



Sam Houston State University

A Member of The Texas State University System

STUDENT FINANCIAL AID

Return of Title IV Funds Policy

Students who receive any type of Federal Title IV student financial aid must be aware of the effect of an official or unofficial withdrawal or resignation from the University on their pending and disbursed financial aid. Funds received may not be considered 'earned' by the Department of Education and a withdrawal may result in a return of funds.

Academic eligibility for future financial aid is based on the Satisfactory Academic Progress (SAP) Policies for Undergraduate and Graduate students. SAP eligibility is not a consideration when calculating the amount to be refunded in this policy. Both policies are available online (http://www.shsu.edu/~sfa_index.html).

For ease of understanding, the term 'semester' refers to any Fall, Spring or Summer period of enrollment.

A. Return of Title IV Calculation:

The Federal Return of Title IV calculation must be performed for all students receiving Title IV aid (Pell, ACG, SMART, FSEOG, Stafford, and PLUS loans) who prior to the 60% point of the semester -

1. withdraw from all courses (officially or unofficially)
2. drop out of all courses, or
3. are expelled from the University

All unearned aid, as determined by the Federal Return of Title IV Calculation, must be returned to the applicable federal aid program(s).

Title IV aid recipients must be continuously enrolled for at least 60% of the semesters for which aid is disbursed in order to retain the financial aid received for the enrollment period. The 60% point will change with each semester as it is based on the number of days in the semester less any scheduled breaks lasting five days in length or longer (i.e., spring recess). After the 60% point, students are considered to have earned 100% of the Title IV funds disbursed to them in accordance with Federal Student Aid Regulations.

Therefore, it is in the best interest of aid recipients to maintain enrollment and attendance through each semester financial aid is received.

How the Return of Title IV Calculation works -

1. Withdrawal date or last recorded date of attendance - provided on the *Resignation Request*, or the last recorded date of attendance as provided by the student's professor(s).
2. Percentage of the period completed - calculated by taking the total number of days completed and dividing it by the total number of days in the semester (less scheduled breaks).
3. Amount of Title IV aid earned - multiply the Title IV aid disbursed or that could have been disbursed, by the percentage of the period completed.
4. Amount of Title IV aid to be returned (if any) - subtract the amount of Title IV aid earned from the total Title IV aid disbursed for the period.
5. Amount of unearned Title IV aid for the school to return - the lesser of:
 - a. The amount of unearned Title IV funds, or
 - b. The amount of institutional charges for the period multiplied by the percentage of unearned Title IV funds.

Title IV funds must be returned in the following order -

1. Unsubsidized FFEL Stafford Loan
2. Subsidized FFEL Stafford Loan
3. Perkins Loan
4. FFEL PLUS Loan (Parent loan for dependent students)
5. FFEL PLUS Loan (Graduate students)
6. Pell Grant
7. Academic Competitiveness Grant (ACG)
8. National SMART Grant
9. FSEOG Grant
10. Other Title IV aid

Once it is determined that the recipient owes funds back to any federal program, they will be ineligible to receive further federal aid until this debt is cleared.

B. Types of Withdrawals:

Official Withdrawals -

To officially resign from the University, the student must notify the Registrar's Office to process a resignation. This may be done in person, by mail, or fax. The student becomes "officially" withdrawn the date a completed Resignation Request form is received by the Registrar's Office. This is the date used to determine any applicable tuition refunds as well as the date used to process the Return of Title IV calculation.

Unofficial Withdrawals -

Students who do not continue their class attendance and fail to officially withdraw from the University will receive the grade of "F" for each course in which they are enrolled. The University's automated drop/add program will allow student to drop all but one class. Therefore, students who are enrolled in only one class must officially resign. In accordance with Federal Student Aid regulations, students receiving all "F's" for the semester are considered to have "unofficially" withdrawn from the university.

C. Post-withdrawal Disbursements:

If the amount of Title IV aid earned is more than the amount disbursed, the student may be eligible for a post-withdrawal disbursement. Post-withdrawal disbursements will be made from eligible grant funds (Pell, ACG, SMART, and FSEOG), before loan funds are used.

Per Title IV regulations, the University is permitted to credit a post-withdrawal disbursement to a student's account for outstanding institutional charges without the permission of the student (or parent in the case of a PLUS loan) up to the amount of any outstanding charges.

The Student Disbursement Authorization Form and/or Parent Disbursement Authorization Form received prior to the withdrawal date permits the University to credit the student's account for educationally-related expenses.

Offers of post-withdrawal disbursements not credited to a student's account will be made in writing to the student (or parent in the case of a PLUS loan). The purpose of written notification is to allow the student (or parent) to make an informed decision as to the acceptance of the post-withdrawal disbursement.