

Return of Title IV Aid Policy and Procedures

Title IV funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws from Bethel, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive.

The financial aid office is required to calculate federal financial aid eligibility for students who withdraw, drop out, are dismissed, or take a leave of absence prior to completing a payment period or term. The federal Title IV financial aid programs must be recalculated when the student has not completed more than 60% of a payment period.

If the student leaves the college prior to completing 60% of a payment period or term, the financial aid office recalculates eligibility for Title IV funds. Recalculation is based on the percentage of earned aid using the following Return of Title IV Funds formula:

Percentage of payment period or term completed = number of days completed up to the withdrawal date divided by the total days in the payment period or term. (Any break of five days or more is not counted as part of the days in the term). This percentage is also the percentage of aid earned.

Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula:

Aid to be returned = (100% of the aid that could be disbursed minus the percentage of earned aid) multiplied by the total amount of aid that could have been disbursed during the payment period or term.

Bethel College must return the amount of Title IV funds for which it is responsible **no later than 45 days** after the date of the determination of the date of the student's withdrawal.

Official Withdrawals

For a withdrawal to be considered an official withdrawal, a student must complete a withdrawal form or provide notification to the college of an intent to withdraw. A student is considered withdrawn as of the date he/she begins the withdrawal process or the date the student provides notification of the intent to withdraw, whichever is earlier.

Unofficial Withdrawals

If a student does not provide notification of withdrawal either because of circumstances beyond the student's control or other instances, he/she is considered to have unofficially withdrawn. In these cases, the student's withdrawal date is the midpoint (50%) of the payment period (or period of enrollment) if the last date of attendance cannot be determined. If the last date of attendance can be determined, it will be used instead.

If a student earned less aid than was disbursed, Bethel would be required to return a portion of the funds and the student would be required to return a portion of the funds. Keep in mind that when Title IV funds are returned, the student may owe a debit balance to the college.

When students fail to earn a passing grade in any class: If a student receives all Fs at the end of a semester, the college will determine whether those students with failing grades have unofficially

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withdrawn. If a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn unless the institution can document that the student completed the period (or more than 60% of the period) based on the last date of a student's documented academic activity.

Post-withdrawal disbursements: If a student does not receive all the funds he/she has earned, the student may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the school must get the student's permission before it can disburse them. The student may choose to decline some or all of the loan funds so that additional debt is not incurred. The school may automatically use all or a portion of your post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges (as contracted with the school). The school needs a student's permission to use the post-withdrawal grant disbursement for all other school charges. If the student does not give permission, you will be offered the funds. However, it may be in the student's best interest to allow the school to keep the funds to reduce your debt at the school. Bethel will send notification as soon as possible, but no later than 30 calendar days after the date that the school determines the student withdrew. Bethel must disburse any Title IV grant funds a student is due as part of a post-withdrawal disbursement within **45 days** of the date the school determined the student withdrew. The school must disburse any loan funds the student accepts as soon as possible but no later than **180 days** after the date the school determined the student withdrew.

Overpayments (overawards): An overpayment, or overaward, occurs when the student receives more aid than he/she was eligible to receive. An overpayment can occur when a student withdraws.

Regulations limit the amount of grant funds a student must repay to one-half of the grant funds the student received or could have received during the applicable period. Within 30 days of determining that a student who withdrew must repay all or part of a Title IV grant, Bethel will notify the student that he/she must repay the overpayment or make satisfactory arrangements to repay it. A student's eligibility for additional Title IV funds may end if the student fails to take action in one of the following ways:

- The student may repay the overpayment in full to Bethel.
- The student may sign a repayment agreement with the Department of Education.

The student should contact Bethel to discuss his/her options.

Unearned Title IV financial aid will be returned to the appropriate programs in the order listed below. The Title IV portion of a refund is repaid to various programs from which the funds were awarded. The repayment is allocated, using the following fixed priority:

1. Direct Unsubsidized Direct Loan
2. Direct Subsidized Direct Loan
3. Perkins Loan
4. Direct PLUS Loan
5. Pell Grant
6. FSEOG

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If the Title IV portion of the refund is large enough, the entire amount of an award received is first returned to the highest priority program from which an award was made. The full amounts are similarly returned.

For students selected for verification: Unless a student subject to verification has provided all required verification documents in time for the school to meet Return deadlines, the school includes as Aid Disbursed or Aid That Could Have Been Disbursed in the Return calculation only those Title IV funds **not** subject to verification.

If the student who failed to provide all required verification documents in time for the school to meet the Return deadline later provides those documents prior to the application verification deadline, the school must perform a new Return calculation on all of the aid the student qualified for based on the completed verification documents and make appropriate adjustments.

When a student fails to return from a leave of absence (LOA): If a student does not return to Bethel at the expiration of an approved LOA (or a student takes an unapproved LOA), the student's withdrawal date is the date the student began the LOA.

Because a student who is granted an approved LOA remains in an in-school status for Title IV loan repayment purposes, the school must report to the loan holder the student's change in enrollment status as of the withdrawal date.