

Federal Financial Aid Refunds-Return of Title IV Funds Policy

Lakewood University is required to return federal financial aid funds for students who are withdrawn from school before completing the semester. In order to receive 100% of federal financial aid you must complete 60% of the semester. The Return of Title IV calculation is a federally mandated formula to determine how much federal funding was “earned” up to the time of withdrawal.

A pro rata schedule is used to determine the amount of Title IV assistance funding the student has earned at the time of withdrawal. (Sample return of Title IV calculations are available from the Financial Aid Office.)

To determine the amount of aid you earned up to the time of withdrawal, Lakewood University’s Office of Financial Aid will determine the percentage of the semester you attended. The percentage used to determine the return of federal student aid funds is equal to the number of calendar days remaining in the semester divided by the number of calendar days in the semester. Scheduled breaks of more than five consecutive days are excluded. The resulting percentage is then used along with your school costs and total federal funds that you received (funds that were disbursed directly to your school student account and possibly refunded to you) or that you were eligible to receive, to determine the amount of aid that you are allowed to keep.

For Clock Hour Programs:

The Withdrawal Date for schools required to take attendance is the Last Date of Attendance (LDA).

The Date of Determination is the date that the institution determines the student has withdrawn from the program. For schools that are required to take attendance, the date of determination should be no longer than 14 calendar days after the Last Date of Attendance. For a student who withdraws while on a Leave of Absence the expected return date will be the date of determination for R2T4 purposes. The Date of Determination starts the clock for timely refunds of Title IV funds, within 45 days after the

“Date of Determination”.

The institution has 45 days from the date that the institution determines that the student withdrew to return all unearned funds for which it is responsible. The school is required to notify the student if they owe a repayment via written notice.

Once the calculation of the Return of Title IV funds (R2T4) is completed, the amount (if any) of unearned funds are returned to the U.S. Department of Education.

The student must return the difference, if any, between the amount of unearned aid and the amount the College must return. In most circumstances, when the student receives Title IV assistance greater than the amount of institutional charges, the student will more than likely be required to return some or all of the funds. However, if a student is required to return grant funds, he or she is given special consideration by the U.S. Department of Education and the grant amount that is due for return is reduced by half. For any federal student funds owed, the student must repay in accordance with the terms of repayment.

Students who have federal funds returned and owe money to Lakewood University are notified by email and a balance hold is placed on the account.

Order of return of Title IV funds

Ineligible aid must be returned within 45 days following the withdraw date or the date the school learned the student failed to earn a passing grade. The University is required to return aid not earned in the following order, up to the net amount disbursed from each course:

- **Unsubsidized Federal Direct Loan**
- **Subsidized Federal Direct Loan**
- **Plus Federal Direct Loan**
- **Federal Pell Grants**
- **Federal SEOG**

The University must return the lesser of the following:

- The amount of federal student aid program funds that the student does not earn.
- The amount of institutional costs that the student incurred for the payment period (or period of enrollment multiplied by the percentage of funds that was not earned).

Post-Withdrawal Disbursements

A student may be eligible for a post-withdrawal disbursement if, prior to withdrawing, the student earned more federal financial aid than was disbursed. If a student is eligible for a post-withdrawal disbursement for Title IV funds, it will be processed for the student and a refund will be issued within 14 days of the credit balance.

Lakewood University may automatically use all or a portion of the post-withdrawal disbursement of grant funds for tuition and fees. However, the school needs the student's permission to use the post-withdrawal grant disbursement for all other school charges. If the student does not give his/her permission, the student 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 the student's debt at the school.

Accepting the disbursement of grant funds will reduce the remaining amount of grant funds available to the student should the student continue his/her education later.

If outstanding charges ("Institutional Charges") exist on the student's account, the institution may credit the student's account with all or a portion of the "Post-Withdrawal Disbursement" up to the amount of outstanding charges. In the case of a Direct Stafford or Perkins Loan, the institution must receive a signed notification from the student (or parent in the case of a PLUS Loan) that they would like additional loan funds disbursed. This will also provide an opportunity for the borrower to cancel all or a portion of the loan.

The institution must offer any amount of a post-withdrawal disbursement within 30 days of the "Date of Determination" to the student or parent. This must be done by providing a written notification to the student or parent. The written notification must identify the type and amount of the Title IV funds that make up the "Post-Withdrawal Disbursement". It must further explain that they must either accept or decline some or all of the "Post-Withdrawal Disbursement." The student or parent will have 14 days to respond to either accept or decline the loan funds. If the PWD is accepted by the student and/or parent, the institution has 45 days for grants and 180 days for loans from the "Date of Determination" to disburse the funds. If they never respond to the notification, the institution cannot disburse the loan funds. If the student and/or parents respond after the notification period, the institution may disburse the funds or decline to do so at its own discretion. If the response is after the notification period and the institution chooses not to disburse the funds, the institution must inform the student or parent electronically or in writing of their decision.

A "Post Withdrawal Disbursement" must be made from available grant funds first, before taking available loan funds. No permission is required to disburse Grant funds.

Written Notification Offer of A Post-Withdrawal Disbursement: A written offer to a student (or Parent in the case of a PLUS Loan) of any amount of a "Post-Withdrawal Disbursement" that could be refunded to the student (or Parent). The notification must be sent within 30 days of the

“Date of The Institutions Determination That the Student Withdrew” and must include all the items identified in the Federal Regulations.

Semester Withdrawal

Official Withdrawal: A student must contact Student Services verbally or in writing to withdraw. For tuition and financial aid refunds:

Degree Programs: Date Student Services is notified is considered the withdrawal date.

Clock Hour Programs: Date of the last academic attendance is considered the withdrawal date.

Unofficial Withdrawal: Any student that does not provide notice of leaving is considered an unofficial withdrawal. The student’s last date of attendance or participation in an academic activity will be used to calculate the Return of Title IV funds.

When a student withdraws from Lakewood University, the Financial Aid Office will review the official date of withdrawal and compare the total number of calendar days in a payment period or period of enrollment (denominator) and the number of calendar days completed in that period (numerator).