BACKGROUND

Students who receive federal financial aid must “earn” the aid they receive by staying enrolled in classes. The amount of federal financial aid assistance the student earns is on a pro-rated basis. Students who withdraw or do not complete all registered classes during the semester may be required to return some of the financial aid they were awarded.

POLICY

Federal Regulations require institutions to determine the percentage of Title IV aid “earned” by the student and to return the unearned portion to the appropriate aid programs.

The following formula is used to determine the percentage of unearned aid that has to be returned to the federal government:

The percent earned is equal to the number of calendar days completed up to the withdrawal date, divided by the total calendar days in the payment period (less any scheduled breaks that are at least five days long). Once 60% of the semester is completed, a student is considered to have earned all of his/her financial aid.

The last recorded day of attendance shall be the date the student officially notifies the school of withdrawal from the program or the date the instructor withdraws the student from the class for non-attendance.

Federal Title IV Funds affected include all Federal Direct Loans, Federal Pell Grants, and Federal Supplemental Grants. The repayment priority is as follows:

1. Direct Unsubsidized Loan
2. Direct Subsidized Loan
3. Direct Plus Loan
4. Federal Pell Grant Program
5. Federal SEOG Program
6. Other Title IV Programs