



Return of Title IV Aid Policy

Title IV funds are awarded to eligible students under the assumption that they will attend MSUB for the entire period for which the assistance is awarded. Students who wish to completely withdraw from their courses must officially withdraw at the Admission and Records Office. A student who completely withdraws at or before 60% of the semester is completed may have to return a portion of the federal financial aid received for that semester.

A Return of Title IV Funds calculation determines the percentage of financial aid that a student has earned, based on the number of calendar days attended, divided by the total number of days in the enrollment period. For a student who officially withdraws, the date of withdrawal will be the date that the student first notifies the school of his intent to withdraw. A student who does not earn any passing grades, and has a combination of I, W, N, X, and or F grades, is considered to be an “unofficial withdrawal.” For students with unofficial withdrawals, the midpoint of the semester is usually used as the withdrawal date; however, on a case-by-case basis, a documented Last Date of Attendance in class, or participation in an academically-related activity, may be used.

Factors used in the calculation to determine the amount of financial aid to be repaid by a student who has withdrawn from the university are the date of official or unofficial withdrawal, the type and amount of financial aid received by the student, and the amount of the student’s original charges.

The amount of assistance that a student has earned at the time of withdrawal is determined on a pro rata basis. For example, if a student who has completed 30% of the semester has earned 30% of the Title IV aid for that semester. If a student withdraws and has completed more than 60% of the semester, the student has earned all the financial aid for that period. For more complete details on how the calculation is performed, please contact our office.

Both the institution and the student may have an obligation to return some or all of the unearned federal financial aid received for the semester not completed. When the institution is required to return federal financial aid funds to the US Department of Education (ED) within 45 days, the funds will be returned in the following order:

- Federal Direct Unsubsidized loans
- Federal Direct Subsidized Loans,
- Federal Perkins loans,
- Federal Direct PLUS loans,
- Federal Pell Grant,
- Federal Supplemental Education Opportunity Grant (FSEOG),
- Other Title IV grant funds.

The requirements for Title IV program funds when a student withdraws are separate from the university policy, which is set by the Board of Regents. The university may charge the student to cover unpaid institutional charges for the semester, or for Title IV program funds that it was required to return.

The student may also have an obligation to return a part of the Title IV funds received for the semester. Any loan funds are repaid according to the terms of the loan. However, an Overpayment of Federal Pell Grant or FSEOG funds must be paid directly to ED. The student has 45 days to repay the Overpayment of Title IV grant funds through the university Business Office. After 45 days, an unpaid Overpayment will be referred to ED for collection, and a financial hold placed on the student's account. The hold prohibits the student from registering for classes in future semesters, receiving academic transcripts, or receiving additional federal student aid funds.

If a student withdraws and has not received all of the financial aid earned according to the length of time he attended, a Post-Withdrawal Disbursement (PWD) may be due the student. If the PWD includes loan funds, the university must get the student's written permission within 14 days before the loan funds can be disbursed. A student can choose to decline some or all of the loan funds so further debt is not incurred. If the student is due federal grant funds, the university may automatically use all or a portion of the grant for tuition, fees, room and board charges (as contracted with the university). In addition, the student gives permission for the university to use PWD grant funds to pay for any charges incurred during the semester at the time he confirms attendance. If the student does not owe the university, the PWD funds will be disbursed to the student by check or direct deposit.

For example, if a student who has not received financial aid at the time of withdrawal, but has completed 50% of the semester, he is entitled to 50% of the federal aid that could have been disbursed prior to his withdrawal. If the student withdraws after completing over 60% of the semester, he is entitled to 100% of the federal aid that could have been disbursed prior to withdrawal.