

## **Return of Title IV Policy**

### **What are Title IV Funds?**

Title IV funds are funds available under Title IV of the Higher Education Act of 1965, as amended, and include: Federal Pell Grants, TEACH Grants, Direct Loans, Direct PLUS Loans, Federal Supplemental Educational Opportunity Grants (FSEOG), Federal Perkins Loans, and Federal Work-Study funds. Undergraduate students may be eligible for each form of aid noted above. Graduate students are eligible to receive Federal Perkins Loans, Direct Unsubsidized Loans and Direct PLUS Loans only.

The Return of Title IV funds calculation does not apply to Federal Work-Study or Non-Federal Scholarships.

### **How does a student officially withdraw from UT?**

If a student would like to officially withdraw from the Institution, the student must contact the Registrar's Office.

### **What Students Need to Know About the Return of Title IV Funds?**

Institutions are required to determine the amount of Title IV federal student assistance that a student has earned when the student does not complete the semester. When the amount of "earned" aid is less than the amount of aid that was disbursed, the Institution and sometimes the student are responsible for returning the "unearned" disbursed Title IV funds to the appropriate federal account. When the "earned" Title IV funds are greater than the disbursed funds or the funds that could have been disbursed, the student may be eligible for a postwithdrawal disbursement.

If a student withdraws during the semester, the amount of Title IV program assistance that is earned up to that point is determined by a pro-rata formula up through sixty percent of the semester. If a student withdraws after completing at least sixty percent of the semester, the student will earn 100 percent of the Title IV aid disbursed.

Withdrawals include students who officially withdraw during an academic term, students who stop attending school during an academic term but do not officially withdraw, or students who are dismissed by the Institution during an academic term. This same rule applies to students enrolled in the "part of term" (modular) format, except that, for this format only, students may provide written confirmation of future attendance in the same term.

- The Return of Title IV Funds is based on the premise that students "earn" financial aid for each calendar day that they attend classes. For example, if a student attends 32 days of a semester that is 105 calendar days in length, the student will have "earned" 30 percent of his or her aid (32/105). Breaks of 5 days or more are excluded from the numerator and the denominator of the calculation.
- If a student withdraws and did not receive all of the Federal funds that the student earned, the student may be eligible for a post-withdrawal disbursement. If the post-withdrawal disbursement includes Direct Loans, then the Institution will seek permission from the student, or parent, as applicable, to disburse all or some of the loan funds. The Institution may automatically disburse all or a portion of the postwithdrawal disbursement that consists of grant funds for tuition, fees, room and board, as applicable. The Institution will seek the student's permission to use postwithdrawal disbursement grant funds for all other educationally-related charges.
- A student may be scheduled to receive Federal funds that cannot be disbursed because the student withdraws without meeting other student eligibility requirements. For example, if a student is a first-time, first-year undergraduate student and does not complete the first 30 days of the program before withdrawing, the student may not be eligible for Direct Loan funds.
- If the student received excess Federal funds that must be returned based on the student's withdrawal, the Institution must return a portion of the excess equal to the lesser of:
  1. The institutional charges multiplied by the unearned percentage of the Federal funds; or
  2. The entire amount of excess Federal funds.

The Institution will seek payment from the student for any Federal funds it returns to the Federal government, unless those funds are not due to the Institution consistent with the Institution's refund policy.

The student must return all excess Federal funds received that the Institution is not required to return. The student will receive a notice within 30 days of the date of determination of the student's withdrawal if the student must repay any portion of an overpayment of Federal grant funds. Any loan funds that must be returned by the student, or parent in the case of Parent PLUS loans, must be repaid in accordance with the terms and conditions of the Master Promissory Note. Any amount of unearned grant funds that must be returned is called an

overpayment. The maximum amount of grant overpayment that a student must repay is half of the grant funds the student received or was scheduled to receive.

If a school must return unearned Federal funds, the Federal funds will be returned in the following order:

- Unsubsidized Direct Loans;
- Subsidized Direct Loans;
- Federal Perkins Loans;
- Direct PLUS Loans;
- Federal Pell Grants;
- Federal Supplemental Educational Opportunity Grant; and □ TEACH Grants.

The Institution will return unearned Federal funds no later than 45 days from the date of determination of a student's withdrawal.

Students who complete more than 60 percent of the semester are considered to have earned 100 percent of their financial aid.

- The Return of Title IV Funds policy is separate from the Institution's refund policy. A student who withdraws from the semester may be required to return unearned Title IV financial aid funds and may still owe the Institution these funds. Please refer to the Institution's refund policy.
- The Return of Title IV Funds policy does not apply to Federal Work-Study or certain Non-Federal Scholarships. Please contact the Financial Aid Office for more information on the consequences of dropping classes if you receive these types of financial aid.
- As noted above, if a student is required to repay a portion of Title IV grant funds as a result of his or her withdrawal or dismissal, or is eligible for a post-withdrawal disbursement, the student will receive a letter from the Financial Aid Office. The student should follow the instructions in the letter carefully to repay any funds due or to accept a post-withdrawal disbursement. Students with "unearned" financial aid funds must repay these funds within 45 days of notification or they will lose eligibility for future Title IV aid.
- Students who begin classes and do not inform the Institution of their withdrawal will be assumed to have attended classes through 50% of the semester.