NON-ATTENDANCE / WITHDRAWALS

Refund policy for Title IV students

The following policy became effective July 1, 2006: "Return of Title IV Funds" requires that all Title IV recipients who totally withdraw from classes before the 60% point of the semester go through a refund calculation. The portion of Title IV aid that has not been earned must be returned to the appropriate federal programs. The amount of Title IV grant and loan assistance not earned by the student is calculated by determining the complement of the percentage of assistance the student earned and applying it to the total amount of grant and loan assistance that was disbursed (and that could have been disbursed) to the student, or on the student's behalf, for the payment period or period of enrollment as of the day the student withdrew.

The following example explains the process. A student repays the calculated amount attributable to a Title IV loan program according to the loan's terms. A student repays a Title IV grant program subject to repayment arrangements satisfactory to the school or the secretary of education's overpayment collection procedures. A student will only be required to repay up to 50% of the total grant assistance that was disbursed or could have been disbursed for the payment period or period of enrollment.

Institutional charges: $2,700
Title IV loans: $1,300
Title IV grants: $2,025
Total Title IV aid: $3,325
Title IV aid to school: $2,700
Title IV aid to student: $625
Length of payment period: 118 days
Student withdrew on: 48th day
Percent earned: 48/118 = 40.700%
Percent unearned: 100 - 40.700 = 59.30%
Amount unearned: 59.30% x $3,325 = $1,971.73

Institutional responsibility:
Amount unearned = ($2,700 x 59.30%) = $1,601.10
Institutional responsibility: $1,601.10
School returns to lender: $1,300
School returns to grant account: $301.10

Student’s Responsibility

Amount unearned minus school responsibility: $1,971.73 - $1,601.10 = $370.63
Student’s loan responsibility: $1,300 - $1,300 (school’s payment) = $0.00
Initial amount of grants for student to return: $370.63
Amount of Title IV grant protection: $2,025 x 50% (total title IV grant aid disbursed and could have been disbursed x 50%) = $1,012.50

Title IV grants for student to return: $370.63 - $1,012.50 (initial amount to return-grant protection - $0.00)

Distributing the Refund Back to the Title IV Program

Once the school has determined the largest applicable refund amount, the Business Affairs Office is responsible for returning a portion of that calculated amount to the Title IV programs. No portion of a refund will be returned to the federal work-study program.

The Business Affairs Office will allocate the refund back to the student aid programs according to statutory and regulatory requirements in the following order: unsubsidized federal Stafford loan programs, subsidized federal Stafford loan program, federal direct PLUS program, federal Perkins loan program, federal Pell grant program, Academic Competitiveness Grant, National SMART Grant, federal SEOG program, other Title IV programs, other federal, state, private or institutional assistance and to the students. This will result in the student owing this amount of unearned aid back to the college.

Western will apply this allocation policy consistently to all students who have received Title IV assistance.