

RETURN OF TITLE IV FUNDS PROCEDURES

The federal government mandates that students who withdraw from all classes may only keep the financial aid they have “earned” up to the time of withdrawal. Title IV funds that were disbursed in excess of the earned amount must be returned by the University and/or the student to the federal government. This situation could result in the student owing aid funds to the University, government or both.

To determine the amount of aid the student has earned up to the time of withdrawal, Financial Aid & Veteran Services (FAO) will divide the number of calendar days the student attended classes by the total number of calendar days in the semester (less any scheduled breaks of 5 days or more). The resulting percentage is then multiplied by the total federal funds that were disbursed (either to the student’s university account or to the student directly by check or direct deposit) for the semester. This calculation determines the amount of aid earned by the student which he or she may keep (e.g., if the student attended 25% of the term, the student will have earned 25% of the aid disbursed). The unearned amount – total aid disbursed less the earned amount – must be returned to the federal government by the University or the student. Financial Aid & Veteran Services will notify and provide instructions to students who are required to return funds to the government.

Allocating Returned Title IV (Federal) Aid

Funds that are returned to the federal government are used to reduce the outstanding balances in individual federal programs.

Financial aid returned (by the University and/or you or your parents) must be allocated in the following order.

1. Unsubsidized Federal Stafford Loans
2. Subsidized Federal Stafford Loans
3. Federal Graduate Plus Loans
4. Federal Parent (PLUS) Loans
5. Federal Pell Grant
6. Academic Competitiveness Grant
7. National SMART Grant
8. Federal SEOG

If your circumstances require that you withdraw from all classes, you are strongly encouraged to contact Financial Aid & Veteran Services and your academic advisor before doing so. At that time, the consequences of withdrawing from all classes can be explained and clearly illustrated. Financial Aid & Veteran Services’ financial aid counselors can provide refund examples and further explain this policy to you and your parents.

The specific formula takes into consideration the average institutional costs used to award students financial assistance. For example, the standard cost of attendance at A&M-Texarkana is based on 15 credit hours per semester for undergraduate students and 9 credit hours for graduate students. Therefore, if you were registered for fewer credit hours a semester, you may be required to return the additional funds disbursed to you.

You should also be aware that as a recipient of financial assistance, you must comply with the **Satisfactory Academic Progress Policy**. By withdrawing, you may not be eligible for financial assistance from A&M-Texarkana in the future, because you did not complete a specified number of credit hours for which aid was disbursed.