

# Students' Financial Aid Responsibilities

To apply for Federal Student Aid, students must apply at <http://www.studentaid.gov>. Official transcripts are required from all institutions attended, whether or not grades or courses are to be used. For Financial Aid purposes, ALL transcripts must be mailed directly from the sending institution, including non-accredited schools, and evaluated. Student's files must be complete in both the Financial Aid Office (including in-house paperwork) and the Admissions Office to receive award. Most students will have to produce an appropriate tax transcript for themselves or supporting parents. **Students have the responsibility of knowing the requirements of applying for and receiving financial aid. The student must be familiar with the procedures relative to the guidelines affecting financial aid awards and the disbursements. They must also be knowledgeable of WSCC's refund and repayment policies.**

## **PER NEW FEDERAL REGULATIONS-HIGHER EDUCATION AUTHORIZATION BILL OF 2006:**

**Official Withdrawal:** A student who received Title IV Funds (Pell Grant, FSEOG, CWS, or Direct Loans) and withdraws from all classes prior to the 60% point of the semester will **owe** funds back to the U. S. Department of Education and to Wallace State Community College.

**Unofficial Withdrawal:** A student who received Title IV Funds (Pell Grant, FSEOG, CWS, or Direct Loans) and unofficially withdraws (stops attending) from all classes of the semester may owe funds back to the U.S. Department of Education and to Wallace State Community College. This amount is calculated at the 50% point of the term.

The concept behind the policy is that the college and the student are allowed to retain only the amount of Title IV (federal) aid that is earned. If a student withdraws or stops attending classes, whether any credits have been earned for the term or not, a portion of the aid received is considered to be unearned and must be returned to the Title IV programs from which it was received. For Title IV purposes, the withdrawal date is the last date of attendance as determined by attendance records or withdrawal form.

If a student attends through 60 percent of the term, all Title IV aid is considered earned. However, withdrawing will affect a student's satisfactory academic progress and eligibility for additional financial aid.

## **The Return to Title IV Process**

**Step 1)** The first step is to determine the amount of aid which must be returned. Following the determination of the last date of attendance, the school must calculate the number of days attended and the total number of days the student was scheduled to complete within the term; weekends count and any periods of no classes which are five days in lengths or greater are excluded. Days attended are then divided by the days in the term the student was scheduled to complete to calculate percentage completed. The percentage is multiplied by total aid for which the student is eligible to determine the amount of aid earned ( $\% \text{ completed} \times \text{total aid} = \text{earned aid}$ ).  $\text{Total aid} - \text{earned aid} = \text{unearned aid}$  (aid to be returned).

**Step 2)** The school determines total institutional charges and multiply that figure by the percentage of unearned aid ( $100\% - \% \text{ completed} = \% \text{ unearned}$ ). It makes no difference which type of resource actually paid the school bill; the law assumes that Title IV aid goes first to pay the institutional charges.  $\text{Institutional charges} \times \% \text{ unearned} = \text{amount returned by school}$ . The school must then return the amount of unearned aid, up to the maximum received, to each of the Title IV programs in the following order:

- Unsubsidized Direct Stafford Loan
- Subsidized Direct Stafford Loan
- Federal Perkins Loan (Wallace State does not participate)
- Direct PLUS Loan
- Federal Pell Grant
- Federal Supplement Education Opportunity Grant (SEOG)

**Step 3)** The school then calculates the amount for which the student is responsible by subtracting the amount returned by the school from the total amount which is unearned. That remaining amount is the student's share and is allocated in the same order as above. That remaining amount is the student's share and is allocated in the same order as above. Total amount unearned - amount returned by school = \$ amount the student is required to return to Title IV funds.

Once the school determines the dollar amounts owed the student to the USDE, the student will be notified of the amount he or she owes. Funds that must be returned by the student to the loan programs can be paid in accordance with normal loan repayment terms. For grant dollars that must be paid, the amount due from a student is limited to the amount by which the original grant overpayment amount due from the student exceeds half of the total Title IV grants funds received by the student. A student has 45 days to make repayment and does not have to repay a grant overpayment of \$50 or less. Unpaid balances will be reported to NSLDS, the National Student Loan Data System, and turned over to the U.S. Department of Education for collection. Until overpayments are repaid or satisfactory repayment arrangements have been made, students will be ineligible for further Title IV aid at any institution.

Once the school determines the amount Wallace State is required to repay the USDE, Wallace State returns those funds but we bill the student for the amount of money the school had to return.

This policy is separate from the institutional refund policy. Unpaid balances due to Wallace State that results from amounts returned to Title IV programs and other sources of aid will be charged back to the student. The student is also responsible for uncollected tuition to Wallace State. The student's account will be placed on hold for registration and transcripts until the balance is paid.

If a student does not begin attendance in all classes or ceases attendance during the 100% refund period, aid will be reduced to reflect appropriate enrollment status prior to recalculating Return of Title IV Funds.