

## Sample Summary of The Requirements of 34 CFR 668.22 (To Provide Students as Part of Consumer Information)

### Treatment of Title IV Aid When a Student Withdraws

The law specifies how your school must determine the amount of Title IV program assistance that you earn if you withdraw from school. The Title IV programs that are covered by this law are: Federal Pell Grants, Iraq and Afghanistan Service Grants, TEACH Grants, Direct Loans, Direct PLUS Loans, Federal Supplemental Educational Opportunity Grants (FSEOGs), and Federal Perkins Loans.

Though your aid is posted to your account at the start of each period, you earn the funds as you complete the period. If you withdraw during your payment period or period of enrollment (your school can define these for you and tell you which one applies to you), the amount of Title IV program assistance that you have earned up to that point is determined by a specific formula. If you received (or your school or parent received on your behalf) 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 the school 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.

If you did not receive all of the funds that you earned, you may be due a post-withdrawal disbursement. If your post-withdrawal disbursement includes loan funds, your school must get your permission before it can disburse them. You may choose to decline some or all of the loan funds so that you don't incur additional debt. Your school may automatically use all or a portion of your post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges (as contracted with the school). The school needs your permission to use the post-withdrawal grant disbursement for all other school charges. If you do not give your permission (some schools ask for this when you enroll), you will be offered the funds. However, it may be in your best interest to allow the school to keep the funds to reduce your debt at the school.

There are 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 30th day.

If you receive (or your school or parent receive on your behalf) excess Title IV program funds that must be returned, your school must return a portion of the excess equal to the lesser of:

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

The school must return this amount even if it didn't keep this amount of your Title IV program funds.

If your school is not required to return all of the excess funds, you must return the remaining amount.

Any loan funds that you must return, you (or your parent for a Direct 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.

The requirements for Title IV program funds when you withdraw are separate from any refund policy that your school may have. Therefore, you may still owe funds to the school to cover unpaid institutional charges. Your school may also charge you for any Title IV program funds that the school was required to return. If you don't already know your school's refund policy, you should ask your school for a copy. Your school can also provide you with the requirements and procedures for officially withdrawing from school.

If you have questions about your Title IV 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 [www.studentaid.ed.gov](http://www.studentaid.ed.gov).

<b>Return of Title IV Funds Requirements and Deadlines</b>		
<b>Party Responsible</b>	<b>Requirement</b>	<b>Deadline</b>
School	<b>Determining withdrawal date</b> for student who withdraws without providing notification.	30 days after the end of the earlier of: <ul style="list-style-type: none"> <li>• Payment or enrollment period.</li> <li>• Academic year in which student withdrew.</li> <li>• Educational program from which student withdrew.</li> </ul>
School	<b>Return of unearned Title IV funds.</b>	As soon as possible but no later than 45 days after date school determined student withdrew.
School	<b>Post-withdrawal disbursement to student's account for:</b> Outstanding current (allowable) charges (tuition and fees, room and board, etc.). Minor (e.g., under \$200) prior year charges that the school has authorization to retain.	As soon as possible but no later than 180 days after the date school determined student withdrew, in accordance with requirements for disbursing Title IV funds 34 CFR 668.164.
School	<b>Written notification providing the student (or parent) the opportunity to accept all or part of a post-withdrawal disbursement of Title IV loan funds, (Perkins Loan, Direct Loan, or Direct PLUS Loan) to the student's account.</b>	Within 30 days of the school's determination that the student withdrew, 34 CFR 668.22(a)(5)(iii)(A).
School	<b>Written notification of student's eligibility for a direct post-withdrawal disbursement of Title IV loan funds in excess of outstanding current (educationally related) charges.</b>	Within 30 days of the school's determination that the student withdrew, 34 CFR 668.22(a)(5)(iii)(A).
School	<b>Post-withdrawal disbursement to student for earned Title IV funds in excess of outstanding current (educationally related) charges.</b>	From the date school determined student withdrew (1) loans as soon as possible but no later than 180 days (2) grants as soon as possible but no later than 45 days.
School	<b>Notification to student (or parent) of outcome of late request for a post-withdrawal disbursement to student (request received by school after the specified period and school chooses not to make disbursement).</b>	Not specified but as soon as possible.
School	<b>Notification to student of grant overpayment.</b>	Within 30 days of date school determined student withdrew.
School	<b>Referral of student to Debt Resolution Services if student does not pay overpayment in full, does not enter into repayment agreement, or fails to meet terms of repayment agreement.</b>	Not specified but as soon as possible.
Student (or parent)	<b>Submit response instructing school to make post-withdrawal disbursement.</b>	Within specified number of days school allows for response.
Student	<b>Return of unearned Title IV funds.</b>	Loans—according to terms of the loan. Grants—within 45 days of earlier of date school sent or was required to send notice.

Return of Title IV Funds Requirements for Notification		
Party Responsible	Notification	Requirements
School	Report of student to NSLDS if student does not pay overpayment in full, does not enter into repayment agreement, or fails to meet terms of repayment agreement.	No later than 45 days from the date student is notified of overpayment.
School	Consumer Information.	<ul style="list-style-type: none"> <li>• School's withdrawal policy.</li> <li>• School's refund policy.</li> <li>• Office(s) designated to receive official notifications of intent to withdraw.</li> <li>• Requirements regarding return of Title IV funds.</li> </ul>
School	Written notification of student's eligibility for a direct post-withdrawal disbursement of Title IV loan funds in excess of outstanding current (educationally related) charges.	<ul style="list-style-type: none"> <li>• Identify type and amount of the Title IV loan funds that will make up the post-withdrawal disbursement not credited to student's account.</li> <li>• Explain that student or parent may accept all or part of the disbursement.</li> <li>• Advise student or parent that no post-withdrawal disbursement of Title IV loan funds will be made unless school receives response within the time frame established by the school.</li> </ul>
School	Response (written or electronic) to late request for post-withdrawal disbursement (that school chooses not to make).	Outcome of request.
School	Repayment Agreement.	<ul style="list-style-type: none"> <li>• Terms permitting student to repay overpayment while maintaining eligibility for Title IV funds.</li> <li>• <b>Repayment in full within two years</b> of date school determined student withdrew.</li> </ul>
Student enrolled in a series of modules	Of intent to return to a module that begins later in the same payment period or period of enrollment	<p>Close to the date that the student ceases attendance at any point prior to completing the payment period or period of enrollment and before the school is required to return Title IV funds, offer any post-withdrawal disbursement of loan funds, or take any other action under the Return of Title IV Funds requirements.</p> <ul style="list-style-type: none"> <li>• For students enrolled in non-term and nonstandard-term programs, the later module must begin no later than 45 calendar days after the end of the module the student ceased attending.</li> <li>• For students enrolled in modules within a term, the later module must begin and end within the term.</li> </ul>