Return of Title IV Funds Policy

Federal financial aid funds (Title IV Funds) are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When students cease enrollment in all classes after the period begins, the U.S. Department of Education requires schools to determine if such students earned all the aid they received or if additional aid must be paid based on attendance. The Federal Refund and Repayment calculation must be performed for students receiving Title IV aid who officially and unofficially withdraw from all courses, drop out of all courses, or are expelled from the University prior to the 60% point of the term.

All unearned aid, as determined by the Federal Return of Title IV Unearned Aid calculation, must be returned to the federal aid programs. Title IV aid recipients must be continuously enrolled for at least 60% of the term for which aid is disbursed in order to retain all of the financial aid issued in each term. After the 60% point students are considered to have earned 100% of the Title IV funds disbursed for the term. Students should understand the impact withdraws or drops will have on the aid released to them and on their eligibility status to receive future financial aid. It is in the best interest of aid recipients to maintain attendance and complete all of their classes each term that they receive federal aid to avoid repayment of funds. The Return of Title IV regulation, coupled with the institution’s refund policy, can result in a student with a balance owed to the University and/or the Title IV programs if the student withdraws from school.

Federal Financial Aid Return Policy

A calculation of the return to Title IV will take place upon a student’s official withdrawal. In the case of an unofficial withdrawal, the OFA will perform the calculations when the University makes the determination the student as withdrawn. Any Title IV-eligible student who withdraws is subject to a prorated return of Federal Financial Aid/Title IV funds. Any calculated return of funds must be distributed back to the federal programs and may leave the student owing the university a tuition balance according to the refund policy below.

Refund procedures are uniformly applied to all students. The University will make any refunds owed within 45 days of official withdrawal (student notification) or within 45 days of the date of determination of withdrawal (at a maximum, within 45 days of the end of the academic period). The date of determination for a student’s withdrawal will be the date the student notifies the campus, either verbally or in writing, of his/her intent to withdraw from the school. If a student does not provide notification of his/her withdrawal, the actual last date of attendance recorded will be used to calculate refunds.

Withdrawal Date

For purposes of this policy, the date of withdrawal will be the date the student begins the withdrawal process or the date, as determined by HCU, that the student otherwise notified HCU in writing or verbally, of their intent to withdraw to zero credits.
Withdrawal Procedure

Students who wish to withdraw from all courses after the semester start date must officially withdraw to zero credits. To withdraw formally from a course or from HCU, a student must begin with the Academic Dean’s Office and/or the Office of the Registrar. HCU will not consider a student withdrawn if he or she simply stops coming to classes. Students who fail to withdraw properly will receive a grade of F on their permanent record. Courses may not be dropped within the last ten class days of the semester without special approval of the Academic Dean due to extenuating circumstances.

Calculation of Earned and Unearned Title IV Financial Aid

A Return of Title IV Funds calculation must be performed when any student who received, or was eligible to receive, Title IV aid ceases attendance in all classes prior to completing the payment period or period of enrollment. Responsibility for repayment of these funds will be shared by HCU and the student, according to policies and procedures contained within the federal formula for prorata refunds of unearned Title IV Aid. A return calculation is not required if the student:

- Never began attendance at the school.
- Continues to attend at least one Title IV-eligible class.
- Is on an approved leave of absence.
- Did not receive, and is not eligible to receive, any Title IV aid.
- Has only received, or is eligible to only receive, Federal Work-Study funds.

Calculation Steps

Step 1: Student’s Title IV information

OFA will determine:

A. The total amount of Title IV aid disbursed for the semester in which the student withdrew. A student’s Title IV aid is counted as aid disbursed in the calculation if it has been applied to the student’s account on or before the date the student withdrew.

B. The total amount of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the semester in which the student withdrew.

Step 2: Percentage of Title IV aid earned

OFA will calculate the percentage of Title IV aid earned as follows:

The number of calendar days completed by the student divided by the total number of calendar days in the semester in which the student withdrew. The total number of calendar days in a semester shall exclude any scheduled breaks of more than five days.
If the calculated percentage completed exceeds 60%, then the student has “earned” all (100%) of the Title IV aid for the enrollment period.

