

## WITHDRAWING FROM THE UNIVERSITY

Important considerations before dropping a class or withdrawing from school:

- Students should consider consulting with an advisor or counselor.
- Students should consider a possible reduction of financial aid.

To initiate the withdrawal process, a student must contact the Office of the Registrar office and complete the Official Withdraw form.

Student refunds are computed by using:

1. The date the Office of the Registrar receives a formal drop form from the student, or
2. The date the Office of the Registrar receives a phone call from the student requesting a drop.

Students who do not go through the "official" withdrawal process (i.e. leave campus without filing withdrawal papers, or fail to earn any passing grades in their registered courses) will be deemed to have attended through the mid-point in the semester unless the last date of attendance at an academically related activity can be documented. They will have their charges and financial aid adjusted accordingly.

### RETURN OF TITLE IV AID REFUND POLICY

The law specifies how St. Ambrose must determine the amount of student financial aid program assistance that you earn if you withdraw. The law requires that when you withdraw during a payment period, the amount of student Financial Aid program assistance that you have earned up to that point is determined by a specific formula. If you received (or St. Ambrose University received on your behalf) less assistance than the amount that you earned, you will be able to receive those additional funds. If you received more assistance than you earned, the excess funds must be returned.

The amount of assistance that you have earned is determined on a prorated basis. That is, if you complete 10 percent of the payment period, you earn 10 percent of the assistance you were originally scheduled to receive. Once you have completed more than 60 percent of the payment period, you earn all of your assistance. If a student has earned more than the 60 percent, then no return of funds is necessary.

If you received excess funds that must be returned, St. Ambrose University must return a portion of the excess equal to the lesser of:

- Your institution charges multiplied by the unearned percentage of your funds, or
- The entire amount of the excess funds.

St. Ambrose University is required to return all of the excess funds; you must return the remaining amount. Any loan funds that you must return, you (or your parent for a Plus Loan) repay in accordance with the terms of the promissory note. That is, you make scheduled payments to the holder of the loan over a period of time.

If you are responsible for returning grant funds, the law provides that you are required to return 50 percent of the grant assistance that you receive. Any amount that you do have to return is a grant overpayment, and you must make arrangements with St. Ambrose University or the Department of Education to return the funds..

## **EXAMPLE OF AN OFFICIAL WITHDRAWAL**

Joe Student had to withdraw during the semester due to personal reasons. Joe had been awarded and credited to his student account, a Pell Grant for \$998, FSEOG for \$250 and a subsidized loan for \$1,261. Joe completed only 11 days of the semester or 10 percent of the payment period. Joe was assessed \$951 in tuition and fees.

### **Amount and Order of Return**

The school must return the lesser of:

- The unearned amount of the financial aid; or
- An amount equal to the student's total institutional charges for the period multiplied by the unearned percentage (Example:  $\$951 \times 90\% = \$855.90$ )

### **Amount the Student Returns**

The student must return the unearned amount of Title IV assistance minus any funds the school has returned (Example:  $\$1261 - \$855.90 = \$405.10$ ). In effect, a student whose financial aid exceeded institutional charges will have to return funds. However, if the amount the student is required to repay is to a grant program, the student is required to only pay half of the amount.

In this example, both SAU and Joe will return loan proceeds. After initiating the withdrawal process, it was determined that \$855.90 of the loan proceeds were to be returned by SAU and \$405.10 of the loan proceeds returned to the loan program by Joe, in accordance with the terms of the promissory note.

Based upon the calculation, the Pell Grant amount to be returned was \$997.10; however, because the Pell is to be repaid by the student, only 50% or \$498.55 must be repaid. ( $\$997.10 \times 50\% = 498.55$ ) In this case, no FSEOG funds are returned as the loan and Pell repayments cover the excess award. Joe is now in a Pell Grant overpayment situation.

## **WITHDRAWALS FROM MODULES AND SUMMER SESSIONS**

Modules are courses which do not span the entire academic semester, but fall within the academic semester time frame. The standard academic semester is 16 weeks of instructional time. A module course will be 8 weeks of instructional time. This includes semester-based programs with a summer term consisting of two consecutive summer sessions; for instance, the summer term has courses that begin on May 15th, ending on June 26th, and another course beginning on June 29th, ending on August 11th.

