

## **Title IV Refund Policy**

The Financial Aid Office is required by federal statute to recalculate federal financial aid eligibility for students who withdraw, drop out, are dismissed, or take a leave of absence. Prior to completing 60% of a payment period or term, the federal Title IV financial aid programs must be recalculated in these situations.

If a student leaves the institution prior to completing 60% of a payment period or term, the financial aid office recalculates eligibility for Title IV funds. Recalculation is based on the percentage of earned aid using the following Federal Return of Title IV funds formula: Percentage of payment period or term completed = the number of days completed up to the withdrawal date divided by the total days in the payment period or term. (Any break of five days or more is not counted as part of the days in the term.) This percentage is also the percentage of earned aid.

### **Unofficial Withdrawals**

If a student does not officially withdraw from all classes but fails to earn a passing grade in at least one course, federal aid regulations require that we assume the student has “unofficially withdrawn,” unless it can be documented that the student completed the enrollment period. Unofficial withdrawals require a Title IV refund calculation at the midpoint of the enrollment period. The reduction of federal aid may create a balance due to the Rancho Santiago Community College District that must be repaid.

### **Title IV Refund Process**

Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula: Aid to be returned = (100% of the aid that could be disbursed minus the percentage of earned aid) multiplied by the total amount of aid that could have been disbursed during the payment period or term.

If a student earned less aid than was disbursed, the institution would be required to return a portion of the funds and the student would be required to return a portion of the funds. Keep in mind that when Title IV funds are returned, the student borrower may owe a debit balance to the institution.

If a student earned more aid than was disbursed to him/her, the institution would owe the student a post-withdrawal disbursement which must be paid within 180 days of the student's withdrawal. The institution must return the amount of Title IV funds for which it is responsible no later than 45 days after the date of the determination of the date of the student's withdrawal.

Refunds are allocated in the following order:

- Unsubsidized Direct Stafford Loans
- Subsidized Direct Stafford Loans
- Direct PLUS Loans
- Federal Pell Grants for which a Return of funds is required
- All other Federal Grants for which a Return of funds is required

### **Title IV Refund Repayment Policy**

1. A bill will be sent with the amount due. You will not be eligible for further financial aid funds until the overpayment is paid in full. In addition, your school records will be placed on “HOLD.” You will not be able to register for classes or request academic transcripts until this bill has been **paid in full**.
2. If you do not pay this bill or make payment arrangements, your overpayment will be reported to the National Student Loan Data System. NSLDS notifies all other colleges and universities that you now owe money. You will be ineligible to receive further financial aid, at any college. The NSLDS notification will be removed when your bill is paid in full.

3. If you continue to ignore this bill, and a final notice is sent to you, your account will be turned over to the Department of Education for all future collection. The department of Education has the ability to garnish your wages, withhold your tax refunds, send your account to a collection agency, and take you to court to recover the money owed.
4. You must pay this bill in full within 30 days.

*Contact	* To make payment arrangements, contact:
Cashiers Office	Lisa Miller- District Accounting Office
Santiago Canyon College E-102	2323 N. Broadway, 4 <sup>th</sup> floor
8045 E. Chapman Ave., Orange CA 92869	Santa Ana, CA 92706
(714) 628-4727	(714) 480-7354