



RETURN OF TITLE IV FUNDS POLICY (FEDERAL FINANCIAL AID)

The law specifies how Thomas Aquinas College must determine the amount of Title IV program assistance that a student earned if he withdraws from school. The Title IV programs that are covered by this law, and that are available at Thomas Aquinas College, are: federal Pell Grants, federal Direct Student Loans and federal Direct Parent PLUS Loans.

A student withdrawing from Thomas Aquinas College during the semester must see the Dean and complete a Notification of Withdrawal form. When a student withdraws from Thomas Aquinas College, the withdrawal date used to determine the refund is the last date of attendance at an academically related activity. Academically related activities include attending class, attending a lecture or concert within the Friday Night Lecture and Concert Series, attending a Don Rags meeting or attending an examination.

Though a student's Title IV assistance (federal student aid) is normally posted to his account at, or near, the start of each payment period (semester), he "earns" the funds as he completes the period. When a student withdraws during his payment period, the amount of Title IV program assistance he has earned up to that point is determined by a specific formula. If he received (or Thomas Aquinas College or his parent received on his behalf) less assistance than the amount he earned, he may be able to receive those additional funds. If the student received more assistance than he earned, the excess funds must be returned by the school and/or the student.

The student must be fully eligible to receive federal funds prior to his withdrawal in order for Title IV aid to be considered as aid that could have been disbursed and, consequently, included in the Return to Title IV calculation. The criteria for eligibility are:

1. The Student Aid Report (or ISIR) must have been processed with an official EFC by the date of withdrawal,
2. The student must have been making Satisfactory Academic Progress,
3. For any federal Direct Student Loan or federal Direct Parent PLUS Loan, the loan must have been certified by the date of withdrawal,

The amount of assistance that a student has earned is determined on a pro-rata basis. For example, if he completed 30% of his payment period, the student earns 30% of the assistance he was originally scheduled to receive. Once he has completed more than 60% of the payment period or period of enrollment, he earns all the assistance that he was scheduled to receive for that period.

If the student did not receive all of the funds that he earned, he may be due a post-withdrawal disbursement. If his post-withdrawal disbursement includes loan funds, Thomas Aquinas College must get his permission before it can disburse them. A student may choose to decline some or all of the loan funds so that he doesn't incur additional debt. Thomas Aquinas College may automatically use all or a portion of a student's post-withdrawal disbursement of grant funds for tuition, and room and board charges (as contracted with the College). The College needs the student's permission to use the post-withdrawal grant disbursement for all other school charges. If the student does not give his permission, he will be offered the funds directly; however, it may be in the student's best interest to allow the school to keep the funds to reduce his debt at the school.

A post-withdrawal disbursement to the student's account to pay charges must be disbursed as soon as possible but no later than 180 days after the date the school determined is the withdrawal date. A post-withdrawal disbursement made directly to the student must be disbursed as soon as possible, but no later than 45 days for grants and 180 days for loan funds.

There are some Title IV funds that a student may have been scheduled to receive that cannot be disbursed to him once he withdraws because of other eligibility requirements. For example, a student may have been scheduled to receive a federal Direct Student Loan but if he has not signed an award letter, the funds cannot be disbursed to him after he withdraws.

If a student receives (or Thomas Aquinas College or his parent receives on his behalf) excess Title IV program funds that must be returned, Thomas Aquinas College must return a portion of the excess equal to the lesser of:

1. the student's institutional charges multiplied by the unearned percentage of his funds, or
2. the entire amount of excess funds.

The College must return this amount even if it didn't keep this amount of the student's Title IV program funds. The College must return the unearned aid for which it is responsible by repaying funds to the following sources, in this order, up to the total net amount disbursed from each source:

1. Unsubsidized federal Direct Student Loan
2. Subsidized federal Direct Student Loan
3. federal Direct Parent PLUS Loan
4. Pell Grant

These unearned Title IV funds must be returned no later than 45 days after the date the school determined the student withdrew.

If Thomas Aquinas College is not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that the student must return, he (or his parent for a PLUS Loan) repays in accordance with the terms of the promissory note. That is, he makes scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that a student must return is called an *overpayment*. The maximum amount of a grant overpayment that a student must repay is half of the grant funds he received or was scheduled to receive. A student does not have to repay a Title IV grant overpayment if the original amount of the overpayment is \$50 or less. The student must make arrangements with the College or the Department of Education to return the unearned grant funds.

Within 30 days of the date the College determined the student withdrew, the College is required to notify the student of his obligation to repay grant funds. The student is required to repay the grant funds or sign a repayment agreement with the Department of Education within 45 days of the earlier of: (1) the date the College sends the student notice of the overpayment, or (2) the date the school was required to notify the student of the overpayment (in the event of a late notification).

The requirements for the return of Title IV program funds when a student withdraws are separate from any refund policy that the College has. Therefore, a student may still owe funds to the College to cover unpaid institutional charges. The College may also charge a student for any Title IV program funds that the College was required to return. A copy of this policy (*Return of Title IV Funds Policy*) is published on the College's website. The College's more general *Withdrawal and Refund Policy* (which discusses how *all* types of financial aid – federal, state, private, institutional – are handled when a student withdraws) is published on the website and in the Student Handbook. Copies of each can be obtained from the College's Financial Aid Office upon request. If a student wishes to withdraw, he should speak with the Dean and complete a Notification of Withdrawal form.

For more information about Title IV program funds contact the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). Student Aid information is also available on the web at www.studentaid.ed.gov.