For all programs offered in modules, a student is a withdrawal for Title IV purposes if the student ceases attendance at any point prior to completing the payment period or period of

enrollment (unless the institution has written confirmation from the student that they will attend a module that begins later in the enrollment period). Written confirmation is identified during the drop process with the advisor or the Registrar's office.

Students are required to answer the question: If you are registered for other courses during this term, do you intend to complete those courses? Students who answer "Yes" to this question will have their financial aid reviewed and adjusted accordingly. Students who answer "No" to this question will be reviewed under the Return of Title IV Funds calculation process.

The regulation requires the institution to determine whether Title IV funds must be returned based on the number of days actually completed versus the number of days the student was scheduled to attend in the payment period. The new regulations prevent the students from enrolling in modules or compressed courses spanning the period, completing a portion of the period, and retaining all aid for the period.

The Financial Aid Office has established the following procedures associated with handling withdrawals from programs offered in modules.

### **How to Determine Whether a Student in a Program Offered in Modules Has Withdrawn**

Schools can determine whether a student enrolled in a series of modules is a withdrawal by asking the following questions:

1. After beginning attendance in the payment period or period of enrollment, did the student cease to attend or fail to begin attendance in a course he or she was scheduled to attend?
  - a. If the answer is no, this is not a withdrawal.
  - b. If the answer is yes, go to question 2.
2. When the student ceased to attend or failed to begin attendance in a course he or she was scheduled to attend, was the student still attending any other courses?
  - a. If the answer is yes, this is not a withdrawal; however, other regulatory provisions concerning recalculation may apply.
  - b. If the answer is no, go to question 3.
3. Did the student complete all requirements for graduation?
  - a. If the answer is yes, this is not a withdrawal. Aid may need to be recalculated.
  - b. If no, go to question 4.
4. Did the student successfully complete coursework applicable to the student's Title IV-eligible program of study in one module or a combination of modules that equals 49% or more of the number of countable days in the payment period or period of enrollment?
  - a. If the answer is yes, this is not a withdrawal. Aid may need to be recalculated.
  - b. If no, go to question 5.
5. Did the student successfully complete coursework applicable to the student's Title IV-eligible program of study equal to or greater than what the school considers to be half-time enrollment for the payment period or period of enrollment?

- a. If the answer is yes, this is not a withdrawal. Aid may need to be recalculated.
  - b. If no, go to question 6.
6. Did the student confirm attendance in a course in a module beginning later in the period?
  - a. If the answer is yes, this is not a withdrawal, unless the student does not return.
  - b. If the answer is no, this is a withdrawal and the Return of Title IV Funds requirements apply.

Dropping a course from the student's fall, spring, or summer schedule may cause the financial aid awards to be revised. The date of the drop affects the eligibility. If the student drops below full-time status (12 hours for undergraduates and 9 hours for graduates), they may lose financial aid eligibility. Keep in mind, Federal Direct Student Loans require at least half-time enrollment (6 hours for undergraduates and 4.5 hours for graduates).

Dropping courses prior to the first day of instruction, but remaining enrolled in future courses: financial aid will be adjusted to reflect the change in enrollment and disbursement dates will be adjusted. Students may contact the Financial Aid Office to inquire how a dropped course will affect their financial aid.

Withdrawing may affect your eligibility to receive financial aid in subsequent terms based on Satisfactory Academic Progress rules. Please contact the Financial Aid Office if you are planning to return. If you have borrowed a student loan at any time during your education, we also recommend that you contact your Federal Student Loan Servicer of your enrollment status. By withdrawing from the university, you are subject to the rules and regulations of the Federal Student Loan Program. If your loans should go into repayment once you withdraw from school, it is important to make your payments on time to prevent default. If you default on a loan, you will lose your eligibility for any future financial aid. The Federal Student Loan Servicer can help you with various repayment options, deferment or forbearance options.

## **POST-WITHDRAWAL DISBURSEMENTS**

When a student withdraws from the University, he or she generally becomes ineligible for future disbursements of federal financial aid. In some cases, however, funds earned prior to withdrawal can be offered to the student through a post-withdrawal disbursement (PWD).

