

STUDENT ACCOUNTS OFFICE

The University is required by the Higher Education Act to recalculate the eligibility for federal Title IV student financial assistance for students who withdraw, drop out, are dismissed, or take a leave of absence, prior to completing 60% of a semester. Title IV funds include: Federal Pell Grants, Federal Supplemental Educational Opportunity Grants (SEOG), Federal Work-Study, Federal Perkins Loans, Federal Direct Stafford Loans, Federal Direct Unsubsidized Stafford Loans, and Federal Direct PLUS Loans.

The application of the Return of Title IV Funds Policy may result in funds being due to the University. Students will be responsible for any outstanding balance due to the University. Students may check for any balances due to the University through GWeb, by contacting the Student Accounts office, or by visiting the Student Accounts office at Colonial Central.

**Mandated Sequence for Return of Title IV Funds** – If a student who has received Title IV funds withdraws from or leaves the University prior to completing 60% of a semester, the University will recalculate the amount of such Title IV funds the student has earned or entitled to retain. This recalculation is based on the percent of earned aid using the following Federal Return of Title IV funds formula:

$$\% \text{ of aid earned} = \frac{\# \text{ of days completed}^*}{\text{total \# of days in the semester}}$$

\*Days completed is defined as the first day of semester through withdrawal date. Any break of five days or more is not counted as part of the days in the semester

Funds are returned to the appropriate federal program based on the percent of unearned aid using the following formula:

$$\text{aid to be returned} = \left( 100\% \text{ of aid} - \% \text{ of aid earned} \right) \times \text{amount of aid disbursed toward institutional charges}$$

The priority sequence for return of Title IV funds will be as follows:

- Unsubsidized Federal Stafford Loans
- Subsidized Federal Stafford Loans
- Unsubsidized Direct Stafford Loans (other than PLUS Loans)
- Subsidized Direct Stafford Loans
- Federal Perkins Loans
- Federal PLUS Loans
- Direct PLUS Loans
- Federal Pell Grants for which a return of funds is required
- Academic Competitiveness Grants for which a return of funds is required
- National SMART Grants for which a return of funds is required
- Federal Supplemental Educational Opportunity Grants (FSEOG) for which a return of funds is required
- TEACH Grants for which a return of funds is required; and
- Iraq-Afghanistan Service Grant for which a return is required.

**Examples of Return of Title IV Funds Calculations** - In each of the following examples, the student's institutional charges will be adjusted by the amounts that must be returned to the Title IV programs. Please note that charges used in these examples may not reflect true University charges.

**Example 1:** Student A is a graduate student in an off-campus program in the summer.

Her financial aid package consists of:

Federal Unsubsidized Direct Stafford Loan	\$3,940.00
Total Aid	\$3,940.00
Amount refunded to student	\$ 0.00

Student A withdraws on 7/6. This is day 52 out of 95 days in the term.  $52/95 = 54.7\%$  of Title IV funds earned by the student. Title IV funds = \$3940.00.  $\$3940.00 \times 54.7\% = \$2155.18$  in Title IV funds earned.

Title IV funds to be returned:  $\$3940.00 - \$2155.18 = \$1784.82$  to be returned to Federal Unsubsidized Direct Loan Program.

**Example 2:** Student B is a full-time undergraduate living off-campus.

His financial aid package consists of:

Federal Pell Grant	\$2,050.00
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$500.00
Federal Perkins Loan	\$1,000.00
Federal Direct Unsubsidized Stafford Loan	\$2,737.00
Total Aid	\$9,770.00

Student B withdraws on 01/04. This is day 5 out of 108 days in the semester.  $5/108 = 4.6\%$  of Title IV aid earned by the student. Title IV funds =  $\$9770 \times 4.6\% = \$449.42$  in Title IV funds earned.

Title IV funds to be returned:  $\$9770 - \$449.42 = \$9320.58$  to be returned to Federal Programs. In this case, all of the Federal Direct Unsubsidized Stafford Loan would be returned, the Federal Perkins Loan would be cancelled, \$2050 would be returned to the Federal Pell Grant program, and \$50 would be returned to the Federal Supplemental Educational Opportunity Grant (FSEOG).

**Leave of Absence** - If a student who has received Title IV loans (Perkins, PLUS, and Ford Federal Direct Subsidized or Unsubsidized Loans) does not return from an approved leave of absence, some or all of the repayment deferral period may be exhausted, and loans may go into repayment. For purposes of the Title IV programs, the date of withdrawal is backdated to the first day of the approved leave of absence. This policy also includes students who do not return from an approved leave for study abroad.