

University of Mary Hardin-Baylor

Return of Title IV Funds Policy

The purpose of this guide is to provide information regarding the Return of Title IV Aid policies that apply to any student who withdraws or is dismissed from University of Mary Hardin Baylor (UMHB) during a semester. The policy will apply to any student who:

- discontinues enrollment in ALL classes on or after the first day of the term,
- stops attending and fails to earn a passing grade in at least one class attempted

WHAT IS TITLE IV AID?

Title IV of the Higher Education Act of 1965, amended in 1998 (Title IV and HEA program), established general rules that apply to the student financial assistance programs. For the purpose of this policy, Title IV Aid includes the following programs:

Pell Grant
Federal Supplemental Educational Opportunity Grant (FSEOG)
TEACH Grant
Iraq and Afghanistan Service Grant
Federal Direct Subsidized and Unsubsidized Loans
Federal Direct PLUS / Grad Plus Loans

WHAT HAPPENS AFTER WITHDRAWING?

When a student withdraws, two separate calculations may apply:

- 1) A refund of tuition and fees according to UMHB's refund policy may be calculated. The refund policy can be found in the UMHB catalog.
- 2) A Return of Title IV Aid calculation per Department of Education (DOE) regulations may be calculated.

If student cancels their registration *prior to the first day of classes*, this policy will not apply as student ceased to be enrolled prior to first day of semester, no charges were incurred and no financial aid was released.

REFUND OF TUITION AND FEES

Depending on the date the student withdraws as recorded by the Registrar's Office, the student may be eligible to receive a full or partial refund of tuition and some fees. Refunds are processed according to the UMHB refund policy in place for the semester enrolled. This refund will not impact the Return of Title IV Aid calculation, but may affect the amount of money student may owe as result of withdrawal. Please refer to the [Tuition Refund Schedule](#) on the Bursar's webpage for more information on Tuition and Fee refunds. If a student unofficially withdraws, the student is not eligible for any tuition or fee refund regardless of the last date of attendance.

RETURN OF TITLE IV CALCULATION

When a student who has Title IV aid withdraws, a Return of Title IV calculation must be completed to determine what amount (if any) of federal, state, and/or institutional funds the student is eligible to retain and what portion (if any) must be returned. The calculation takes into consideration the total amount of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the semester in which student withdrew.

WITHDRAWING FROM THE UNIVERSITY

Once the semester begins, a student wanting to withdraw must complete a notice of withdrawal request with the UMHB Registrar's Office.

OFFICIAL WITHDRAWAL FROM THE UNIVERSITY:

The official withdrawal date is:

- 1) The date the student notified the Registrar's Office of *intent* to withdraw by completing an official withdrawal form in person in the Registrar's Office, Rm. 1301, Sanderford B., or by providing the request in writing via email to registrar@umhb.edu, or by letter to the Office of the Registrar, 900 College St., UMHB Box 8425, Belton, Tx 76513. In the case of an email or letter, the official withdrawal date is the date that UMHB received the notice. However, UMHB reserves the right to use the last date of student's participation in an academically related activity, as documented by a UMHB official, if there is conflicting information. (See examples of Academic Related Activities below).
- 2) The date student was administratively withdrawn from UMHB.
- 3) The date of student's death, if the student passed away during the semester.

UNOFFICIAL WITHDRAWAL FROM THE UNIVERSITY:

A student who fails to withdraw but stops attending class and who fails to earn a passing grade in at least one class is considered to have "unofficially" withdrawn. UMHB is required to calculate the earned financial aid amount based on the last day of attendance/participation in an academically related activity of the semester. If student stops attending prior to the 60% point of the semester, a return calculation must be completed. Unofficial withdrawal calculations are processed within 30 days of notification that student was an unofficial withdrawal. Students who unofficially withdraw are not eligible for any tuition or fee refund regardless of last date of attendance.

ACADEMICALLY RELATED ACTIVITIES

Active participation by a student in an instructional activity related to the student's course of study that

1. Is defined by the institution in accordance with any applicable requirements of its State or accrediting agency:
2. Includes, but is not limited to –
 - i. Attending a synchronous class, lecture, recitation, or field or laboratory activity, physically or online, where there is an opportunity for interaction between the instructor and students:

- ii. Submitting an academic assignment;
- iii. Taking an assessment or an exam;
- iv. Participating in an interactive tutorial, webinar, or other interactive computer-assisted instruction;
- v. Participating in a study group, group project, or an online discussion that is assigned by the institution; or
- vi. Interacting with an instructor about academic matters.

Academically related activities DO NOT include:

- i. Living in University housing;
- ii. Participating in a campus meal plan;
- iii. Logging into an online class or tutorial without any further participation;
- iv. Participating in academic counseling or advisement; or
- v. Participating in chapel, fine arts experiences or other student related activities.

FINANCIAL CONSEQUENCES OF WITHDRAWING:

Once the calculation is processed and any federal, state, and/or institutional aid has been returned, any balance remaining due on student's account is considered the student's responsibility and is due in full at that time.

