

## **Withdrawal (official or unofficial) and Your Financial Aid Eligibility**

### **Never attended:**

If you receive aid and drop all your classes prior to attending at least one class meeting, and/or are reported as a 'no show' by your instructor(s), you will be required to repay all financial aid that was disbursed to you.

### **Partial withdrawal:**

Adding and/or dropping units after the first grant disbursement will require a possible adjustment of any future disbursements. You may be required to repay a substantial portion of your aid if you drop units after the first disbursement, *especially* if you drop below half-time enrollment (6 units).

### **Total withdrawal:**

If you withdraw or otherwise fail to complete all of your courses during the term, we are required to determine if any of the financial aid you received should be returned. Federal financial aid is based on the length of time you are in classes, so if you do not attend the entire term, you may be required to repay all or a portion of the aid you received.

Official withdrawal occurs when you completely withdraw from all classes. Unofficial withdrawal occurs when you simply stop attending all classes, but fail to officially withdraw (usually 'NP' or 'F' grades). Both types of withdrawal are subject to repayment. This federal repayment calculation is called Return to Title IV. For unofficial withdrawals where a last day of attendance is not provided by the instructor, the withdrawal date used in the calculation is the midpoint of the payment period.

### **Calculation for the Return of Title IV Aid:**

The amount of assistance that you as a student earned is determined on a pro-rata basis. Once you have completed more than 60% of the payment period or period of enrollment, you have earned all the assistance that was scheduled for that period.

### **Earned Aid:**

The percentage of earned aid is calculated by determining the number of calendar days from the first day of the term through the withdrawal date and then dividing that number by the total calendar days in the term.

### **Unearned Aid:**

The amount of unearned Title IV funds that must be returned is calculated, first, by subtracting the earned Title IV percentage from 100% to determine the percentage of aid that is unearned and, second, by multiplying the total amount of financial aid that could be disbursed to you by the unearned Title IV funds percentage.

### **Funds to include in a Return calculation:**

The calculation of earned Title IV funds includes the following Title IV grant and loan funds if they were disbursed or could have been disbursed to you for the period of time for which the calculation is being performed.

- Pell Grant
- Iraq and Afghanistan Service Grant
- FSEOG
- Direct Loan

### **Order of return of Title IV funds:**

A school must return Title IV funds to the programs from which you received aid during the payment period, in the following order, up to the net amount disbursed from each source, as specified in the Federal Student Aid Handbook:

- Unsubsidized Direct Stafford loans
- Subsidized Direct Stafford loans
- Direct PLUS loans

- Federal Pell Grants for which a Return is required
- Federal Supplemental Educational Opportunity Grants (FSEOG) for which a return of funds is required
- Iraq and Afghanistan Service Grant for which a Return is required.

**Post-Withdrawal Disbursement:**

If you did not receive all of the funds that have been earned, per the Return of Title IV calculation, you may be due a Post-withdrawal disbursement (PWD). CR may automatically use all or a portion of your PWD of grant funds for tuition, fees and on-campus housing costs. If the PWD includes loan funds, CR must get your permission before we can disburse them within 30 days of the determination. You may choose to decline some or all of the loan funds so that you don't incur additional debt. These PWD are made as soon as possible but no later than 180 days after we determine you have withdrawn.

**Amount to Be Returned by the Student:**

The Return of Title IV calculation determines the portion of the funds to be returned. Any amount of unearned funds that you must return is called an overpayment. The Financial Aid Office will notify you of the amount to be repaid and you will have 45 days to repay it in full. Students who do not return the overpayment to CR within the 45 days will have their debts submitted to the U.S. Department of Education for collection and will be denied federal aid eligibility at any institution until payment arrangements are made with the Department of Education. Students will become eligible for federal financial aid only after they have repaid the full amount or made arrangements directly with the Department of Education.

The requirements for Title IV program funds when you withdraw are separate from any refund policy that CR may have. Therefore, you may still owe funds to CR to cover unpaid institutional charges. Effective with terms beginning in the summer of 2011, CR will also charge you for any Title IV program funds that CR was required to return on your behalf. A hold will be placed on your CR records and you will not be allowed to register for future terms, request transcripts, etc. until this debt is repaid to CR. All unpaid debts will be sent to a collection agency.

**Timeframe for the return of Title IV funds:**

CR determines the withdrawal date within 30 days after the end of the payment period or notification of withdrawal. We return unearned funds for which we are responsible as soon as possible, but no later than 45 days from the determination of your withdrawal.

**Return to Title IV and Satisfactory Academic Progress:**

Satisfactory Academic Progress (SAP) requirements apply to all financial aid recipients regardless of the funding status due to a Return of Title IV Funds. Repayment of part of your federal financial aid does not release you from the satisfactory academic progress requirement.

**Appeal:**

There is no appeal of these debts as it is based on the amount of aid considered 'earned' by federal calculations.

**Overview:**

College of the Redwoods does not allow leave of absence periods.

The Financial Aid Office follows the Federal Student Aid Handbook procedures and guidelines for ensuring timelines and calculations related to processing Return to Title IV are correct.

# SUMMARY OF THE REQUIREMENTS OF 34 CFR 668.22

## Treatment of Title IV Aid When a Student Withdraws

The law specifies how we must determine the amount of Title IV program assistance that you earn if you withdraw from school. The Title IV programs that are covered by this law are: Federal Pell Grants, Iraq and Afghanistan Service Grants, Direct Student Loans, PLUS Loans, and Federal Supplemental Educational Opportunity Grants (FSEOG).

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

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

If you did not receive all of the funds that you earned, you may be due a Post-withdrawal disbursement. If your Post-withdrawal disbursement includes loan funds, we must get your permission before we can disburse them. You may choose to decline some or all of the loan funds so that you don't incur additional debt. We may automatically use all or a portion of your Post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges.

There are some Title IV funds that you were scheduled to receive 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 Direct Loan funds that you would have received had you remained enrolled past the 30th day.

If you receive (or CR or your parent receives on your behalf) excess Title IV program funds that must be returned, we 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.

CR must return this amount even if it didn't keep this amount of your Title IV program funds. If we are 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 do not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. You must make arrangements with CR or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when you withdraw are separate from the CR institutional refund policy. Therefore, you may still owe funds to CR to cover unpaid institutional charges. We also charge you for any Title IV program funds that CR was required to return.