

Withdrawing/ Return of Title IV Policy

Office of Financial Aid

The U.S. Department of Education mandates that the Office of Financial Aid recalculate federal financial aid eligibility for students who withdraw (officially or unofficially), are dismissed, or take an academic leave of absence.

This must be done because financial aid eligibility is based upon enrollment, while aid is given before the semester is over, it is **“earned”** by attendance.

An **official withdraw** is when a student submits a request to the Office of Records and Registration or uses Mustang Express to complete a Semester withdraw from all classes.

An **unofficial withdraw** is when a student stops attending all of his/her classes during the semester, but does not follow the college procedure to officially withdraw as outlined in the catalog, and therefore fails to successfully complete the term (i.e., receives all final grades of W's, F's or a combination of both). Anytime the Office of Financial Aid does not know your last date of attendance/participation in your class/classes we must return 50% of your aid. If your attendance was past this point, and you notify us in a timely manner, we can make a correction to the Return of Title IV policy.

When a student completely withdraws from Western New Mexico University, while receiving Title IV aid, the Office of Financial Aid must determine what portions of the student's aid must be returned to the financial aid programs. The financial aid office uses a federal formula created by the Department of Education to calculate the amounts of “earned” vs. “unearned” aid.

This process is **required no matter what the circumstances** are that resulted in your failure to complete classes, including illness. To perform the calculation, the number of days in the semester divided by the number of days completed = % of aid earned. Once a student has completed 60% of the semester (percentage of aid earned is 60% or more) the student is considered to have earned the total aid awarded for the semester. (While no aid will need to be returned after this point the calculation will be completed and documentation of the calculation will still be sent to you.)

When a student withdraws before the 60% mark, the amount that was unearned must be returned, on your behalf, to the Federal Department of Education fund that it was received from.

Total days in semester minus % of aid earned = % of aid unearned. If this unearned aid was refunded to you or used to pay your student bill, once it has been returned, you will owe this amount to WNMU. In addition, there may be additional aid that you, the student, may have to pay back to the US Department of Education.

For Official withdrawals, the Office of Financial Aid through the Withdrawal Process in Mustang Express, for unofficial withdrawals we must wait until grades have been posted for the semester, and review grades. Therefore, you may not receive a bill for amounts owed, until well into the next semester.

The institution must return the amount of Title IV funds for which it is responsible no later than 45 days after the determination of the date of the student's withdrawal. The goal is to complete the returning of funds within 14 days of the date of determination.

Because any return of financial aid funds may cause a balance with the University and/or the U.S. Department of Education, which the student will be responsible for paying. Once you have withdrawn or ceased to attend your classes, no additional refunds can be given until the calculation has been performed, and any required aid has been returned.

When reducing aid, the school will return funds in the following order:

- Unsubsidized Direct Loans (other than Direct PLUS Loans)
- Subsidized Direct Loans
- Direct PLUS Loans
- Federal Pell Grants
- FSEOG
- TEACH Grants
- Iraq and Afghanistan Service Grant

Please speak to the Office of Financial Aid prior to withdrawing, and remember if you complete or remain in even one class for the semester, a Return of Title IV calculation will not be necessary.

Example: In the Fall 2099 Sara Soda enrolls in 4 classes and receives \$2000 in Pell and \$2000 in Federal Direct Loan funds.

The semester starts on August 15 and ends on December 7, because of Thanksgiving Break there are 108 days in the semester.

She continues in her classes until October 2nd, and on that day withdrawals from all classes.

Because October 2nd is only the 50th day, and $50/108=46.296$ Sara has only earned 46.296% of the aid she received, and 53.704% must be paid back. So Sara will only get to keep \$1851.84 and \$2148.16 must be returned to the Federal programs. Because of the order in which we return funds, we will have to return the total amount of the loans and the balance in Pell. Sara will owe the school and/or the Department of Education \$2148.16.

What could Sara have done instead?

- Completed her classes (she would not have owed money back).
- Withdrawn from all classes except for one and worked hard to finish it. If she did not believe she could successfully finish it, but attempted to through the 60% point, she would not have owed money back.