**Step 3:** Amount of Title IV aid earned by the student

OFA will calculate the amount of Title IV aid earned as follows:

The percentage of Title IV aid earned (Step 2) multiplied by the total amount of Title IV aid disbursed or that could have been disbursed for the term in which the student withdrew (Step 1-A).

\[
\text{Total Aid Disbursed} \times \text{Percentage Completed} = \text{Earned Aid}
\]

**Step 4:** Amount of Title IV aid to be disbursed or returned

- If the aid already disbursed equals the earned aid, no further action is required.
- If the aid already disbursed is greater than the earned aid, the difference must be returned to the appropriate Title IV aid program.

\[
\text{Total Disbursed Aid} - \text{Earned Aid} = \text{Unearned Aid to be Returned}
\]

- If the aid already disbursed is less than the earned aid, then OFA will calculate a post-withdrawal disbursement.
- Unearned Title IV aid will be returned to the Title IV programs in the following order:
  - Unsubsidized Federal Direct Stafford Loans (other than PLUS loans)
  - Subsidized Federal Direct Stafford Loans
  - Direct PLUS Loans
  - Federal Pell Grant for which a return of funds is required
  - Federal Supplement Educational Opportunity Grants (SEOG) for which a return of funds is required

**Withdrawal Disbursements**

A student may be eligible for a post-withdrawal disbursement if the amount of earned aid is less than the disbursed aid. Students will be notified at the point of withdrawal if they are eligible for a post-withdrawal disbursement as determined by the Office of Financial Aid.
Distribution of Unearned Title IV Aid

In compliance with federal regulations, a school must return Title IV funds to the programs from which the student received aid during the payment period or period of enrollment as applicable, in the following order, up to the net amount disbursed from each source:

- Federal Direct Loans: Unsubsidized and Subsidized
- Federal Perkins Loans (HCU does not participate in the Perkins Loan Program)
- Federal Direct Grad PLUS Loans
- Federal Direct Parent PLUS Loans
- Federal Pell Grant
- Academic Competitiveness Grant (*not available for 2011-2012 academic year and forward*)
- National SMART Grant (*not available for 2011-2012 academic year and forward*)
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- TEACH Grant (HCU does not participate in the TEACH Grant program)
- Institutional Grants and Scholarships

Federal Work-Study funds paid to recipients will not be included in the computation of earned Title IV aid, nor will these funds be refunded to the federal account from which they were paid. Unearned Title IV grants and loan funds due from HCU will be repaid to the federal accounts for the specified semester. Unearned portions of Title IV grant aid due from the student will also be repaid to the federal accounts by HCU. All repayments made by HCU pursuant to this policy will be charged to the student’s account.

Unofficial Withdrawals or All F’s

In the absence of an official withdrawal and the student ceases attendance, the following procedures will apply:

- A list of students who received all F’s, I’s or U’s for a term (period of enrollment) will be extracted from the Registrar’s Office records.

- Those students will be notified that they must provide proof to the Office of Financial Aid that documents the last date of an academically related activity, i.e., an exam, daily assignment, attendance in class, etc. If a student cannot get proof from professors that classes were attended, according to federal regulations, the student will be required to pay financial aid back based on the federal calculation.

How the calculation works:

- Number of days attended / days in semester (excluding breaks) = % of semester completed.
- Total money disbursed X % of semester completed = earned money.
- Total money disbursed - earned money = amount to be returned.
If the latest date any instructor can document is after the 60% point in the enrollment period, the student is considered to have earned 100% of their financial aid funds and no further action will be required.

If the latest date is before the 60% point in the term, the latest documented date or the 50% point in the term (whichever is later) will be used as the last date of attendance by the student.

Based on the last date of attendance, a Return of Title IV funds calculation will be processed to determine the type(s) and amount(s) of financial aid to be returned.

If documentation indicates no attendance in any class, the student will be deemed ineligible for financial aid per federal regulations and required to repay all aid received for that semester.

All financial aid funds to be returned will be the responsibility of the student. HCU will not refund any tuition, fee, and room or board charges.

A letter and HCU’s policy on unofficial withdrawals will be mailed to the student notifying them of their obligation at the time HCU returns the financial aid funds.

The Business Office will place a Financial Hold on the student’s account until the student has fulfilled their financial obligations in full to HCU.