



WEBB INSTITUTE

RETURN OF TITLE IV FUNDS POLICY

The Office of Financial Aid will identify recipients who have withdrawn from Webb Institute and determine which students fall under the federal guidelines for Return of Title IV Aid. Title IV Funds refers to the Federal Student Aid programs authorized under the Higher Education Act of 1965 (as amended). Federal, state, and institutional aid will be considered in the Return of Title IV Aid calculation. Aid from the following programs will be returned as part of the Title IV calculation and in the order listed below:

- Federal Direct Unsubsidized Loans
- Federal Direct Subsidized Loans
- Federal PLUS Loan
- Federal Pell Grant

Though your aid is posted to your account at the start of each period, you earn the funds as you complete the period. If you withdraw during your payment period, the amount of Title IV program assistance that you have earned up to that point is determined by a specific formula. If you received (or your school or parent received on your behalf) less assistance than the amount you earned, you may be able to receive those additional funds. If you received more assistance than you earned, the excess funds must be returned by the school and/or you.

The amount of assistance that a student has earned is calculated daily from the first day of classes. This process uses calendar days rather than business days. For instance, if you completed 30% of your enrollment period, you have earned 30% of the assistance that you were originally scheduled to receive. Once you have completed more than 60% of the payment period, you have earned all the assistance you were scheduled to receive for that period.

“Earned” aid is determined by taking the number of days attended before withdrawing divided by the total number of days in the semester (fall semester: first day of instruction until the last day of finals, excluding breaks in teaching of five days or longer; spring semester: first day of winter work internship program until the last day of finals, excluding breaks in teaching of five days or longer).

Once the “earned” and “unearned” aid percentages are determined, the amount of aid to be returned can be calculated. To calculate this number, you multiply the “unearned” aid percentage by the total of all Title IV aid received. The resulting number is the total “unearned” aid.

The responsibility to pay the unearned aid is shared by Webb and the student. Webb’s share is the lesser of the total amount of unearned aid or the institutional charges multiplied by the percentage of aid that

was unearned. The student's share is the difference between the total unearned amount and Webb's share.

After the school returns the appropriate amount of aid, any amount of the total "unearned" aid that remains becomes the student portion of the Return of Title IV Aid. The student portion of the return is distributed back to the aid program in which it was awarded using the hierarchy mentioned above.

If you did not receive all the funds that you earned, you may be due a post-withdrawal disbursement. If your post-withdrawal disbursement includes loan funds, your school must get your permission before it can disburse them. You may choose to decline some or all the loan funds so that you don't incur additional debt. Your school 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 your permission to use the post-withdrawal grant disbursement for all other school charges. If you do not give your permission, you will be offered the funds. Any portion of a post-withdrawal disbursement not credited to the student's account will be offered to the student as a cash disbursement (or parent in the case of a PLUS loan).

Webb Institute must return the amount of Title IV funds for which it is responsible no later than 45 days after the date of the determination of the date of the student's withdrawal.

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

For any loan funds that you must return, you (or your parent for a Direct PLUS loan) repay in accordance with the terms of the promissory note. That is, you make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that you must return is called an overpayment. The maximum amount of a grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You do not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. You must decide with your school or the Department of Education to return the unearned grant funds.

If you are a loan recipient and you withdraw during the fall semester, future disbursements for the current academic year will be cancelled. Once you withdraw and are no longer in attendance at any institution, your six-month grace period will begin. After that, you will need to start repaying your student loan. It is important to make the loan payments on time to prevent default. If you default on a student loan, you will lose your eligibility for any further financial aid.

CREDIT REFUNDS

If your student account has a credit balance, you may be entitled to a refund. If the credit balance results from the receipt of Federal Title IV funds (Federal Pell, Direct Loan, and Direct PLUS) they are automatically refunded (if the credit is over \$10) to parents for Direct PLUS credits and to the student for all other Title IV credits. If the credit balance is a combination of the two, the refund check will be prorated to both

student and parent based on the percentage of Direct PLUS loan versus student aid. Parents can also authorize Webb Institute to issue the check to the student if they complete a written authorization. The refunds will be issued within 14 calendar days from the date the credit balance was created.