



# Withdrawal Impact on My Financial Aid

## Title IV - Return of Federal Financial Aid Funds Due to Withdrawal Policy

Title IV funds are awarded to students under the assumption they will attend school for the entire semester for which the federal financial aid is given. When a student withdraws, they may no longer be eligible for the full amount of Title IV funds they were originally scheduled to receive.

Federal regulations require the Financial Aid & Scholarships Office to calculate a Return of Title IV Funds for students who withdraw during the semester. The policy applies to students who ceases enrollment in **all** classes, on or after the first day of the semester. The institution is required to determine the earned and unearned portions of Title IV aid as of the date the student ceased attendance based on the amount of time the student spent in attendance. Any aid received in excess of the earned amount is considered unearned. The unearned amount is then redistributed back to the federal aid programs it came from in the order determined by the U.S. Department of Education. The earned portion is calculated on a daily basis using calendar days from the first day of instruction.

Additionally, any State grant funds received may be subject to the same earned and unearned calculation.

The calculated returned aid funds are credited to outstanding federal loans and grants received by the student in the following required order:

1. Federal Direct Unsubsidized Loan
2. Federal Direct Subsidized Loan
3. Federal Perkins Loan
4. Federal PLUS Loan
5. Federal Pell Grant
6. Federal Supplemental Education Opportunity Grant (SEOG)
7. Federal TEACH Grant
8. Other Title IV assistance for which a return of funds is required
9. State Grant funds: State University Grant, Cal Grant A or B Fees

The student's portion of the calculated amount attributable to a Title IV loan program may be repaid by the student according to the loan's terms.

The student's portion of unearned aid attributable to a grant will be reduced. **The student has 45 days to enter into repayment arrangement with Sacramento State or with the U.S. Department of Education.**

### Calculation

The portion of financial aid to be returned is determined by the percentage of financial aid not earned by the student. The percentage of unearned aid is calculated according to the total Number of Calendar Days in the Term Not Completed by the Student divided by Total Number of Calendar Days in the Term.

During the first 60% of the enrollment period, a student "earns" Title IV funds in direct proportion to the length of time that he or she remains enrolled. A student who remains enrolled beyond the 60% point earns 100% of the aid for the period.

A student who withdraws from the University before the 60% date may be required to return all or a portion of financial aid funds. The amount to be returned will be based on the formula stated above by calculating the financial aid funds that were used to pay the student's tuition and fees and campus housing obligations as well as the portion directly disbursed to the student.

### Consequences of Outstanding Repayment Obligation

Sacramento State does not have the authority to waive or write off the repayment requirement regardless of the reason for the withdrawal, including extenuating circumstances such as illness, accident, or grievous personal loss.

A student who fails to return the unearned Federal Financial Aid funds will be referred to the U.S. Department of Education for collection and the University may withhold permission to register, to use facilities, or render services. Until the repayment issue is resolved, the student's Free Application for Federal Student Aid (FAFSA) record will be "flagged" every time a student files for aid. A student in repayment is ineligible for Financial Aid at any other institution in the nation until it can be verified the student is in repayment. In addition to referral to the U.S. Department of Education, failure to pay this debt by the due date may also result in an offset of your state income tax refund, and/or referral to a third-party collection agency.