Financial Aid Department

Overawards, Overpayments and Withdrawal Calculations Policy

Treatment of Title IV Financial Aid When A Student Withdraws

This notice serves to disclose required student consumer information in regards to how withdrawals may affect your Title IV Financial Aid program funds. The Law specifies how Southwestern College must determine the amount of Title IV Financial Aid program funds that you earn if you withdraw from school. The Title IV Financial Aid program funds that are covered by this Law are; Federal Pell Grants, Federal Supplemental Educational Opportunity Grants, and Federal Direct Loans.

When you withdraw during your payment period or period of enrollment, the amount of Title IV Financial Aid program funds that you have earned up to that point is determined by a specific formula. If you received 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 Southwestern College and/or you.

The amount of assistance that you have earned is determined on a pro rata 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 of enrollment. This rule does not apply if you are attending all short-term course work (see below).

NOTICE: Beginning July 1st 2011 the rules regarding short-term courses or modules have changed. Short-term courses or modules are courses in a program that do not span the entire length of the payment period or period of enrollment.

If you enroll in all short-term coursework and you withdraw from one class while *not* attending the other short-term class this is considered a complete withdrawal and a Return to Title IV (R2T4) overpayment calculation must be done. Even if you have completed a prior short-term course this is still considered a withdrawal.

If at the time you withdraw you will attend another short-term course within 45 days of the same term, then this is not considered a withdrawal. If you have confirmed your intent to enroll in a later short-term course but do not attend, the withdrawal date is what it would have been had you not indicated an intent to enroll within the payment 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 student loan funds, you may choose to decline the student loan funds so that you do not incur additional student loan debt. Southwestern College may automatically use all or a portion of your post-withdrawal disbursement (including student loan funds, if you accept them) for tuition and fees. For all other charges, the College needs your permission to use the post withdrawal disbursement. If you do not give your permission, you will be offered the funds. However, it may be in your best interest to allow Southwestern College to apply the funds to your student account in order to reduce any debt that you may owe.

There is Title IV Financial Aid that you may be 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 earn any William D. Ford Direct Loan funds that you would have received had you remained enrolled past the 30th day. If you receive excess Title IV Financial Aid program funds that must be returned, Southwestern College must return a portion of the excess equal to the lesser of:

a. your institutional charges multiplied by the unearned percentage of your funds, or
b. the entire amount of excess funds.

Southwestern College must return this amount even if it didn't keep this amount of your Title IV Financial Aid program funds.

If Southwestern College is not required to return all of the excess funds, you must return the remaining amount. Any student loan funds that you must return, you must repay in accordance with the terms of the promissory note. That is, you must make the scheduled payments to the lender or 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 which you received or were scheduled to receive. You must make arrangements with Southwestern College or with the Department of Education to return the unearned grant funds.

The requirements for Title IV Financial Aid Program funds when you withdraw are separate from any refund policy that Southwestern College may have. Therefore, you may still owe funds to Southwestern College to cover unpaid institutional charges. Southwestern College may also charge you for any Title IV Financial Aid program funds that the College was required to return. There are guidelines that pertain both to the *time frame* for the return of Title IV Financial Aid program funds and for the *order* in which Title IV Financial Aid program funds must be returned.

The *time frame* for the return of Title IV Financial Aid program funds is based on the type of withdrawal made by the student as either an official or unofficial notification of withdrawal. With the case of an official notification of withdrawal made by the student, the date of the determination that the student has withdrawn is based on “The student’s withdrawal date, or the date of notification, whichever is later.” With the case of an unofficial withdrawal where there is no notification by the student, the date of the determination that the student has withdrawn is based on “The date that the College becomes aware that the student has ceased attendance.” Southwestern College must return unearned funds for which it is responsible as soon as possible, but no later than 45 days from the determination of a student’s withdrawal.

a. The College may always use as a student’s withdrawal date, the student’s last date of attendance at an academically related activity if the College documents that the activity is academically related and that the student attended the activity.

b. For a student who withdraws without providing notification to the College, the College must determine the withdrawal date no later than 30 days after the end of the earliest of the (1) payment period or period of enrollment (as appropriate), (2) academic year, or (3) educational program.

The *order* of the Return of Title IV Financial Aid by Southwestern College is the following:

1. William D. Ford Direct Loan Program
2. Federal Pell Grants
3. Federal Supplemental Educational Opportunity Grants

If you have questions about your Title IV Financial Aid program funds, you can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on Student Aid on the Web at http://www.studentaid. ed.gov.

PLEASE NOTE: IF YOU FAIL ALL OF YOUR COURSEWORK IN A TERM YOU WILL BE CONSIDERED AN UNOFFICIAL DROP (EVEN IF YOU WERE ENROLLED IN THE COURSES THE ENTIRE TERM). THEREFORE A CALCULATION WILL BE PERFORMED BASED ON ONLY EARNING 50% OF THE PELL AND/OR FSEOG THAT YOU RECEIVED, AND YOU MAY BE BILLED FOR THE AMOUNT OF UNEARNED FUNDS.