

## **Refund and Return of Title IV Aid**

When you withdraw during the semester, the amount of federal student aid that you have earned up to that point is determined by a specific formula. If you received (or HCC or parent received on your behalf) more assistance than was earned, the excess funds must be returned by the school and/or the student. If you received less assistance than the amount that you earned, you may be eligible to receive those additional funds.

The amount of assistance that you have earned is determined on a prorated basis. For example: if you completed 30% of the semester, you earn 30% of the assistance you were originally scheduled to receive. Once you have completed more than 60% of the semester, you earn all the assistance that you were scheduled to receive.

If you received (or your parents received funds or funds that were paid on your behalf for tuition and fees or you purchased books at the HCC bookstore), less assistance than the amount that 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.

There are some federal student aid funds that you cannot earn 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 earn any Stafford or Plus Loan funds that you would have received had you remained enrolled past the thirtieth day.

If you received (or your parents received funds or funds that were paid on your behalf for tuition and fees or purchase books at the HCC bookstore) excess federal student aid funds that must be returned, HCC must return a portion of the excess equal to the lesser of:

1. your institutional charges multiplied by the unearned percentage of your funds, *or*
2. the entire amount of excess funds.

The school must return this amount even if it did not keep this amount of your federal student aid funds. If HCC is not required to return all of the excess funds, you must return the remaining amount.

Any loan funds that you must return, you (or your parent for a 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 receive. You must arrange with HCC to return the unearned grant funds.

If you did not receive all of the funds that you earned, you may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, you may choose to decline the loan funds so that you do not incur additional debt. HCC may automatically use all or a portion of your post-withdrawal disbursement (including loan funds, if you accept them) for tuition and fees.

For all other school charges, the school needs your permission to use the post-withdrawal disbursement. If you do not give your permission, you will be offered the funds; however, it may be in your best interest to allow the school to keep the funds to reduce your debt at the school.

The requirements for federal student aid funds when you withdraw are separate from any refund policy that HCC may have. Therefore, you may still owe funds to the school to cover unpaid institutional charges. HCC may also charge you for any federal student aid funds that the school was required to return.

If you have questions about your FSA program funds, please inquire at HCC's Student Financial Aid Office. Information is also available on the U.S. Department of Education's Financial Aid for Students at [www.studentaid.ed.gov](http://www.studentaid.ed.gov).