

# RETURN TO TITLE IV POLICY FOR FINANCIAL AID RECIPIENTS

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Federal law specifies how Harper College must determine the amount of Title IV program assistance earned when a student withdraws from their classes. The Title IV programs that are covered by this law are Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Direct Loans, and Direct PLUS Loans. This policy defines when a student is impacted by the Return to Title IV federal aid and how the required aid amount returned to the U.S. Department of Education is calculated.

Students subject to a review for Return to Title IV are those who received federal financial assistance and withdraw (officially or unofficially) from all their classes in the payment period.

The official date of withdrawal is the withdrawal date as recorded by the Registrar's Office. Instructors will report F grade with last date of attendance (unofficial withdrawal). Harper College is required to perform the Return of Title IV Aid calculation within 30 days of the date of determination that a student has completely withdrawn.

Though the student's aid is posted to their account at the start of each period, the student earns federal funds as the student completes the period. If the student withdraws during the payment period, the amount of Title IV program assistance that the student has earned up to that point is determined by a federally mandated specific formula. If the student received (or Harper or parent received on the student's behalf ) less assistance than the amount that the student earned, the student may be able to receive those additional funds in the form of a post-withdrawal disbursement. If the student received more assistance than the student earned, the excess funds must be returned by the school and/or the student.

The student will not be subject to returns of their Title IV program assistance if the student meets one of the following exemptions:

- Student completes all the requirements for graduation;
- Student successfully completes a class or multiple classes that comprise at least 49 percent of the days in the term; or
- Student successfully completes a class or multiple classes that comprise at least half-time enrollment.

As an example, if a student completes 30 percent of the payment period, they earn 30 percent of the financial assistance originally scheduled to receive. Once a student completes 60 percent or more of the payment period, the student earns all the federal assistance they were scheduled to receive for that period.

If the student has earned more funds that were not yet disbursed, the student may receive funds as a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, Harper College must get the student's permission before it can disburse them. The student may choose to decline some portion or all of the loan funds to not incur additional debt.

Any Title IV funds that were disbursed for the payment period that are more than the amount calculated to be earned are considered unearned and must be returned to the federal government within 45 days of the date the school determined the student withdrew. Harper College returns

a student's unearned funds to the government and the student will be billed for any balance due. The Office of Student Financial Assistance will notify students of any amounts owed. Students with outstanding balances may be restricted from registering for future classes and receiving transcripts.

Funds that are returned to the federal government are used to reduce the outstanding balances in individual programs. Title IV federal financial aid returned must be allocated in the following order:

1. Federal Unsubsidized Direct Loan
2. Federal Subsidized Direct Loan
3. Federal Direct PLUS Loan
4. Federal Pell Grant
5. Federal Supplemental Education Opportunity Grant

If Harper College is not required to return all the excess funds, the student may be required to return the remaining amount. For any loan funds that must be returned, the student (or parent for a Direct PLUS Loan) will repay the loan funds over a period of time in accordance with the terms of the promissory note.

Repeated withdrawals can impact a student's eligibility to receive federal financial aid for future terms. (see **Satisfactory Academic Progress Policy**)

The requirements for Title IV program funds when a student withdraws is separate from Harper College's refund policy.