

Treatment of *Title IV* Aid When a Student Withdraws

The law specifies how Hampton University must determine the amount of *Title IV* aid that a student earns if they withdraw from school. The *Title IV* programs that are covered by this law are Federal Pell Grants, TEACH Grants, Federal Supplemental Educational Opportunity Grants (FSEOGs), Direct Loans, and Direct PLUS Loans.

Withdrawing from classes will affect your percentage of hours earned. All students must earn 67% of all hours attempted to remain eligible for financial aid. If you officially withdraw or stop attending all courses, you may be required to repay all or part of the financial aid disbursed to you for the term in which you withdraw.

Though your financial aid is posted to your student account at the start of each semester, a student earns the funds as they complete the semester. If a student withdraws during a term/semester, the amount of *Title IV* aid that you have earned up to that point is determined by a specific formula. Students receiving federal funds may be required to repay aid determined to be “unearned.” The earned/unearned calculation is based on the percentage of days attended during the term/semester in which you withdrew. If you received (or your school or parent received on your behalf) less assistance than the amount that you earned, you may be able to receive those additional funds in the form of a Post-Withdrawal Disbursement (PWD.) If you receive more assistance than you earned, the excess funds must be returned by the school and/or you to the Department of Education. The difference between your earned federal aid and 100% equals the percentage of unearned federal funds that are subject to repayment.

Federal regulations require Title IV aid to be refunded in the following order:

- Federal Direct Unsubsidized Stafford Loans
- Federal Direct Subsidized Stafford Loans
- Federal Direct Graduate PLUS Loans
- Federal Direct PLUS Loans (for parents)
- Federal Pell Grants
- Iraq & Afghanistan Service Grants
- Federal Supplemental Educational Opportunity Grants
- Federal TEACH Grant

The amount of assistance that you have earned is determined on a pro rata basis. For example, if you completed 30% of your payment period or period of enrollment (term/semester), you earn 30% of the assistance you were originally scheduled to receive. Once you have completed more than 60% of the payment period or period of enrollment, you earn all the assistance that you were scheduled to receive for that period (term/semester).

You will not be subject to returns of your *Title IV* aid if you meet one of the following exemptions:

- You complete all the requirements for graduation;
- You successfully complete a class or multiple classes that comprise at least 49 percent of the days in the term (in a program offered in modules); or
- You successfully complete a class or multiple classes that comprise at least half-time enrollment (in a program offered in modules).

If you did not receive all the funds that you earned, you may be due a PWD. If your PWD includes loan funds, your school must get your permission before it can disburse them. You may choose to decline some or all the loan funds so that you don't incur additional debt. Your school may automatically use all or a portion of your PWD of grant funds for tuition, fees, and food and housing charges (as contracted with the school). The school needs your permission to use the post-withdrawal grant disbursement for all other institutional charges. If you do not give your permission, you will be offered the funds. However, it may be in your best interest to allow the school to keep the funds to reduce your debt at the school.

There are some *Title IV* funds that you were scheduled to receive that cannot be disbursed to you once you withdraw because of other eligibility requirements. For example, if you are a first-time, first-year undergraduate student and you have not completed the first 30 days of your program before you withdraw, you will not receive any Direct Loan funds that you would have received had you remained enrolled past the 30th day.

If you receive (or your school or parent receive on your behalf) excess *Title IV* program funds that must be returned, your school must return a portion of the excess funds equal to the lesser of:

1. your institutional charges multiplied by the unearned percentage of your funds, or
2. the entire amount of excess funds.

The school must return this amount even if it didn't keep this amount of your *Title IV* program funds.

If your school is not required to return all the excess funds, you may be required to return the remaining amount.

For any loan funds that you must return, you (or your parent for a Direct PLUS Loan) will repay the loan funds in accordance with the terms of the promissory note. That is, you will not be required to repay any loan funds immediately, but instead, you will make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that you must return is called an overpayment. The maximum amount of a grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You do not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. You must pay the overpayment in full or make arrangements with your school or the Department of Education to return the unearned grant funds.

The requirements for *Title IV* program funds when you withdraw are separate from any refund policy that your school may have. Therefore, you may still owe funds to the school to cover unpaid

institutional charges. Your school may also charge you for any *Title IV* program funds that the school was required to return. If you don't know your school's refund policy, you should ask your school for a copy. Your school can also provide you with the requirements and procedures for officially withdrawing from school.

If you have questions about your *Title IV* program funds, you can 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 <https://studentaid.gov>.