

PURPOSE: Federal law mandates Cochise College to refund the Federal Government any Financial Aid from the student when the student withdraws from a course prior to completing the semester.

REFERENCE TO: Cochise College policy Student Financial Aid 4015 section 3.

If a student withdraws from college before the start of term or after the term begins, they must process an official withdrawal through the Office of Registration as well as the Financial Aid Department. If a student received an advanced financial aid check and withdraws prior to the start of term, the student must return the funds to the Cochise College Business Office.

WITHDRAWAL DATES:

- The date the student began the withdrawal process.
- The date the student provided official notification to the school of the intent to withdraw.
- If a student does not notify the college of withdrawal or did not begin the process of withdrawal, the date will be determined by: The last date of attendance recorded by the instructor, the midpoint of the semester for which Federal Financial Aid was disbursed, or a later date documented by the school (Example: The last day of attendance would be determined by a student's last documented activity in a class)

RETURN OF TITLE IV FUNDS:

Refer to Cochise College Policy 4015.3 (Student Financial Aid Procedures)

FINANCIAL AID RETURN OF TITLE IV CALCULATIONS EXAMPLE:

A student withdraws after attending 11 days of a 110-day enrollment period. The student received a \$1,000 Pell Grant and a \$2,500 Federal subsidized loan. The student's institutional cost was \$1,000.

- Days attended 11 / days in semester 110 = Student completed 10% of the course
- Federal Pell Grant \$1,000 + Subsidized Loan \$2,500 = \$3,500. \$3,500 (Total aid) x 10% (Completed course) = \$350 (Earned Aid)
- \$3,500 (Total aid) - \$350 (Earned Aid) = **\$3150 UNEARNED AID**
- 100% of semester – 10% (Percentage completed) = 90% (Percentage of Unearned aid)
- 90% (Percentage of unearned aid) X \$1000 (Institutional charges) = \$900 (Unearned charges)
 - Cochise College will return the lesser of the unearned aid or unearned charges
- \$900 (Cochise Colleges share) will be returned to the Federal Subsidized loan lender
- \$3150 (Unearned aid) – \$900 (Cochise Colleges share) = \$2250 (Student's share)
- \$2500 (Total amount of loans - \$900 (Cochise Colleges share) = \$1600. This is the amount the student will return to the Lender according to the terms of the Master Promissory Note.

- (\$2250) Initial amount of pell grant - \$1600 (student's repayment to the student's loan) = \$650 (Initial amount of pell grant for student to return)
- Based on HERA 2005: Grant aid is protected, pell grant dispersed (\$1000) X 50% = Title IV Grant protection
- \$650 (Initial amount of pell grant to return – \$500 (Title IV Grant Protection) = \$150 (Title IV Grant funds to be returned by the student)

The Department of Education's refund policy is effective through **60 percent** of the term. Both the college and the student are responsible for the return of the unused Title IV Grant Funds. You will receive a copy of the refund calculation along with a letter stating the amount of funds that are required to be returned. Your payment must be provided to Cochise College unless you are given other instructions for reimbursement.

A student has 45 days to return the Federal Funds or make a satisfactory arrangement to repay. Failure to repay will result in the loss of eligibility for all Title IV Federal Financial Aid Programs. If you have a student loan, you will be notified of any payments made to your student loan by Cochise College. If you stop attending your classes and do not notify Cochise College, you are subject to the same refund policy. Any student who completes the term with only W and F grades will be checked for completion of all classes and will be subject to the refund policy.

DEFINITIONS:

TITLE IV FUNDS: A school is accredited by the Department of Education to participate in federal student aid programs. Federal funds also known as pell grant, is a grant awarded to specific students who meet a criterion based off economic need for education purposes.

WITHDRAWAL: Disenroll from an enrolled course. A student must process an official withdraw through the Office of Registration.

MASTER PROMISSARY NOTE (MPN): A legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education.

HERA: Higher Education Reconciliation Act

UNOFFICIAL WITHDRAW: When a student stops attending all classes and stops participating in any academic activities beyond the last date he/she last attended classes.

Approval:  _____

Karen Emmer, Financial Aid Director