

## Treatment of Federal Financial Aid When a Student Withdraws

### WHAT HAPPENS WITH MY FINANCIAL AID WHEN I WITHDRAW FROM COLLEGE?

When a financial aid student withdraws or stops attending all of their courses in a term, the college financial aid office must calculate the amount of aid the student earned to determine if the student was overpaid or underpaid based on the amount of time the student was enrolled and attending classes.

Federal law specifies how colleges must do the calculation to determine the amount of federal aid the student earned at the point of withdrawal or when the student stopped attending.

If you drop all of your classes before the first day of class, this process will not apply to you. Also, if you drop some but not all of your classes this process will not apply.

When a financial aid student withdraws from college or stops attending 100% of his or her classes the financial aid office is notified of the student's last date of attendance at the college. Students should follow the procedures outlined in the college catalog for dropping classes to ensure the information provided to the financial aid office is accurate. Having an accurate date the student last attended is an important fact; the financial aid office uses this date to determine what percent of the semester the student attended. If the student withdrew at the 30% point in the semester, the student would have earned 30% of their term eligibility. If the student's term eligibility is \$1000, the student would have earned \$300 (30% of \$1000).

If the student received more aid than what he or she earned, the student will be required to repay the Department of Education the amount received in excess of their eligibility. The college will send a bill to the student via email. This amount is called a Title IV Overpayment. It must be repaid within 45 days from the date of notification or the college must report it to the Department of Education. If a student does not pay the debt within 45 days, they will become ineligible for any further aid until the debt is paid in full or satisfactory arrangements are made with the Department of Education. To regain eligibility for financial aid, the student must submit a Letter of Satisfactory Repayment Agreement to the Financial Aid Office.

If the student does not receive all the aid he or she earned, the college will make a post withdrawal disbursement to the student for all federal grant eligibility and a post withdrawal offer for any loan eligibility. For example, if the student withdrew at the 30% point in the semester and the student's term eligibility is \$1000, but the student did not receive any funds from the college and met all the eligibility criteria prior to withdrawing or stop attending, the college will make a post withdrawal disbursement in the amount of \$300 (if it is a grant). To do a post withdrawal of any loan proceeds, the college must have permission from the student. Additionally, the student must have had a loan certified (originated) by the college and met all eligibility criteria for the loan prior to withdrawing or not attending class (enrollment criteria for a loan will be determined based on the student's enrollment on their last date of attendance).

In addition to calculating what percent of the aid eligibility the student earned, the Department of Education requires the college to calculate any institutional charges (fees) that the college must repay the Department of Education. If the student only attended to the 30% point of the term, the college would be required to return 70% of the enrollment fees associated with the student who stopped attending or withdrew from 100% of his or her classes. This is applicable even if the student received a fee waiver and did not pay for classes. Any cost that the college is required to repay the Department of Education will be billed to the student as an Institutional debt.

Students must repay any institutional debt prior to being authorized to enroll at any Los Rios Community Colleges.

The process applies to students that withdraw on or before the 60% point of the term. Students who stop attending or withdrawal after this date will not result in any adjustments to your financial aid for that given term. However, if at the end of the term or later, the college discovers that the student stopped attending his or her classes prior to the 60% point in the term, the college must still conduct a calculation to determine if the student owes any funds or is owed any funds.

It is the student's responsibility to drop all courses. Students can initiate dropping their class by using the Eservices portal on the college website or by visiting the Admissions and Records office on the campus.

***Each amount of repayment is individually calculated and the amounts noted here are for instructional purposes only.***

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](http://www.studentaid.ed.gov)***.