Title IV Refund Policy

Who Does This Regulation Apply To?
The Financial Aid Office is required by federal statute to recalculate federal financial aid eligibility for students who completely withdraw, stop attending, or take a medical leave prior to completing 60% of a payment period or term. The federal Title IV financial aid programs must be recalculated in these situations.

How Is Aid Eligibility Recalculated?
Recalculation is based on the percentage of earned aid using the following Federal Return of Title IV funds formula: Percentage of payment period or term completed (the number of days completed up to the withdrawal date) divided by the total days in the payment period or term. (Any break of five days or more is not counted as part of the term.) This percentage of completed days is equal to the percentage of earned aid.

For Example: If you complete 30% of the semester, you earn 30% of the aid you were originally scheduled to receive. This means that 70% of your scheduled awards remain unearned and must be returned to the federal government. Once you have completed more than 60% of the payment period, you earn all your federal financial aid.

Title IV Refund Process
Funds are returned to the appropriate federal program based on the percentage of unearned aid. If a student earned less aid than was disbursed, the institution would be required to return a portion of the funds and the student would be required to return a portion of the funds. Keep in mind that when Title IV funds are returned, the student borrower may owe a balance to the institution.

If a student earned more aid than was disbursed to him/her, the institution would owe the student a post-withdrawal disbursement which must be paid within 120 days of the student’s withdrawal. The institution must return the amount of Title IV funds for which it is responsible no later than 45 days after the date of the determination of the date of the student’s withdrawal.

Refunds are allocated in the following order:
- Unsubsidized Federal Stafford Loan
- Subsidized Federal Stafford Loan
- Federal Parent (PLUS) Loan
- Federal Pell Grant
- Federal Academic Competitiveness Grant
- Federal Supplemental Educational Opportunity Grant

How Is The Withdraw Date Determined?
The withdraw date used in the recalculation of a student’s federal financial aid is the actual date the official drop form is processed by the Academic Records Office. If a student does not officially withdraw from all classes but fails to earn a passing grade in at least one course, federal aid regulations require that we assume the student has “unofficially withdrawn,” unless it can be documented that the student completed the enrollment period. Unofficial withdrawals require a Title IV refund calculation at the midpoint of the enrollment period.

What Happens if I Do Not Repay The Funds?
If there is a Pell Grant Overpayment and a student does not repay the funds within 30 days, the account will be turned over to the Department of Education as an overpayment of federal funds. Students who owe an overpayment of Title IV grant funds are ineligible for further disbursements from the federal financial aid programs at any institution until the overpayment is paid in full or payment arrangements are made with the Department of Education.

If a student does not pay funds due to the College to cover a tuition and fees balance that resulted from the college returning unearned federal funds, a hold will be placed on the students account. This means that you will not be permitted to register for classes or receive transcripts until your balance is paid in full.

*Medical appeals granted through the Business office do not negate the Title IV policy. Even if the student has a medical appeal granted the Title IV calculation is still done. Any forgiveness of tuition the student gains can help offset the debt the Title IV refund creates.