This article will explain when withdrawn students may be eligible to receive a PWD of federal financial aid, and the process for disbursing those funds.

A PWD is offered to you - or your parent in the case of a Parent PLUS loan - if, prior to withdrawing, you earned more federal financial aid than was disbursed for the payment period. The amount earned is determined as part of the required federal Return of Title IV Funds calculation.

The conditions and limitations for a PWD are the same as those for a late disbursement, with some additions.

The University does not include as a PWD any funds from a disbursement the University was prohibited from making on or before the date of the University's determination that the student withdrew, which would apply to the following:

- A first disbursement of a Direct Loan to a first-year, first-time borrower who withdraws before completing 30 days of the program of study
- Second or subsequent disbursements of Direct Loan funds unless the student successfully completed the loan period
- Disbursements of Federal Pell or IASG Grant funds to a student for whom the University did not have a valid SAR/ISIR by the deadline established by the Department of Education

You have the opportunity to accept or decline federal financial aid as part of a PWD. The University is required to contact students eligible for a PWD of loan funds prior to making any disbursements.

A PWD of federal grant funds for open charges only does not require your acceptance. The University is required, however, to obtain your permission to credit your account with federal grant funds in excess of open charges.

We will contact you by letter, and that letter must be completed and returned within 30 days for federal financial aid to be processed. You can mail or fax your signed letter to:

St. Ambrose University  
Attn: Financial Aid Office  
518 W. Locust St.  
Davenport, Iowa 52803  
Fax: 563-333-5818

You can choose to accept only an amount for the balance due to the University or, if eligible, to accept a larger amount that will result in excess funds being returned to you. It is important to understand that accepting a PWD of student loan funds will increase your overall student loan debt that must be repaid under the terms of your Master Promissory Note. Additionally, accepting a PWD of grant funds will reduce the remaining amount of grant funds available to you should you continue your education later.

The University must disburse a PWD of federal financial aid funds within 180 days of the date of the University's determination of the withdrawal.

## **Late Disbursement Rules**

There are times when federal financial aid is not disbursed until after the academic year/loan period (AY/LP) for which the funds were intended has ended. In these cases, federal financial aid earned prior to completing an AY/LP may be disbursed through a late disbursement. This article explains when you may be eligible to receive a late disbursement and the process for disbursing those funds.

In general, a student or parent, who is otherwise eligible, becomes ineligible to receive federal financial aid funds on the date that:

- For Direct Loans, the student is no longer enrolled at the University as at least a half-time student for the period of enrollment (i.e. loan period) for which the loan was intended
- For federal student aid grants, the student is no longer enrolled at the University for the award year.

However, if certain conditions are met, students must be considered for a late disbursement of those funds.

You must be considered for a late disbursement - or your parent, in the case of a PLUS loan - if:

- The Department processed a SAR/ISIR with an official EFC before you completed the prior AY/LP; and
- For Direct Loan awards, a Direct Loan was originated for you before you completed the prior LP; and
- For Federal Supplemental Educational Opportunity Grant (FSEOG) awards, the grant was awarded to you before you completed the prior AY/LP.

A late disbursement will be offered to you - or your parent, in the case of a PLUS loan - under these circumstances:

- You completed a previous academic year/loan period
- You were eligible to receive federal financial aid loan funds but did not receive them prior to completing the prior AY/LP
- The Secretary processed a SAR or ISIR with an official expected family contribution for the student for the relevant award year.

Late disbursements are prohibited if:

- It is a second or subsequent disbursement of loan funds, unless you have graduated or successfully completed the loan period.
- You are a first-year, first-time borrower and withdraw prior to completing 30 days of your degree program. (At this time we are exempt from this federal regulation due to our low student loan default rate under 34 CFR 685.303(b)(5)(i)(A) or (B))
- It is a disbursement of any type federal financial aid funds and you did not have a valid FAFSA on file prior to the processing deadline.

In addition to the above, the University may not make a late disbursement later than 180 days after the date you became ineligible (i.e. the last day of the loan period - for loans, or last day of the award year - for grants).

If you are found to be eligible for a late disbursement of grant or loan funds, the University will disburse the funds to your student account. You will have 14 days from the date of disbursement to decline any or all of the student loan.