Withdrawal from UMHB does not discharge the student's debt to UMHB. Until the outstanding balance is paid in full, UMHB will not release copies of transcripts or allow registration for any future terms.

Any balance due may be settled by payment in full or by setting up a payment plan evidenced by a signed promissory note for adequate consistent monthly payments. Accounts may be referred to an outside collection agency if not paid in full, or if student defaults on any condition of the payment arrangement. Student will be responsible for all costs of collection including collection agency fees, attorney fees, and court costs. Contact the Bursar's Office for further information regarding settlement arrangements.

Additionally, if student is eligible to retain a portion of the Federal Student Loan funds, student should understand these borrowed funds are still outstanding loans with the lending agency and will still be owed to the lender according to promissory note. The student may contact www.studentaid.gov to inquire about the balance due to be repaid as well as make payment arrangements.

CALCULATING RETURN OF TITLE IV AID – Disclaimer

The Return of Title IV Aid calculation is complicated and very individualized. Examples are provided to illustrate the policy's concept but are not intended for student to calculate withdrawals or repayment amounts.

CALCULATING EARNED FINANCIAL AID

Though aid is posted to the student's account at the start of each semester, the funds must be earned as the student completes the semester. Upon withdrawal, the amount of Title IV financial aid that student has earned up to that point is determined by a calculation set forth by the DOE. The amount of aid earned is determined on a pro rata basis. For example, if student completed 30% of semester, the student is deemed to have earned 30% of the financial aid originally scheduled to receive.

The amount of *earned* financial aid is calculated on a daily basis from the first day of the semester in the term(s) in which the student is enrolled. The calculation uses calendar days rather than class days. *Earned* aid is determined by taking the number of days attended before withdrawing, divided by the total number of days in the term (first day of classes until the last day of finals, excluding spring break or any other scheduled break of 5 days or more).

For a student who withdraws after the 60% point of the semester, there are no *unearned* funds. The calculation of the Return of Title IV aid only applies to students who withdraw prior to the 60% point of the term. Withdrawal after the 60% date will not result in any adjustments to student's financial aid for the semester withdrawn.

CALCULATING RETURN OF TITLE IV AID FUNDS

Once the *earned* and *unearned* aid percentages are determined, the next step is to calculate the dollar amount of *unearned* aid that must be returned. The Title IV Aid funds to be returned is determined by multiplying the *unearned* aid percentage by the total of all Title IV aid received.

Title IV aid will be returned to the aid program from which it came. If returned to a loan program, the student's outstanding loan balance with the lender will be reduced by the amount of loan funds returned. Aid will be returned in the following order:

1. Unsubsidized Direct Loan
2. Subsidized Direct Loan
3. Direct Graduate PLUS Loan
4. Direct PLUS Parent Loan
5. Pell Grant
6. FSEOG Grant
7. TEACH Grant
8. Iraq and Afghanistan Service Grant

INSTITUTIONAL / NON-INSTITUTIONAL CHARGES

Institutional charges are used to determine the portion of unearned Title IV aid that the UMHB is responsible for returning.

The following expenses are considered *institutional charges*:

- Tuition
- Audit Fee
- Class Dues
- Technology Fee
- General Service Fee
- Transportation Fee
- Course Fee
- Applied Music Tuition/Fees
- Book Voucher funds advanced to a student's Cru Card
- Return Book Voucher funds credited to a student's account
- Alternative Chapel Fee
- Trip Fees
- Campus Housing
- Meal Plans – included with housing charges or those purchased separately.

The following expenses are considered *non-institutional charges* and are therefore, not included in a Return calculation:

- Inclusive Access Fee
- Yearbook fee
- Late fees
- Parking Citations
- Cru Cash
- CLEP/ACT fees
- Trip Guest Fees
- Diploma Fee
- Library Fines
- Athletic Fines
- Dorm Fines
- Book Rental fees

TITLE IV RETURN EXAMPLE

Cru Student stopped attending classes on September 18 and notified Registrar’s Office he was withdrawing the same day. The semester began August 13 and was 104 days long. Cru attended 37 days and earned 35.6% of his financial aid (37 days divided by 104 days equals 35.6%)

Cru received the following aid:

	Federal Aid	Non-Federal Aid
Federal Pell Grant	\$990.00	
Federal Subsidized Loan	\$2,721.00	
Federal Parent Plus Loan	\$5,237.00	
Crusader Scholarship		\$2,000.00
	\$8,948.00	\$2,000.00

1. The amount of federal aid earned is $35.6\% \times \$8,948 = \$3,185.49$.
2. Total federal aid unearned is $\$8,948 - \$3,185.49 = \$5,762.51$.
3. The second calculation determines percentage of amount unearned based on school charges for tuition and housing. Cru was charged \$15,630 in tuition and \$3,380 in housing. Percentage of unearned aid for this second calculation is $100\% - 35.6\% = 64.4\%$. Therefore, based on the institutional charges for the semester, $\$19,010 \times 64.4\% = \$12,242.44$.
4. The amount of federal aid Cru must return is the lesser of step 2 or 3 (\$5,762.51 in our example).
5. Federal guidelines determine the order of aid types to be reduced: Subsidized Loan, Parent Plus Loan and then Pell Grant until \$5,762.51 has been repaid. Therefore, Cru’s aid will be reduced to:

