

Treatment of Title IV Aid When a Student Withdraws or Stops Attending **34 CFR 668.22**

The law specifies how the school must determine the amount of Title IV program assistance that you earn if you stop attending or withdraw from school. The Title IV programs that are covered by this law are: Federal Pell Grants, Academic Competitiveness Grants, National SMART grants, TEACH Grants, Stafford Loans, PLUS Loans, Federal Supplemental Educational Opportunity Grants (FSEOGs), and Federal Perkins Loans.

When you stop attending or withdraw during your payment period or period of enrollment the amount of Title IV program assistance that you have earned up to that point is determined by a specific formula. If you received more assistance than you earned, the excess funds must be returned by the school and/or you. If you received less assistance than the amount that you earned, you may be able to receive those additional funds.

The amount of assistance that you have earned is determined on a prorata basis. For example, if you completed 30% of your payment period or period of enrollment, you earn 30% of the assistance you were originally scheduled to receive. Once you have completed more than 60% of the payment period or period of enrollment, you earn all the assistance that you were scheduled to receive for that period.

There are some Title IV funds that cannot be disbursed to you once you withdraw because of other eligibility requirements. For example, if you are a first-time, first-year undergraduate student and you have not completed the first 30 days of your program before you withdraw, you will not receive any loan funds that you would have received had you remained enrolled past the 30th day.

If you receive (or the school or parent receives on your behalf) excess Title IV program funds that must be returned, the school must return a portion of the excess equal to the lesser of:

1. your institutional charges multiplied by the unearned percentage of your funds, or
2. the entire amount of excess funds.

The school must return this amount even if it didn't keep this amount of your Title IV program funds.

If the school is not required to return all of the excess funds, you must return the remaining amount. Any loan funds that you must return, you (or your parent for a PLUS Loan) repay in accordance with the terms of the promissory note. That is, you make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that you must return is called an overpayment. The maximum amount of a grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You must make arrangements with the school or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when you withdraw are separate from any school refund policy. Therefore, you may still owe funds to the school to cover unpaid institutional charges. The school may also charge you for any Title IV program funds that the school was required to return. The school refund policy is available upon request. The school can also provide you with the requirements and procedures for officially withdrawing from school.

If you have any questions please feel free to contact the Financial Aid Office.