



Return of Title IV Funds Policy

Federal regulations require ECC to have a fair and equitable refund policy for students receiving financial aid who officially or unofficially withdraw from all their classes. Withdrawing (or stopping attendance) may result in financial debt for the student and may make them ineligible for future financial aid (including loans). We strongly recommend that the student consults with an academic advisor or counselor to help make decisions about withdrawing. Federal regulations assume that a student earns financial aid over the course of a semester by attending and participating in classes. Students cannot earn all of their funds unless they maintain attendance and class participation for more than 60 percent of the semester. This calculation counts all calendar days starting with the first day and ending with the last day of each semester, including weekends and holidays (excluding breaks of at least five consecutive days).

Withdrawal Date

Official Withdrawal – The date the student completes the Complete Withdrawal Form with the ECC Registrar's Office.

Unofficial Withdrawal – An unofficial withdraw occurs when the student does not complete the official withdrawal process above, but stops attending. This is defined by the student receiving all "F" failing grades at the end of the semester or a combination of "W" withdrawals and "F" failing in each course for that term. ECC will use the latter of the two: the midpoint of the term or the last date of academically related activity reported by each instructor or recorded in each courses grade book.

Financial Aid Recipients

If any amount of tuition is paid with funds from a Title IV Program and the student withdraws during the established refund period, the Title IV program funds will be adjusted and any "unearned" aid will be returned in the following order: Loans: Federal Unsubsidized, Federal Subsidized, and Federal Plus. Grants: Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, and Other Title IV programs. Under federal regulations, ECC must return the funds as soon as possible, but no later than 45 days after ECC determines the student's withdrawal date.

Return Financial Aid Title IV Funds

A student's financial aid is based on the number of classes the student is enrolled in and the number of days the student is enrolled in classes. When a student initiates a withdrawal from one or more classes, the amount of financial aid the student is eligible to receive is affected. The Return of Title IV funds to the federal government is based on a calculation that determines how much aid the student is eligible to receive and how much the student is no longer eligible for, because he/ she is no longer enrolled in school. This calculation is applicable until the student has completed more than 60 percent of the



semester. Once the student has completed more than 60 percent of the semester, all financial aid is considered earned.

For example:

If a student completed 25 percent of the semester, the student will have earned 25 percent of the financial aid awarded for the semester. Any aid above and beyond the 25 percent is considered “unearned” and must be returned to the appropriate federal aid programs.

Who Is Responsible for Returning the Unearned Funds? ECC is required to return the lesser of:

- The “unearned” amount of the financial aid; or
- An amount equal to the student’s total institutional charges for the semester, multiplied by the percentage of “unearned” aid.

The amount the student must return is:

- The “unearned” amount of Title IV assistance minus any funds ECC returned. If the student is required to repay “unearned” loan funds, these funds will be repaid in accordance with the terms of the promissory note, through scheduled payments to the loan servicer over a period of time.

If the student is required to repay “unearned” Pell and/or SEOG Grant funds, the regulations provide that the student is only required to return grant funds if the final grant overpayment amount exceeds 50 percent of the total grant assistance the student received for the payment period. Any “unearned” grant money must be repaid by either making arrangements with ECC or with the U.S. Department of Education.

Example

Penny Nickels is a returning student living in the ECC dorms, who was disappointed to have to withdraw from ECC during the semester, particularly since she is doing very well in the 12 credit hours she is taking. Penny had to withdraw for personal reasons.

Penny was awarded the following financial aid, which was credited to her student account: Federal

Direct Unsubsidized Loan	\$990.00
Federal Direct Subsidized Loan	\$1,733.00
Federal Pell Grant	\$2,000.00
Federal Supp. Education Opp. Grant	\$200.00
Total Financial Aid	\$4,923.00

Penny completed only 27 days of classes or 25 percent of the semester. Penny’s tuition, fees, room

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and board for the full semester are \$4,780. To determine how much money must be returned by ECC and Penny, the financial aid staff must first determine how much financial aid Penny did not earn. Since Penny only attended 25 percent of the semester, she only earned 25 percent of her financial aid.

Therefore, the “unearned” percent of her financial aid is 75 percent.

Total Financial Aid Awarded	\$4,923.00
Multiply Percent of Unearned Aid	\$0.75
Total Amount of Unearned Aid	\$3,692.25

Per federal requirements, ECC and Penny must repay a total of \$3,692.50.

Total Institutional Charges	\$4,780.00
Multiply Percent of Unearned Aid	\$0.75
Total Amount of Unearned Charges	\$3,585.00

Per federal requirements, ECC must repay the lesser of the two; amount of “Unearned” Aid or amount “Unearned” charges . So ECC will return a total of \$3585.00 back to the following federal aid programs.

Federal Direct Unsubsidized Loan	\$990.00
Federal Direct Subsidized Loan	\$1,733.00
Federal Pell Grant	\$862.00

Total Financial Aid ECC returns	\$3,585.00
Penny is required to return the remaining unearned amount.	
Total Amount Unearned Aid Subtract	\$3,692.25
the amount ECC must return	-\$3,585.00
Amount Penny Must Repay	\$107.25

Per federal requirements, Penny’s amount falls into the 50% Title IV Grant Protection allowance.

Total Amount of Grants eligible for protection is calculated by $\$2,200.00 \times 50\% = \$1,100.00$ of Penny’s Grant

Amount and Order of Repayment

In the example, ECC must return \$990.00 of Federal Unsubsidized Loan funds, \$1733.00 of Federal Subsidized Loan funds, and \$862.00 of Pell Grant funds. In addition, based on the calculations, \$107.25 of Penny’s Federal Pell Grant was “unearned”, however was protected under the 50% Title IV Grant Protection allowance.



Title IV Grant Overpayment

If a student is required to repay an “unearned” grant that was not protected (overpayment), the student will remain eligible for Title IV aid up to 45 days after the student has been notified in writing of the overpayment. The student may resolve the overpayment by repaying the overpayment in full to ECC, by making satisfactory repayment arrangements with the ECC Business Office, or by making satisfactory repayment arrangements with the U.S. Department of Education.

Outstanding Balance on ECC Account

If a student withdraws from ECC prior to completing 60 percent of the semester, the student is responsible for paying any outstanding tuition, fees, room and board charges that remain after ECC has repaid any “unearned” financial aid to the appropriate federal aid programs.

Post-Withdrawal Disbursement

If a student earned more aid than was disbursed, they may be owed a post-withdrawal disbursement (PWD). PWD determinations are made and offered to the student within 30 days after the student withdraws. If accepted, Pell PWDs are made no later than 45 days after the student withdraws. Loan PWDs are made within 180 days after the student withdraws.

Students are provided a PWD form that identifies a “response due date” of 14 days from the date of notification. If a response is received by the due date, the PWD is initiated and monitored through posting on the student’s account. If the student has a credit balance once all funding has processed, the credit balance is processed as a refund check.

Questions - Contact the ECC Financial Aid Office by calling 641-844-5708.

As the regulations regarding the Return of Title IV Aid are subject to change, refer to ECC’s financial aid website for up-to-date information.