



Return of Federal Title IV Funds

The Higher Education Act, as reauthorization and signed into law on October 7, 1998, established the Return to Title IV Funds Policy. The concept behind the policy is that Humphreys University and the student are allowed to retain only the amount of federal aid that is earned.

Complete Withdrawal

How does a withdrawal affect my financial aid?

Circumstances may necessitate a complete withdrawal from Humphreys University for the quarter in which you are already registered. The outcome of a complete withdrawal on your financial aid depends on when the withdrawal is initiated and the type of financial aid you received. Federal regulation requires financial aid to be awarded under the assumption that a student will attend the institution for the entire period in which federal assistance was disbursed. However, in all cases, your financial aid must be recalculated. A complete withdrawal can not only affect your satisfactory academic progress, but also financially and will cancel your scheduled financial aid for subsequent quarters.

Before withdrawing or ceasing attendance, the student should be aware of the proper procedure for withdrawing from classes and the consequences of either withdrawing or stopping attendance. Official withdrawal is always the responsibility of the student and questions regarding withdrawal should be addressed to their Academic Advisor, Financial Aid Department, and Registrar's Office.

Student fails to begin attendance: If a student receives financial aid, but never begins attending classes, the Financial Aid Department must return all disbursed funds to the respective federal and state aid programs.

Complete: Official withdrawal from Humphreys University by the student. The current withdrawal policy can be found in current General University Catalog under 'Withdrawal from Courses'.

Withdrawing Prior to Completing 60% of the Term

Unless the student completes 60% of the term in which federal aid was disbursed, the student will be required to return all or part of the financial aid disbursed in the term. This applies to students who officially (including medical), or unofficially withdraw. In accordance to the Higher Education Amendments of 1998, which established the Return to Title IV Funds Policy, Humphreys University is required to recalculate earned and unearned portions of Title IV funds in the event that the student:

1. Completely withdrawals, or
2. Stops attending before completing the quarter.

How is the Financial Aid Earned Calculated?

The Return to Title IV calculation is a federal formula used to determine the portion of Federal grants and loans a student is entitled to receive by comparing the total number of days in the given quarter to the number of days completed before the student withdrew, up to the end of the 60% point of the quarter. Return of Title IV funds is no longer required after that point. However, if a student withdraws prior to the 60% point, the student may owe part of his/her financial aid if the Return to Title IV calculation determines any unearned aid. The unearned repayment calculation is performed utilizing

the federal government's repayment worksheet: "Treatment of Title IV Funds When a Student Withdraws from a Credit-Hour Program" found at <http://ifap.ed.gov/aidworksheets/attachments/2008CreditHourR2T4.pdf>.

For example:

If you complete 30% of the quarter, you earned 30% of the aid you originally received/scheduled to receive. This means that 70% of the aid you received/scheduled to receive is considered to be unearned and must be returned to the appropriate grant and/or loan programs. If you do not receive all of the aid that you've earned, you may be due a post-withdrawal disbursement. Humphreys University may automatically apply all or a portion of your post-withdrawal disbursement to outstanding charges for tuition and fees.

If you withdraw from the University after 60% of completing the quarter, you have earned all (100%) of your aid. However, a complete withdrawal may negatively impact your Satisfactory Academic Progress.

Important: *Humphreys University's tuition refund policy is separate from the federal regulation to repay unearned aid. Whether or not you receive tuition refund has no bearing on the amount that must be repaid to the federal aid programs. Contact the Fiscal Office for further information regarding the tuition refund policy.*

Title IV Funds Programs

1. Federal Pell Grant
2. Academic Competitiveness Grant (ACG)
3. Federal Supplemental Educational Opportunity Grant (FSEOG)
4. Federal Direct Stafford Subsidized, Unsubsidized, Parent PLUS Loan, and Graduate PLUS Loan

Return of Other than Federal Title IV Aid

If a student has a Cal grant award, no Cal grant disbursement may exceed the actual tuition charge or the Cal grant need amount for any term. The portion of aid to be credited back will be determined according to Humphreys University Tuition Refund policy. Therefore, if the student withdraws in the 3rd week of the quarter, the 50% tuition refund adjustment period, the Cal grant refund will be 50% of the disbursed award.

Remember, your withdrawal will also affect a separate policy called Satisfactory Academic Progress. After you repay the amount owed due to the "Return of Title IV Funds", you will still be responsible for meeting the terms of 'Satisfactory Academic Progress Policy' in order to receive financial aid at Humphreys University. Please refer to the Satisfactory Progress Policy in the General University Catalog or call the Financial Aid Department for more information.

Who returns the unearned federal funds?

Humphreys University will return any unearned portion of the Title IV funds to the appropriate federal grant and/or loan programs on your behalf. A notification letter outlining the amount of the returned funds will be mailed to your permanent address. Returned financial aid funds made by Humphreys University on your behalf will be charged to your Humphreys University account.

If we are not required to return all of the excess funds, you must return the remaining amount. Any loan funds that you must return must be repaid according to the term of your promissory note.

If you must return any grant funds, the law provides that the amount you must repay is reduced by 50%. Please note this reduction only applies to Title IV grants. Any grants you have to return are considered a grant overpayment. You must either repay that amount in full or make satisfactory arrangements with either Humphreys University or the Department of Education, whichever applies, to repay the balance owed.

In any case, if the Return to Title IV Funds return of unearned aid causes a balance on your account, you are responsible for the outstanding balance.

How do I repay the unearned funds?

The student will be billed by the Humphreys University Fiscal Office.

What happens if I don't repay?

If a student does not pay funds due to Humphreys University that resulted after the University returned their unearned portion of the federal funds, the student's record will be placed on a Fiscal Office hold. This means you will not be permitted to register for classes or receive transcripts until your balance is paid or have contacted the Fiscal Office to make special payment arrangements.

Special Note

If in the near future you plan on resuming enrollment on at least half-time basis, please contact the Financial Aid Department to initiate the re-packaging of your student loans. Re-packaging your financial aid involves reviewing and re-evaluating your financial aid eligibility. This process takes approximately thirty days; an award notification will be mailed to you detailing your financial aid awards for the following period of enrollment.

Prior to offering you further Financial Aid, the following must occur:

- You will receive an Exit Notification Letter informing you of your rights and responsibilities as a student loan borrower,
- You must complete on-line exit loan counseling, and;
- You must complete and return an Updated Personal Reference form.

Additional Information can found at the following website:

StudentLoans.gov
www.studentloans.gov

National Student Loan Database System
www.nsls.ed.gov