

## **Return of Title IV Financial Aid Funds Policy**

Federal Title IV funds are awarded to a student under the assumption that the student will attend school for the entire period for which assistance is awarded. Students receiving financial aid who withdraw or stop attending will in most cases, be required to return a portion of financial aid received; this may create a balance on your student account. Once notified, we are required to apply a federally mandated formula to determine how much of the federal funding was “earned” by the student up to the time of withdrawal. This review and recalculation is called a “Return of Title IV Aid Calculation.” The Higher Education Act, was reauthorized and signed into law on October 7<sup>th</sup>, 1998, established the Return of Title IV Funds Policy.

## **Determination of Withdrawal Date**

The calculation is based on the period of enrollment to which a student completes. For Title IV purposes, the last date of attendance is one of the following:

- The date the formal withdrawal process begins
- The date the student otherwise provides official notification of their intent to withdraw (i.e., letter, email, in-person)
- The last documented date of attendance in an academically related activity (i.e., documented attendance in a class or lab or submissions of an assignment in an online course).

Students must be actively pursuing and successfully complete the term(s) for which they are enrolled. If a student withdraws from all classes or is reported as not attending, financial aid may need to be recalculated because the student may no longer be eligible for the originally awarded amount.

Classes in which you receive an F or W Grade and are reported as never attending are not eligible for financial aid. Federal regulations state that you must attend class and successfully complete the course in order to be eligible for financial aid.

The College of DuPage does not have a Leave of Absence Policy to allow student to interrupt their academic program while remaining in an active status with the college. You must remain enrolled and active in your classes to retain your financial aid.

## **Students with all Failing Grades**

Per federal regulations, if a student fails to earn a passing grade in at least once course within the payment period, the institution must assume that the student has unofficially withdrawn unless there is documentation that the student completed the period.

Examples of attendance include:

- Physical class attendance where there is direct interaction between instructor and student
- Submission of an academic assignment
- Examination, interactive tutorial or computer assisted instruction
- Study group participation actively assigned by school
- Participation in online discussion about academic matters
- Initiation of contact with instructor to ask question about academic subject

(Per the Department of Education, logging in to an online class does not count as attendance.)

A student who withdraws from a module or custom class within the term must still be attending another course or is considered withdrawn, even if registered for future classes starting within the term. The student must – at the time of withdrawal from a module or custom class – provide a written statement to the Office of Financial Assistance indicating intent to attend a future registered class within the term, or the student is considered withdrawn; and a Return of Title IV calculation must be completed. (If the student does not actually attend that future class, a Return of Title IV calculation is still required; withdrawal date/ last date of attendance dates back to originally confirmed withdrawal date.)

### **How Eligibility is Determined within the Calculation**

The percentage of financial aid the student is eligible for is determined by the following:

1. The number of days attended divided by the number of days in the payment period.
2. Institutional breaks of five or more consecutive days are excluded from the calculation
3. Unearned aid percentage is calculated by subtracting the earned aid percentage from 100%.
4. Institutional charges include tuition, fees and bookstore charges.

Unearned funds, or funds that were disbursed to the student that are greater than their determined eligibility, are returned to the federal government and used to reduce the outstanding balances in individual federal programs. These funds must be returned to the federal government within 45 days of the date of the student's withdrawal. The Office of Student Financial Assistance will notify the student on the return of the funds process. Per federal regulations, unearned Title IV federal funds repaid are in the following order:

1. Federal Unsubsidized Direct Loan
2. Federal Subsidized Direct Loan
3. Federal Direct Parent Loan
4. Federal Pell Grant
5. Federal Supplemental educational Opportunity Grant (SEOG)
6. Iraq/ Afghanistan Service Grant

If the recalculation determines the student did not earn all of the funds that disbursed, the excess aid received must be returned to the federal government within 45 days of the date of the student's withdrawal. The Office of Student Financial Assistance will notify the student on the return of the funds process.

Conversely, if the amount of Title IV aid earned is greater than the amount received by the student, he or she may be eligible for a post-withdrawal disbursement. The Office of Financial Aid will notify the student, in writing, of their eligibility for a post withdrawal disbursement.

### **School Responsibilities/ Student Responsibilities**

Once the school determines dollar amounts and which individual programs must be repaid, the student will be notified of any amounts he or she owes. Funds that must be returned by the student to the loan programs can be paid in full in accordance with normal loan repayment terms. For grant dollars that must be repaid, the amount due from the student is limited to the amount by which the original grant overpayment amount due from the student exceeds half of the total Title IV grant funds received by the student. A student has 45 days to make repayment and does not have to repay a grant overpayment of

\$50 or less. Unpaid balances will be reported on NSLDS, the National Student Loan Data System, and turned over to the Department of Education for collection. Until overpayments are repaid or satisfactory arrangements to repay have been made, students will be ineligible for further Title IV aid at any institution.

This policy is completely separate from the institutional refund policy. Prior to withdrawing or stopping attendance in classes, the student should be aware of the proper procedure for withdrawing from classes and the consequences of either withdrawing or stopping attendance. Official withdrawal is always the responsibility of the student.

Students are encouraged to contact the Student Financial Assistance Office prior to withdrawing from class(es). If you have any questions regarding this policy, you may contact our office at 630-942-2251.

Questions regarding the withdrawal process, contact the Registration Office at 630-942-2377.

Questions regarding your student account, contact the Cashier's office at 630-942-2206.