

## WITHDRAWING AND RETURN OF FEDERAL FINANCIAL AID RETURN OF TITLE IV FUNDS POLICY AT UOG

**Are you thinking about withdrawing from UOG? If so, here is some important information regarding financial aid.**

If a student withdraws before the 60% point of the term as determined by the Financial Aid Office, the student may owe UOG and/or the federal financial aid programs for some of his/her financial aid.

An actual amount owed the university cannot be determined until the student officially withdraws. The calculation is based on the date of withdrawal and therefore varies depending on when the student withdraws. At the date of withdrawal, the Return of Title IV Funds (federal financial aid) calculation will determine:

- 1) The allowable educational costs based on number of days in attendance for the term,
- 2) The amount of aid a student has “earned” and
- 3) The amount of aid that the university must return on his/her behalf.

In addition, depending on the date of withdrawal, there may be tuition, housing and/or other refunds that may offset the amount that the student owes the university. Any other institutional charges will also be included in determining the total amount due from the student to the university.

If a student withdraws after the 60% point of the term, the student is not responsible for immediately repaying the university any financial aid because it is considered “earned aid.” However, there may be other charges that the student may owe; the Financial Aid Office cannot determine those costs. The Business Services Office will determine if there are any charges owed the university after the student has withdrawn from school.

Please refer to this policy for information on the effect that your withdrawal from UOG may have on your financial aid.

Federal financial aid regulations specify the amount of aid a student and a school can retain when the student withdraws from all classes or is suspended. The amount of federal student aid (Title IV aid) that a student must repay is determined via the Federal Formula for Return of Title IV funds as specified in Section 484B of the Higher Education Act. The law also specifies the order of return of the Title IV funds to the programs from which they were awarded.

Students who withdraw from all classes prior to completing more than 60% of an enrollment term will have their eligibility for aid recalculated based on the percent of the term completed. For example, a student who withdraws completing only 30% of the term will have “earned” only 30% of any Title IV aid received (other than Federal Work-Study). The student and/or the school must return (repay) the remaining 70% of the federal funds received back to the federal government.

- I. This policy applies to all students who officially or unofficially withdraw or are expelled from The University of Guam and receive financial aid from Title IV funds:
- A. The term “Title IV Funds” refers to the federal financial aid programs under the Higher Education Act of 1965 (as amended) and includes the following programs at UOG: Federal Direct Student Loans (Subsidized and Unsubsidized), Federal Direct Graduate PLUS Loan, Federal Direct Parent PLUS Loan, Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (SEOG), Federal Perkins Loan, Federal TEACH Grant and Iraq and Afghanistan Service Grant.
- B. A student’s withdrawal date is:
1. The date the student initiates the institution’s withdrawal process; OR
  2. The midpoint of the period for a student who leaves without notifying the institution; OR
  3. The student’s documented last date of attendance at an academically related activity.
- C. A student who has not attended classes during the term of withdrawal will be required to repay 100% of all financial aid funds disbursed to him or her. Students must provide documentation of class attendance within a given time frame.
- II. Title IV aid is earned in a prorated manner on a per diem basis up to and including the 60% point in the term. Title IV aid is viewed as 100% earned after the 60% point in time. A. The percentage of Title IV aid earned shall be calculated as follows:

$$\frac{\text{Number of days completed by student}}{\text{Total number of days in term}} = \text{Percent of term completed}$$

The percent of term completed shall be the percentage of Title IV aid earned by the student.

- B. The percentage of Title IV aid unearned shall be 100% minus the percent earned. This amount will be returned to the appropriate Title IV program.

Unearned Title IV aid shall be returned first by UOG from the student’s account by calculating the term’s institutional charges times the percent of unearned aid. Unearned Title IV aid shall be returned to the following programs in the following order:

1. Federal Direct Unsubsidized Loan
2. Federal Direct Subsidized Loan
3. Federal Direct Graduate PLUS Loan
4. Federal Direct Parent PLUS Loan
5. Federal Pell Grant
6. Federal SEOG
7. Federal TEACH Grant

No program can receive a refund if the student did not receive aid from that program.

C. When the total amount of unearned aid is greater than the amount returned by UOG, the student is responsible for returning unearned aid to the appropriate program(s) as follows:

1. Federal Direct Unsubsidized Loan\*
2. Federal Direct Subsidized Loan\*
3. Federal Direct Graduate PLUS Loan\*
4. Federal Direct Parent PLUS Loan\*
5. Federal Pell Grant\*\*
6. Federal SEOG\*\*
7. Federal TEACH Grant\*\*

\*Students are permitted to “return” loan funds according to loan repayment provisions in the promissory note. This usually means the student will have a grace period and also deferments if the student returns to school.

\*\*Amounts to be returned by the student to federal grant programs will be reduced by 50% of the total grant aid disbursed (or available to be disbursed) and will be due immediately to the Business Office at UOG.

If the student is entitled to a refund from UOG of amounts paid to cover the institutional charges, any refund due to the student will first be applied to the student’s obligation to return “unearned” aid before the student receives any money back. Thus, portions of institutional refunds may be applied on the student’s behalf to the student’s outstanding Title IV Funds account and not actually refunded directly to the student. Refunds on all institutional charges, including tuition and fee and room and board, will be calculated using the school’s refund policy published by the UOG Business Office.

III. Adjusted bills will be sent to the student’s billing address on file at UOG. Students are responsible for keeping their addresses current with UOG. Revised award notices will be sent to the address the student has provided to the Financial Aid Office either on their Free Application for Federal Student Aid (FAFSA) or on other correspondence. Students are responsible for any portion of their institutional charges that are left outstanding after funds are returned to the Title IV account.

IV. Institutional and student’s responsibilities in regard to the return of Title IV funds.

A. UOG’s responsibilities in regard to the return of Title IV funds include:

1. Providing each student with the information given in this policy.
2. Identifying students who are affected by this policy and completing the Return of Title IV Funds calculation for those students.
3. Notifying the student regarding the amount of money due from the student to repay unearned Title IV Funds.
4. On behalf of the student, the school returns any Title IV funds to the Title IV programs that were used to pay the current term’s institutional charges.

B. The student's responsibilities in regard to the return of Title IV funds include:

1. Becoming familiar with the Return of Title IV Funds policy and how complete withdrawal affects eligibility for Title IV aid. The student must repay or make arrangements to repay a grant overpayment from a withdrawal in order to regain Title IV eligibility. Contact the Business Office regarding repayments.
2. Following the withdrawal procedures.

### **STEPS FOR TOTAL WITHDRAWAL FROM UOG**

1. Student obtains a "request to withdraw" form from the Registrar's Office.
2. Student completes "request to withdraw" form and obtains signatures on the form.
3. To remain eligible for future financial aid, you must ensure that you meet the UOG Satisfactory Academic Progress (SAP) standards. A copy of the standards may be obtained at the Financial Aid Office or online at <http://www.uog.edu/financial-aid/financial-aid-home>. Withdrawing from school does not excuse you from the need to meet the SAP standards.

Alternative Notification of Withdrawal from UOG: Contact the Registrar's Office for alternative methods of withdrawal.

This document is available in alternative formats. Please give reasonable notice to the Financial Aid Office.