

1. PURPOSE

If a student who began attendance withdraws (officially or unofficially) from AUP and has utilized federal Title IV funds during the semester of the withdrawal, the Office of Financial Aid will determine if any amount of funding will be returned to the federal program(s) based on the federally mandated calculation. This policy details how Title IV funds are treated when a student withdraws.

2. WHO IS AFFECTED BY THIS POLICY

Students receiving US federal loans.

3. LEGAL CONTEXT OR REGULATORY BODY

Higher Education Act of 1965, as amended in 1998.

4. POLICY STATEMENT

Official Withdrawals

Students are responsible for following the University's withdrawal procedures. To withdraw from all courses after the start of classes, the student must do the following:

- Discuss his/her withdrawal plans with the Associate Dean of Student Development;
- Complete a University Withdrawal Form, available from the Student Development Office;
- Clear all financial obligations to the University; and
- Return the completed Withdrawal Form to the Registrar's Office with his/her Student Identification Card.

The Office of Student Development officially informs the Office of Financial Aid when a student intends to withdraw from classes.

Students studying at The American University of Paris are expected to attend ALL scheduled classes, and attendance at all exams is mandatory. Students are responsible for reviewing and understanding any specific attendance policy that a faculty member might have set in the course syllabus. In case of absence, students should contact their professors to explain the situation. Unexcused absences can result in a low or failing participation grade.

Unofficial Withdrawals

The U.S. Department of Education requires institutions to be able to demonstrate that federal aid recipients established eligibility for federal aid by participating in academic related activities for all enrolled course work. If a student does not provide official notice, the withdrawal date is the last date of an academically related activity in which the student participated.

An academically related activity includes, but is not limited to: physically attending a class where there is an opportunity for direct interaction between the instructor and students; submitting an academic assignment; taking an exam; attending a study group that is assigned by the school; participating in an online discussion about academic matters; and initiating contact with a faculty member to ask a question about the academic subject studied in the course.

Activities that do not constitute academically related activity include, but are not limited to: living in institutional housing; participating in a school's meal plan; logging into an online class without activity participation; and participating in academic counseling or advisement.

If a student rescinds their official notification of withdrawal but then later withdraws, the withdrawal date is the date the student first provides notification unless the school can provide documentation of attendance an academically related activity after that date.

AUP may use the last date of an academically related activity that the student participated in as the student's withdrawal date, even if it comes after the date the student provides the school with notification of intent to withdraw.

If AUP administratively withdraws a student (suspension, expulsion, etc.), the withdrawal date will be the date AUP terminated the student's enrollment or else the last documented date of attendance at an academically related activity.

If a student dies, the date of withdrawal can be no later than the date of the student's death.

Return of Title IV Funds

The 1998 Reauthorization of the Higher Education Act requires the University to calculate a return of Title IV funds (Federal Stafford and PLUS Loan programs) for all federal financial aid students who withdraw (officially or unofficially) from all classes on or before the 60-percent attendance point in the semester.

A student who officially withdraws from the University will have a withdrawal date determined by either the date the official withdrawal process began or the date the University was officially notified of the student's intent to withdraw. A student who does not officially withdraw will have an unofficial last day of attendance withdrawal date determined by the last date of any documented academically related activity (for example, attends class or submits work).

A student who withdraws from all courses on or before the 60.00% point in the semester, or fails all of the courses in which the student is enrolled during a semester, will have earned only a portion of the aid originally awarded. The percentage of the semester the student attended is used to calculate a return of Title IV funds in the event of withdrawal. To determine the percentage, a pro-rata schedule is used and is calculated according to the percentage of the semester completed before the student withdrew. The date AUP determines that the student withdrew should be no later than 14 days after the student's last date of attendance based on AUP's attendance records. The number of days between the beginning of the semester and the withdrawal date are counted. This includes all calendar days in the semester, excluding University breaks that exceed five days in length.

Withdrawing from classes means that a student may not receive further financial aid disbursements, may have to repay some **or all** of the aid that has already been disbursed, and will be personally responsible for payment of any charges for tuition and fees that are due. Every student must be aware that when the University is required to return unearned funds to the Department of Education, the student's tuition and fees may no longer be paid in full, and the student may have a balance due to the University. (However, if a student's loan disbursement has been reduced, that portion will be returned to the Department of Education which will then reduce the student's overall loan indebtedness. The student will not be responsible for paying back the portion of the loan that was returned to the Department of Education.)

