

The Return of Title IV Funds procedure shall apply to all students who withdraw, drop out or are expelled from Fayetteville Technical Community College (FTCC), and receive financial aid from Title IV funds. The term "Title IV Funds" refers to the Federal financial aid programs authorized under the Higher Education Act of 1965 (as amended) and includes the following programs:

- Federal Pell Grants
- Federal SEOG
- Federal Direct Loan programs (subsidized and unsubsidized)
- Federal Direct Parent PLUS loans

Students who withdraw from all classes prior to completing more than 60% of an enrollment term will have their eligibility for aid recalculated based on the percent of the term completed. For example, a student who withdraws completing only 30% of the term will have "earned" only 30% of any Title IV aid received. The remaining 70% must be returned by the school and/or the student. FTCC encourages you to read this procedure carefully. **If you are thinking about withdrawing from all classes PRIOR to completing 60% of the semester, you should contact the FTCC Financial Aid Office to see how your withdrawal will affect your financial aid. It can negatively affect your overall academic progress AND it will create a debt to FTCC, the Department of Education or both that you are responsible for paying! Once you have completed more than 60% of the enrollment term, you earn all the assistance that you were scheduled to receive for that period.** You are also exempted if you complete a module (mini-mester) or combination of modules that include 49 percent or more of the number of days in the payment period OR complete coursework equal to or greater than 6 credit hours.

### ***Withdrawal Date***

As FTCC is an institution that does not require attendance keeping for all courses for financial aid purposes, a student's withdrawal date is:

1. the date the student began the institution's withdrawal process (as described in the FTCC Catalog) or officially notified the institution of intent to withdraw; or
2. the midpoint of the period for a student who leaves without notifying the institution; or the student's last date of attendance at a documented academically-related activity, if available (see "Unofficial Withdrawal Procedure for Federal Student Aid Purposes Only" below).

Refunds due on all institutional charges, including tuition and fees, will be calculated using the state refund procedure published in the FTCC Catalog.

### **Calculating the return of Title IV Refund**

Title IV aid is earned in a prorated manner on a per diem basis up to and including the 60% point in the semester. The percentage of Title IV aid earned shall be calculated by dividing the number of days completed by the student by the total number of days in the semester/term. The percent of term completed shall be the percentage of Title IV aid earned by the student.

Number of days completed by student

---

Total number of days in term\*

\*The total number of calendar days in a term of enrollment shall exclude any scheduled breaks of more than five days. For purposes of the 49 percent calculation, you take the total number of calendar days in a term of enrollment and exclude any breaks between modules (or mini-mesters) to determine if the student completed 50 percent of the term. Also, FTCC does not use a R2T4 "freeze" date.

If you withdraw from all coursework on or before the 60% of the period, FTCC is required to return a portion of your financial aid that is unearned. The amount of aid that the College will return to the Federal aid programs is the lesser of -

- the total amount of unearned Title IV assistance to be returned; or
- an amount equal to the total institutional charges incurred by the student for the payment period or period of enrollment multiplied by the percentage of the Title IV grant or loan assistance that has not been earned by the student.

***As a result of this calculation, Federal funds may not cover all unpaid school charges due to FTCC upon your withdrawal. Any debt created by FTCC returning a portion of your aid to the Federal programs is due and payable by you. Unpaid debts to FTCC will prevent you from registering for future coursework at FTCC until the debt is paid in full.***

If you did not receive all of the funds that you earned, you may be due a post-withdrawal disbursement. FTCC will automatically use all or a portion of your post-withdrawal disbursement of grant funds for tuition, fees, and other institutional charges. Note: A post-withdrawal second or third scheduled loan disbursement in an academic term cannot be made unless the student has successfully completed the loan period (34 CFR 668.164(j)(4)(ii)).

There may be 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 30<sup>th</sup> day.

### ***Returning Funds to the Department of Education***

Unearned Title IV aid shall be returned to the following programs in the following order:

1. Federal Unsubsidized Stafford Loan
2. Federal Subsidized Stafford Loan
3. Federal Parent PLUS Loan
4. Federal Pell Grant
5. Iran/Afghanistan Service Grant
6. Federal Supplemental Opportunity Grant
7. Other Title IV grant programs.

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 your school or the Department of Education to return the unearned grant funds.

### ***Unofficial Withdrawal Procedure for Federal Student Aid Purposes Only***

A student who stops attending class or leaves FTCC without following the official procedures for withdrawal from a course or from FTCC is subject to receiving a grade of "F" posted on his/her record for each course in question.

Failure to complete courses may also have a significant impact on a student's financial aid status. When a student receives all F's, or R's, or a combination of these grades for a semester, he or she may be defined as 'unofficially withdrawn' for Title IV purposes. At the end of each term, if a last date of attendance cannot be determined, the student is assumed to have attended 50% of the enrollment period and the Return of Title IV calculation will be based on this length of attendance. Unofficially withdrawn students will be billed for resulting institutional charges and repayments of Federal Student Aid.

### ***Return of Title IV Example***

The following example illustrates how the federal Return of Title IV Funds policy would affect a student who withdraws from classes at FTCC:

*A student is attending Fall Semester full-time, which is 112 calendar days in length. Classes are scheduled for the entire semester. The student withdraws from classes on the 28<sup>th</sup> day of the semester.*

*The student's financial aid and charges are:*

Federal Pell grant	\$2,775.00
Federal Direct Subsidized Stafford Loan	<u>+2,750.00</u>
Total Financial Aid awarded	\$5,525.00
Tuition and fees (institutional charges)	(\$1,144)
Financial aid refund disbursed to student after tuition and fees are paid	\$4,381.00

**Student withdraws from classes on the 28<sup>th</sup> day of the semester, which is the Monday of the fifth week.**

Completed days	28
Total days in payment period	<u>÷112</u>
=Percentage of aid earned	25%

**Percentage of federal financial aid earned**

Percentage of aid earned	25%
Total Financial Aid awarded	<u>x\$5,525.00</u>
Aid earned based on completion	\$1,381.25

**Amount of federal financial aid earned**

Total Financial Aid awarded	\$5,525.00
Aid earned based on completion	<u>-\$1,381.25</u>
Financial aid to be returned	\$4,143.75

Of the \$4,143.75 that needs to be returned to the Department of Education:

College returns (student repays FTCC)*	\$858.00
---	----------

Student's portion

\$3,285.75

\* To determine the amount the College must return, compare the following amounts: (1) The total amount of unearned aid is \$4,143.75. (2) The institutional charges of \$1,144, multiplied by the unearned percentage of 75%, is \$858.00. The College must return the lesser of these two, which is \$858.00. The remainder is the student's portion.