

Summary of the Requirements of 34 CFR 668.22

Treatment of Title IV Aid When a Student Withdraws

(7/12/2021)

The law specifies how Bloomfield College (College) must determine the amount of Title IV program assistance that the student earns if they withdraw from school. The Title IV programs that are covered by this law are Federal Pell Grants, Iraq and Afghanistan Service Grants, TEACH Grants, Federal Supplemental Educational Opportunity Grants (FSEOGs), Direct Loans, and Direct PLUS Loans.

Though the student's aid is posted to his/her/their account at the start of each period, the student earns the funds as they complete the period. If a student withdraws during their payment period or period of enrollment (the College can define these terms for the student and tell him/her/them which one applies to them), the amount of Title IV program assistance that the student has earned up to that point is determined by a specific formula. If the student received (or the College or parent received on the student's behalf) less assistance than the amount than the student earned, the student may be able to receive those additional funds in the form of a post-withdrawal disbursement. If a student received more assistance than earned, the excess funds must be returned by the College and/or the student.

The amount of assistance that you have earned is determined on a pro rata basis. For example, if a student completed 30% of their payment period or period of enrollment, the student earned 30% of the assistance they were originally scheduled to receive. Once the student has completed 60% or more of the payment period or period of enrollment, the student earned all the assistance that they were scheduled to receive for that period.

If the student did not receive all of the funds that you earned, they may be due a post-withdrawal disbursement. If the student's post-withdrawal disbursement includes loan funds, the College must get the student's permission before it can disburse them. The student may choose to decline some or all of the loan funds so that he/she/they don't incur additional debt. The College may automatically use all or a portion of your post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges (as contracted with the school). The school needs the student's permission to use the post-withdrawal grant disbursement for all other institutional charges. If the student does not give permission (the College asks for this when the student enrolls), 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.

There are some Title IV funds that the student was scheduled to receive that cannot be disbursed to the student once they withdraw because of other eligibility requirements. For example, if the student is a first-time, first-year undergraduate student and has not completed the first 30 days of their program before they withdraw, the student will not receive any Direct Loan funds that they would have received had they remained enrolled past the 30th day.

If the student receives (or the College or parent receive on your behalf) excess Title IV program funds that must be returned, the College must return a portion of the excess funds equal to the lesser of:

1. institutional charges multiplied by the unearned percentage of your funds, or

2. the entire amount of excess funds.

The College must return this amount even if it didn't keep this amount of the student's Title IV program funds. If the College is not required to return all of the excess funds, students may be required to return the remaining amount.

For any loan funds that must be returned, the student (or parent for a Direct PLUS Loan) will repay the loan funds in accordance with the terms of the promissory note. That is, the student will not be required to repay any loan funds immediately, but instead, will make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that the student must return is called an overpayment. The maximum amount of a grant overpayment that the student must repay is half of the grant funds they received or were scheduled to receive. The student does not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. The student must make arrangements with the College or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when the student withdraws are separate from any refund policy that your school may have. Therefore, the student may still owe funds to the school to cover unpaid institutional charges. The College may also charge you for any Title IV program funds that the school was required to return. If the student doesn't already know the College's refund policy, you should check the [Course Catalogue](#) for the year of the student's initial enrollment. The student can also find the requirements and procedures for officially withdrawing from school within the Course Catalogue.

If you have questions about Title IV program funds, anyone can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on Student Aid on the Web at <https://studentaid.gov>.