

## Sample Summary of the Requirements of 34 CF R 668.22 Treatment of Title IV Aid When a Student Withdraws

The law specifies how your school 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, Academic Competitiveness Grants, National SMART grants, Stafford Loans, PLUS Loans, Federal Supplemental Educational Opportunity Grants (FSEOGs), and Federal Perkins Loans.

When you withdraw during your payment period or period of enrollment (your school can define these for you and tell you which one applies) 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 your school or 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 the school and/or you.

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.

If you did not receive all of the funds that you earned, you may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, your school must get your permission before it can disburse them. You may choose to decline some or all of the loan funds so that you don't incur additional debt. Your school may automatically use all or a portion of your post-withdrawal disbursement (including loan funds, if you accept them) for tuition, fees, and room and board charges (as contracted with the school). For all other school charges, the school needs your permission to use the post-withdrawal disbursement. If you do not give your permission (which some schools ask for when you enroll), you will be offered the funds. However, it may be in your best interest to allow the school to keep the funds to reduce your debt at the school.

Your school must also get your permission before it can disburse directly to you any Title IV grant funds that are part of a post-withdrawal disbursement.

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 FFEL or Direct loan funds that you would have received had you remained enrolled past the 30th day.

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

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

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

The requirements for Title IV program funds when you withdraw are separate policy that your school may have. Therefore, you may still owe funds to the school institutional charges. Your school may also charge you for any Title IV program funds was required to return. If you don't already know what your school's refund policy your school for a copy. Your school can also provide you with the requirements and officially withdrawing from school.

If you have questions about your Title IV program funds, you can call the Federal Information

Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800- Information is also available on Student Aid on the Web at [www.studentaid.ed.gov](http://www.studentaid.ed.gov).