The percentage of the semester attended by the student is used to determine the amount of earned federal funds against the amount of unearned federal aid funds. The amounts of earned and unearned federal aid funds are calculated within 30 days of the date of determination that the student withdrew using the following framework:

- (i) The Office of Student Financial Aid receives notification of a student's withdrawal;
- (ii) The student's last date of attendance is determined;
- (iii) The number of calendar days that the student has completed is calculated by counting the number of calendar days attended during the period of enrollment, as detailed below;
- (iv) The number of calendar days completed is divided by the total calendar days in the enrollment period (excluding breaks of five days or more and the days that student was on an approved leave of absence):
i.e. $Completed\ Days \div Days\ in\ Period\ of\ Enrollment = \%\ Days\ Completed$
- (v) The $\% Days Completed$ is used to determine the amount of Title IV Aid that has been earned and unearned by the student:
 - If the $\% of Days Completed$ exceeds 60%, then the student has earned 100% of the aid.
 - If the $\% of Days Completed$ is less than or equal to 60%, then the student will only be eligible for an amount of funding which is calculated, pro-rata, using the $\% of Days Attended$. The percent earned equals the percent completed.

- (vi) The amount earned will then be compared to the amount already disbursed to determine the amount of aid that is unearned and if Title IV financial aid needs to be returned or a further post-withdrawal disbursement needs to be made.

Example of the calculation to determine earned and unearned federal aid funds:

- (i) Student A has completed 20 days during the period of enrollment up to the determined last day of attendance out of a possible 60 days for which they received a \$10,000 loan.
- (ii) Therefore the student has $20 \text{ Completed Days} \div 60 \text{ Total Days} = 33.33\% \text{ Days Completed}$.
- (iii) As the % of Days Completed is less than and not equal to 60%, they are deemed to have earned 33.33% of their funding. As the student was eligible for \$10,000 for the entire period, the earned amount is \$3,333.33.
- (iv) The amount earned (\$3333.33) is deducted from the amount already distributed (\$10,000). Therefore, Student A will be required to return \$6,666.67 (66.67%), the unearned aid.

AUP is required to return its portion of unearned Title IV aid to the appropriate Federal program within 45 days of the date of determination that the student has withdrawn from classes. The Title IV Funds Return Distribution is applied in the following order: 1) Federal Unsubsidized Loan, 2) Federal Subsidized Loan, 3) Federal Graduate PLUS Loan; 5) Federal Parent PLUS Loan; 6) and other Title IV aid.

Post-Withdrawal Disbursements

If the Title IV aid amount disbursed to the student is less than the amount of Title IV earned, the difference is considered a post-withdrawal disbursement. Students and parent borrowers, in the case of a Direct Parent PLUS loan, may decline the post-withdrawal disbursement so as not to incur further debt. If a student or parent borrower accepts the post-withdrawal disbursement, it may be used to credit outstanding charges on the student's tuition account, or, where there are no outstanding charges, will be returned directly to the student or parent borrower.

Before a post-withdrawal disbursement is made, AUP will notify the student and/or parent borrower of eligibility for a post-withdrawal disbursement. That notification will include the following information within 30 days of AUP determining the student's withdrawal:

- AUP will identify the type and amount of the loan funds available to be credited to the student's account or to be disbursed directly to the student and/or parent borrower
- AUP will explain the obligation to repay the loan funds whether they are disbursed to the student's account or directly to the student and/or parent borrower and will explain the advantages of keeping loan debt to a minimum
- AUP will make clear that a student and/or parent borrower may not receive a direct disbursement of loan funds that AUP wishes to credit toward an outstanding balance on a student account
- AUP will give the student and/or parent borrower the option to decline some or all of the post-withdrawal disbursement and AUP will abide by that direction

At the time that AUP notifies the student and/or parent borrower of their eligibility for a post-withdrawal disbursement, the student and/or parent borrower will have 15 days to notify AUP whether they accept or decline the disbursement. If at that time AUP has not heard from the student and/or parent borrower, AUP reserves the right to not to disburse. If the student and/or parent borrower accepts the disbursement, the credit balance will be refunded to the student and/or the parent in the case of a Direct Parent PLUS Loan as soon as possible, but no later than 14 days after the credit balance has occurred.

5. RESPONSIBILITIES

Students	Understand and follow AUP's withdrawal procedures and repay any loans in accordance to the terms of the loans.
Office of Financial Aid	Determines and calculates any amount of funding to be returned to the federal program(s), notifies the student of the amounts to be returned, and then returns the funds to the Department of Education.

6. DEFINITIONS

Title IV	Title IV of the Higher Education Act of 1965, as amended in 1998, (Title IV, and HEA program) establishes general rules that apply to federal student financial assistance programs.
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7. APPROVALS & HISTORY

This longstanding policy was reviewed in May 2023. The next review will take place in November 2025.

8. ISSUING OFFICE AND CONTACT

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