

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 mathematical formula. If you received more assistance than was earned based on course completion dates, the excess funds must be returned by the school and/or you (which also includes assistance either HCC or your parent(s) received on your behalf). If you received less assistance than the amount that was 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.

In order to determine the amount of the semester you completed, the calculation will use your last date of attendance. For students who officially withdraw, the date of withdraw will be considered the last date of attendance. If a student has a last date of attendance reported by faculty, the reported date will be used. A student who earns all F and/or W grades, will be reviewed at the end of each semester to determine if a return calculation must be completed. All students who have complete F grades will have the calculation based on the last date of attendance.

Once HCC has determined you completely withdrew (or received all F and/or W grades), the return calculation will be completed within 45 days. You will be notified, by student email, to review your revised eligibility. You will either have a credit balance or a balance due to HCC. If you are due a credit balance, you will receive a refund within 14 days from the calculation date. If you owe a balance, you will be required to make payment immediately.

As of July 2021, the Department of Education has implemented withdraw exemptions. These exemptions, if met, allows you who withdraws or leaves the institution to not be considered a withdrawal for federal financial aid purposes. If you do not meet any of the exemptions, he/she would be considered a withdraw and a return calculation is required.

You are not considered to be a withdraw if he/she meets one of the following exemptions:

1. Student completes all the requirements for graduation from his/her program before completing the days in the period that he/she was scheduled to complete
2. Student successfully completes one module that includes 49% or more of the number of days in a payment period
3. Student successfully completes a combination of modules that when combined contains 49% or more of the number of days in a payment period
4. Student successfully completes program eligible coursework equal to or greater than half-time enrollment (6+ credits)

*A module is any class that does not run the full length of a semester (i.e. 12 weeks classes).

*Withdraw (W), Incomplete (I), and Failure (F) grades are not considered successfully completing.

If you received (which includes either funds your parents received or funds that were paid on your behalf for tuition and fees, as well as books you purchased at the HCC campus store), 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 withdrawn 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 Direct Loans or Direct Plus Loan funds that you would have received had you remained enrolled past the thirtieth day.

If you received (which includes either funds your parents received or funds that were paid on your behalf for tuition and fees, as well as books you've purchased at the HCC campus store), 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.

HCC must return funds, up to the net amount received from each source, no later than 45 days after the date the school has determined you withdrew. Federal Title IV program funds must be returned in the following order:

1. Direct Unsubsidized Student Loan
2. Direct Subsidized Student Loan
3. Direct PLUS loan
4. Federal Pell Grant
5. Iraq and Afghanistan Service Grant
6. Federal Supplemental Educational Opportunity Grant (FSEOG)

Any loan funds that are designated by the formula for you to return, you (or your parent for a PLUS loan) can 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.

If you are eligible for a post-withdraw disbursement will you receive notification from the Student Financial Aid Office. You must respond to the notification, if you wish to have loan funds credited to your account, within 14 calendar days of receiving the notification.

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 website at <https://studentaid.ed.gov>.