



## Student Financial Aid & Scholarship Return of Title IV Policy

### What is Return to Title IV?

Cuyahoga Community College (Tri-C) is required by federal regulations to recalculate federal financial aid eligibility for students who withdraw, fail to complete all of their courses or drop out prior to completing a payment period, or term. This includes all students that formally withdraw from Tri-C, as well as students that are considered an unofficial withdrawal. An unofficial withdrawal is when a student begins attending a course, but ceases attendance at some point during the semester and receives grades of “F” or a combination of “F” or “W” grades where the instructor reports the last date of attendance prior to the end of the term.

In addition to the above, students who apply for a Withdrawal Exception are also subject to the Return of Title IV Policy and may have to repay financial aid funds upon the submission of a Withdrawal Exception petition, regardless of the committee's decision. If a student has not already withdrawn from their courses at the time of the meeting, the instructor reported last date of attendance will be used to determine the percentage of aid earned for the semester.

**Any student receiving federal aid that fall within these criteria must have their awards from the federal financial aid programs must be recalculated in these situations.**

### How does Return to Title IV affect my aid?

Once the Student Financial Aid & Scholarships Office (SFAS) has been notified that a student has fully withdrawn from Tri-C, whether officially or unofficially, SFAS will perform the recalculation of federal aid to determine the amount of aid the student has earned. This is done by comparing the number of days enrolled to the number days within the term. If the student has attended 60% or greater of the term, the student is considered to have earned all of their financial aid and not subject to having their federal aid recalculated. If the student has attended less than 60% of the term, the federal aid must be recalculated to determine whether the student will be required to repay federal financial aid funds. The last date of attendance, or effective date of withdrawal, is based upon the date entered by the Enrollment Center when the student formally withdraws from Tri-C, or by the last date of attendance entered by an instructor for unofficial withdrawals.

### Return of Title IV Funds Example

Below is an example of how a student’s financial aid is impacted by not completing the full term. This is calculated by determining the earned and unearned financial aid. Earned financial aid is calculated by taking the number of days attended and dividing it by the total number of days within the term. As indicated above, if a student has earned 60% or greater, they are considered to have earned all of their financial aid and no adjustment to their aid is necessary. If the earned financial aid is less than 60%, that portion of federal aid received must be returned as outlined below.

A student withdraws at the end of Week 8 of the semester, which is equal to 50.442% of the semester. Therefore, the student has earned 50.4% of their aid and 49.6% is unearned and must be returned. The student received \$2,250 in federal aid.  $\$2,250 \times 49.6\% = \$1,116$  that must be removed from the student’s account and returned.

A portion of federal financial aid may be owed to both Tri-C and to the U.S. Department of Education. SFAS will return either a portion or all federal aid to the U.S. Department of Education, based on the amount of financial aid not earned for the semester. Funds are returned in the following order: Direct Unsubsidized Loan, Direct Subsidized Loan, Perkins Loan, Direct PLUS Loan, Pell, Supplemental Educational Opportunity Grant (SEOG), Iraq/Afghanistan Service Grant. This return may create a balance on a student's account, for which the student is responsible for paying to the college. Any amount owed as result of the drop to zero credits must be repaid to the college within 60 days of the end of the semester. Failure to repay the amount due will cause a student to be reported to the Ohio Attorney General's Office for collection. Students who owe a balance to Tri-C should contact the Enrollment Center for additional information.

In addition to owing a balance to Tri-C, a student may also need to return a portion of federal aid directly to the U.S. Department of Education. Any portion owed to the U.S. Department of Education will be reported as an overpayment and must be repaid prior to receiving any additional federal aid. This overpayment will appear on the Student Aid Report (SAR) and will also prevent a student from receiving federal aid at any college or university in the United States.

Students who owe an overpayment to the U.S. Department of Education are encouraged to contact the Department directly at 800-621-3115 to establish a satisfactory payment arrangement. In addition to repaying funds, failure to complete the courses in which a student enrolled may also affect your Satisfactory Academic Progress (SAP) status and may require that you begin repaying student loans previously received. Students who fail to complete the semester of enrollment may be placed on warning status or could lose their eligibility for federal aid. Any Pell or loan funds earned will count toward federal lifetime limits and aggregate amounts.

#### **What is the timeframe in which Return to Title IV Occurs?**

The Department of Education stipulates that a student must be reported within 30 days of withdrawal from all courses. Any funds to be repaid to the Department must be returned within 45 days of the institutions determination the student has withdrawn.

#### **What if a Disbursement Never Occurred During the Semester?**

If a financial aid eligible student withdraws from courses prior to disbursement, a calculation is completed to determine the amount of earned aid for the term. This disbursement may help to reduce a student's balance for the withdrawn term. This disbursement is called a Post-Withdrawal Disbursement. Students eligible for a Post-Withdrawal disbursement will have funds applied to their account in this order: Pell, Iraq/Afghanistan Service Grant, SEOG, Direct Subsidized Loan, Direct Unsubsidized Loan, Perkins Loan, Direct PLUS Loan. If a student qualifies for a Post-Withdrawal Disbursement, any grant funds the student is eligible to receive, based on the return calculation, will be applied to the student's account within 14 days. If a student qualifies for a Post-Withdrawal Disbursement from loan funds, a letter will be sent to the student (or parent in case of a Direct Plus Loan) stating the amount of the loan disbursement the student is eligible to receive. The student must then reply within 14 days to give authorization for the disbursement. If written authorization is not received, the loan will be cancelled, and updated with Direct Loans.