



Refund Policy for Title IV Funds

Summary of requirements related to return of Title IV funds (grant and loan aid) [34 C.F.R. § 668.43(a)(4)]

In addition to the institutional refund policy, the following regulations mandated by the Department of Education are applicable. If a student received any financial aid under federal Title IV programs (Supplemental Educational Opportunity Grant, Pell Grant, Perkins Loan, Federal Direct Student Loan and Federal Direct Parent Loan), a portion of these funds may need to be returned under the guidance of the federal formula, except the federal work study program.

Withdrawal Date: The day the student withdraws is the date (determined by the university):

- The student began the official withdrawal process prescribed by contacting the Student Life Office; or
- The student otherwise provided the university with official notification of the intent to withdraw; or
- For the student who does not begin the school's official withdrawal process or notify the school of the intent to withdraw, the midpoint of the period of enrollment for which Title IV assistance was disbursed (unless the institution can document a later date).

If the school determines the student did not begin the withdrawal process or notify the school of the intent to withdraw due to illness, accident, grievous personal loss, or other such circumstances beyond the student's control, then the school may determine the appropriate withdrawal date.

Percent of Aid Earned: The percentage of the period of enrollment for which federal aid was awarded is determined by dividing the total number of calendar days within the period of enrollment into the number of calendar days completed as of the day the student withdrew.

The percentage of aid earned during this period is equal to the percentage of the term completed. The percentage of "unearned" aid is determined by subtracting earned aid from 100%. The school is required to return the lesser of the unearned aid percentage applied to the institutional charges and the unearned percentage applied to total federal aid received.

Once 60% of the semester is completed, a student is considered to have earned all of his/her financial aid and will not be required to return any funds.

If this calculation indicates that funds should be returned, a specific order of refund has been established by the federal government (as applicable):

1. Unsubsidized Federal Direct Loan
2. Subsidized Federal Direct Loan
3. Federal Perkins loan

4. Federal Direct PLUS Loan
5. Federal Pell Grant
6. Federal Supplemental Educational Opportunity Grant (SEOG)
7. Federal TEACH Grant
8. Other Title IV assistance (as applicable)

The school must return the amount of title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew.

Post-withdrawal Disbursement: If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she is eligible to receive a post-withdrawal disbursement of the earned aid that was not received.

If the post-withdrawal disbursement includes loan funds, the school must get the students permission before it can disburse them. A notification regarding the post-withdrawal disbursement will be sent to the student (or Parent in the case of a Parent PLUS loan), within 30 days of the date the student school determines the students withdrawal. A student may choose to decline some or all of the loan funds so that they do not incur additional debt.

The school may automatically use all or a portion of the post-withdrawal disbursement of grant (Pell Grant and SEOG) funds for tuition, fees, and room and board charges (as contracted with the school). The school needs the student's permission to use the post-withdrawal grant disbursement for all other school charges. If the student does not give their permission, the student will be offered the funds. However, it may be in the student's best interest to allow the school to keep the funds to reduce any debt at the school. For any grant funds owed a student, the school must make the disbursement as soon as possible, but no later than 45 days after the date of the institution's determination that the student withdrew.

Excess Funds: If a student receives (or the school or parent receive on the student's behalf) excess Title IV program funds that must be returned based upon the calculation described above, the school must return a portion of the excess equal to the lesser of:

1. the student's institutional charges multiplied by the unearned percentage of their funds, or
2. the entire amount of excess funds.

The school must return this amount even if it did not keep this amount of the student's Title IV program funds. If the school is not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that the student must return, they (or their parent for a Direct PLUS Loan) repay in accordance with the terms of the promissory note. That is, they make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that the student must return is called an overpayment. The maximum amount of a grant overpayment that a student must repay is half of the grant funds they received or were scheduled to receive. A student does not have to repay a grant overpayment if the original amount of the

overpayment is \$50 or less. A student must make arrangements with the school or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when a student withdraws are separate from any refund policy that the school may have. Therefore, a student may still owe funds to the school to cover unpaid institutional charges. The school may also charge a student for any Title IV program funds that the school was required to return.

For additional information on refunds to Title IV sources, please contact Student Financial Services Office: Office hours: Monday-Friday 8:30 am -4:30 pm, Phone: 847.317.8060, E-Mail: finaid@tiu.edu

For additional questions regarding Title IV program funds, call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on Student Aid on the Web at www.studentaid.ed.gov.