

FEDERAL REFUND POLICY - RETURN TO TITLE IV

In addition to the Institutional Policy, the College is required to review the file of any student, withdrawing from the College (officially and unofficially), receiving Title IV Financial Aid to determine the amount of unearned financial aid and return that aid to the appropriate lender/provider. In the course of this calculation, it may be found that the student owes Central Christian College a portion of the tuition and fees that were not covered as determined by the Return to Title IV procedures defined by the Department of Education.

The Higher Education Amendments of 1998 define “withdrawal” as failure to complete the period of attendance on which federal aid eligibility was based. For Central Christian College this includes the *entire term of enrollment*. Therefore, students withdrawing from the College officially or unofficially (lack of attendance) will be responsible for all costs associated with the *term*. It is the responsibility of the Financial Aid Office to calculate the amount of federal aid earned based on the length of time the student was active in the term. All of the days associated with the term of registration are included in the number of days used to calculate the return. However, breaks of five or more days are excluded from the number of days used in the calculation.

If a student stops attending classes without completing an official withdrawal, the Financial Aid Office is required to calculate a Return of Title IV funds. To complete the calculation, the Financial Aid Office will utilize the Last Date of Attendance (LDA) based on data collected from course records.

For a student attending a modular program, if the student withdraws or is withdrawn from a course, but provides written confirmation of his or her intent to attend an upcoming course *scheduled in the same term* (payment period), a recalculation of aid is not necessary. However, if the student does not show positive attendance in the first seven days of the following course, the student will be considered withdrawn from the College. The last date of attendance will be used for all refund calculations. The student should keep in mind that the Financial Aid Office may need to recalculate aid eligibility if he or she changes enrollment status (i.e. full-time, part-time, half-time, etc.). Written confirmation, as described here, cannot be used to maintain enrollment between terms. Students dropping or withdrawing from a course at the end of the term are considered withdrawn from the College for purposes of federal aid and will therefore trigger a Return to Title IV calculation.

The College uses the LDA as a point of reference when calculating Return to Title IV. Students with recorded withdrawals in a term will require the College to calculate the actual number of days the student was actively attending in the term.

The percentage of the term completed is determined by dividing the number of calendar days completed as of the date of withdrawal by the total number of calendar days in the term. If withdrawal occurs on or before 60 percent of the term has elapsed, the percentage of federal aid earned is equal to the percentage of the term completed. However, 100 percent of federal aid is earned if the date of withdrawal occurs after 60 percent of the term has elapsed.

The amount of federal aid earned is equal to the percentage of funds earned multiplied by the total amount of funds that was disbursed (or could have been disbursed) as of the day the student withdrew.

The types of aid considered under Title IV include and are returned in this order:

- Unsubsidized Direct Loans
- Subsidized Direct Loans
- Direct PLUS Loans
- Federal Pell Grants
- FSEOG
- TEACH Grants

Central Christian College reserves the right to amend the Return to Title IV policy at any time in order to comply with federal regulations.

INELIGIBLE PELL

Federal Pell grant eligibility is determined by two factors: the student's Expected Family Contribution (EFC) as calculated on the Free Application for Federal Student Aid (FAFSA), and the student's enrollment status (full time, $\frac{3}{4}$ time, $\frac{1}{2}$ time, or less than half time). In modular programs, Pell grant is disbursed on the assumption that students will remain at the same enrollment status for the entire term. Students that withdraw before attempting all of the credits for which they are enrolled may have a change in their enrollment status. Before a Return to Title IV Funds calculation can be completed, Central Christian College must first determine if the student's enrollment status has indeed changed, and return any ineligible Pell funding.

INELIGIBLE LOAN

To receive Federal Direct Loans, students must be enrolled at least half time (6 credits). Students that withdraw before beginning all of the credits for which they are enrolled may have a change in their enrollment status. Federal Direct Loans disbursed prior to the Last Date of Attendance will be subject to the Return to Title IV Funds calculation as explained below. Loans that were originated prior to the Last Date of Attendance, but not disbursed, may be counted in the Return of Title IV Funds as "could have been disbursed."

POST-WITHDRAWAL DISBURSEMENT

After an R2T4 is completed, it may be determined that a student has received less aid than earned. In this instance, the student may be eligible for a Post-Withdrawal Disbursement (PWD). Any PWD of Pell owed will be disbursed within 45 days. For any eligible PWD loan funds, the College will notify the student, in writing, of the eligible amount within 30 days. The student will have 14 days to accept or decline the disbursement. If an acceptance is not received within this timeframe, the institution will not make the Post-Withdrawal Disbursement to the student. All Post-Withdrawal Disbursements are applied to the student's account first, and any credit balances created by PWD funds will be sent to the student upon disbursement.

RETURN OF TITLE IV FUNDS FROM THE STUDENT

If the student is required to return unearned Title IV loan funds, those FSA loan funds will be returned in accordance with the terms of the loan.

If the student is required to return unearned Title IV grant funds, the original amount calculated is reduced by 50%. If the original amount calculated for an individual grant overpayment is \$50 or less, it is considered *de minimus* and does not have to be repaid.

When a return of Title IV funds is due from the student, the school is responsible for notifying the student of the amount owed. Until the grant overpayment has been repaid, the student is ineligible for further federal financial aid funds and must be reported as being in overpayment status.

CREDIT BALANCES

If an R2T4 calculation results in a Title IV credit balance on the student's account, this credit balance will be disbursed as soon as possible and no later than 14 days after the R2T4 calculation is completed.

If it is determined an R2T4 calculation is not necessary and that the student has earned all posted aid, any credit balances will be disbursed as soon as possible and no later than 14 days after that determination is made.

REFUND DISTRIBUTION

If the institutional refund calculation results in a refund due, the amounts are first restored in the order listed above in *Return of Title IV Funds Distribution* and then in the following order:

1. Other Federal Aid

2. State Aid
3. Private Aid
4. Institutional Aid
5. Student

All refunds due will be paid in full within 45 days of the Date of Determination.

Any specifications related to State Authorizations are located at the end of the Catalog.