1. PURPOSE

If a student 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


4. POLICY STATEMENT

Students are responsible for following the University’s withdrawal procedures (see AA012EN – University Withdrawal).

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. 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 based on the withdrawal date, which is the last date of attendance or the date that the University was made aware that that student was no longer attending. 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. Approved Leave of Absence days are not counted.

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 order of return is Federal Unsubsidized Loan, Federal Subsidized Loan, Federal PLUS Loan, and other Title IV aid. AUP is required to return its portion of unearned Title IV aid to the appropriate Federal program within 30 days of the date that the student withdraws from classes. If the Title IV aid amount disbursed to the student is less than the amount of Title IV earned, the difference is considered to be a post-withdrawal disbursement. Post-withdrawal eligibility can be used to credit outstanding charges on the student’s tuition account. The University will notify the student and/or parent borrower of eligibility for a post-withdrawal disbursement. The student may decline the aid so that additional debt is not incurred.

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.

5. RESPONSIBILITIES

Students Understand and follow AUP’s withdrawal procedures and the impact of withdrawal on financial aid.

Office of Financial Aid Determine and calculate any amount of funding to be returned to the federal program(s).

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.
7. APPROVALS & HISTORY

This longstanding policy was reviewed in March 2018. The next review will take place in November 2020.

8. ISSUING OFFICE AND CONTACT

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