by a Federal Direct Loan will be refunded directly to the lender (Direct Unsubsidized loan first then Direct Graduate Plus loan), who will credit it against the student's outstanding balance.
- Within 45 days from when you discontinue enrollment, Financial Aid must calculate the amount of financial aid you have *earned* prior to the date the action was filed. Any aid received in excess of the *earned* amount is considered *unearned*. The *unearned* financial aid must be returned to the respective federal programs no later than 45 days from when the student separated from Five Branches. The calculation is based upon only the amount of Title IV Aid for which you were eligible.
- If the student has a credit balance on their account at the end of the Return of Title IV processing, then that balance will be refunded to the student as soon as possible and no later than 14 days after the calculation has been completed.
- The amount of refundable institutional charges (tuition and fees) will be set by school policy. The University's treatment of tuition and other fees related to student withdrawal may be found in the student handbook. If there is a balance due resulting from the calculation of unearned aid, the student may be responsible for payment.
- For students who have received federal financial aid, any refundable portion of tuition and fee costs that has been covered by a Federal Stafford Loan will be refunded directly to the lender, who will credit it against the student's outstanding balance.
- The Financial Aid Office determines specific amounts according to applicable federal regulations. If the calculation shows that the student had eligibility for aid that had not yet been disbursed, the student will be given the option of receiving those funds. The applicable tuition and fees are listed in the student handbook. Non-mandatory and fees for professional organizations are not included in the refund calculation.