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RETURN TO TITLE IV POLICY (R2T4)

Repayment of Unearned Federal Financial Aid

If you withdraw from the university prior to completing more than 60% of a term, JCU will determine the amount of Title IV program assistance that you have earned, and what funds must be returned. The Title IV programs included are: Direct Subsidized/Unsubsidized Loans and Direct PLUS Loans.

How much will I have to repay when I withdraw from school?

The amount of assistance that you have earned, and as a result must return, 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. The remainder must then be returned to the U.S. Department of Education. If you are receiving loans only and JCU refunds the full amount of your tuition and fees, you will only be required to repay your loans in accordance with the regular repayment schedule. Once you have completed more than 60% of a term, you are considered to have earned 100% of the assistance that you were scheduled to receive for that term. Therefore, you are not required to return any funds to the U.S. Department of Education.

When does the JCU Finance Office refund tuition and fees?

If you withdraw from JCU by the end of the second week of classes, then a full tuition refund will automatically be processed for you (minus the Tuition Deposit and Student Activity Fee, which are non-refundable).

What happens to any unearned federal aid?

After calculating the amount of *unearned* federal loans, as explained above, the funds are then divided into the following categories:

- A. *Unearned Federal Aid Attributed to School Charges:*** (Regardless of the order and method in which tuition and fees are paid, unearned federal aid is attributed to school charges first, then to non-school expenses.)
- JCU is required to return all unearned federal aid attributed to school charges. This means that a portion of your tuition and fees is no longer covered by financial aid, and you are liable for paying the balance of your school charges.
 - All unearned federal aid attributed to school charges is subject to immediate repayment by you unless you are eligible for a tuition and fee refund.
- B. *Unearned Federal Aid Attributed to Non-School Expenses:***
- For unearned aid allocated to the federal loan programs that is attributed to non-school expenses, you are not required to make immediate repayment. The regulation allows repayment to be made in accordance with the regular repayment schedule of the loan.

Post-withdrawal Disbursement

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 the following:

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.