	Federal Aid	Non-Federal Aid	Federal Aid Returned	Federal Aid Remaining
Federal Subsidized Loan	\$2,721.00		-\$2,721.00	\$0.00
Federal Parent Plus Loan	\$5,237.00		-\$3,041.51	\$2,195.49
Federal Pell Grant	\$990.00			\$990.00
Crusader Scholarship		\$2,000.00		\$0.00
	\$8,948.00	\$2,000.00	-\$5,762.51	\$3,185.49

The total Federal Aid Returned amount reflects the amount to be billed to Cru’s student account. If Cru previously had a zero balance, and no additional refunds are granted, Cru’s account would reflect a balance due to UMHB of \$5,762.51.

POST-WITHDRAWAL DISBURSEMENT

If a student was initially disbursed less Title IV aid than the amount earned, UMHB must offer an additional disbursement of the earned aid that was not received. This is called a post-withdrawal disbursement. A post-withdrawal disbursement, whether credited to the student, or parent directly, must be made from available grant funds before available loan funds. The student must provide written confirmation (or parent when a parent loan is applicable) before making any disbursement of loan funds from a post-withdrawal disbursement. Written authorization from the student is not required to credit a student's account with post-withdrawal grant funds.

NON-TITLE IV AID AWARDS

Students not receiving any Title IV aid as part of their financial aid package are not required to have a Return of Title IV Aid calculation. This would be considered Non-Title IV aid.

When a student officially withdraws, the amount of Non-Title IV aid UMHB returns is generally the same amount as the Tuition/Fee Refund percentage.

Example: Cru Student withdraws in the Registrar's Office during a tuition refund period of 80%. In accordance with the refund policy, Cru will receive an 80% tuition only refund. Therefore, 80% of institutional aid (Non-Title IV Aid) will also be returned.

OUTSIDE SCHOLARSHIPS

Outside scholarships from non-UMHB sources/other agencies are not included in Return of Title IV calculations. However, provisions of the scholarship may require a return of the funds back to the outside source if a student withdraws.

PRIVATE / ALTERNATIVE LOANS

Private, state-based (CAL Loan), or Alternative Loans are not considered Title IV Aid and are not included in Return of Title IV Calculations. Loans obtained through these sources are still due payable from the student back to the lending agency per the terms of the loans.

FILE REVIEW

Upon completion of the return of federal funds by the Financial Aid Office, the Bursar's Office will perform a final review of the student's withdrawal calculation, verifying student's withdrawal date, institutional charges used in the return, federal aid disbursed, return calculation, and that financial aid funds were returned against the correct program and disbursement period. The complete Return of Title IV process shall be completed by the required 45th day after UMHB was notified of student's withdrawal, per DOE regulations.

NOTICE OF RETURN

A Notice of Return will be provided to the student and mailed to the current Legal Home address on file in the Registrar's Office. The notice will advise the student of the reason for the return, last date of attendance information, Title IV return amounts, current balance and payment arrangement information.

APPEAL PROCESS

A student may submit an appeal in order to retain awarded federal financial aid if student does not agree with the withdrawal date. Student must provide evidence of participation in an academically related activity beyond the 60% point of the semester in order to appeal the date used in the calculation. Appeal forms must include all required documentation and must be verified by a campus official. If no evidence of academic participation is provided, Title IV aid will be returned based on the withdrawal date used in the calculation. All required documentation must be received by the deadline stated in the Notice of Return in order to be considered for appeal. The signed appeal form and required documentation may be mailed to the Bursar's Office, 900 College St., UMHB Box 8003, Belton, Texas 76513, emailed to sbower@umhb.edu, faxed to (254)295-4197, or hand-delivered to the Bursar's Office, 1st Floor, Sanderford Building, Suite 1341.

FUTURE AID ELIGIBILITY

Withdrawing may affect student's eligibility to receive financial aid in subsequent terms. Depending upon the type of financial aid received, the student may be required to resubmit certain applications.

Upon withdrawal, the student should notify the Registrar's Office regarding plans on returning so that the Financial Aid Office can make all necessary adjustments to financial aid awards.

Students subject to Satisfactory Academic Progress provisions should meet with the Financial Aid Office to discuss the consequences of withdrawing.

UNPAID INSTITUTIONAL CHARGES

The requirements for Title IV program funds when a student withdraws are separate and apart from the UMHB withdrawal/refund policy. Therefore, the student may still owe funds to UMHB to cover unpaid institutional charges. Student will also be charged for any Title IV program funds that UMHB was required to return to DOE/loan agencies. Please refer to the [Tuition Refund Schedule](#) on the Bursar's webpage for more information on Tuition and Fee refunds.