

FEDERAL REGULATIONS ON THE RETURN OF FINANCIAL AID

Title IV funds are federal funds awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive.

If a student has received Title IV financial aid, a refund must be calculated under the federal Return of Title IV Funds policy. The refunds are based on the number of days attended for the semester, divided by the total number of days in the semester (minus any scheduled breaks of at least five days in length). Funds are deposited back to the financial aid accounts in accordance with federal regulations. If financial aid funds have been earned and not yet received, the student will be contacted by the Office of the Bursar.

The federal formula requires a return of Title IV aid if the student received federal financial assistance in the form of a Pell Grant, Supplemental Educational Opportunity Grant, Federal Perkins Loan, Federal Stafford Loan or a PLUS Loan and withdrew on or before completing 60% of the semester.

After all Title IV aid return requirements have been satisfied, remaining credit balances will be used to pay existing outstanding fees and then repay Purdue University's funds, state funds and other private sources. If a credit balance remains after all aid sources have been repaid, funds are returned to the student.

PERCENTAGE OF PAYMENT PERIOD COMPLETED

Calculate by dividing the total number of calendar days in the payment period into the number of calendar days completed as of the student's withdrawal date.

CALCULATION OF TITLE IV ASSISTANCE EARNED BY THE STUDENT

The percentage of Title IV assistance earned is equal to the percentage of the payment period completed as of the withdrawal date. If the withdrawal date occurs after the 60 percent point, then the percentage of Title IV assistance earned is 100 percent. This percentage is then applied to the total amount of Title IV grant and loan assistance that was disbursed (and that could have been disbursed) to the student, or on the student's behalf in the case of a parent PLUS loan, for the payment period for which it was awarded.

CALCULATION OF TITLE IV ASSISTANCE UNEARNED TO BE RETURNED

The unearned amount of Title IV assistance to be returned is calculated by subtracting the amount of Title IV assistance earned by the student from the amount of Title IV aid that was disbursed to the student or on behalf of the student in the case of a parent PLUS loan.

RESPONSIBILITY OF THE INSTITUTION FOR RETURN OF UNEARNED AID

The institution must return the lesser of the calculated total amount of unearned Title IV assistance or an amount equal to the total institutional charges the student incurs for the payment period multiplied by the percentage of awarded Title IV grant and loan assistance that has not been earned by the student.

RESPONSIBILITY OF THE STUDENT FOR RETURN OF UNEARNED AID

The student returns unearned Title IV assistance minus the amount the institution returns. Any Title IV loan program is returned in accordance with the terms of the loan and any Title IV grant program as an overpayment of the grant. However, a student is not required to return the portion of a grant overpayment amount that is equal to or less than 50 percent of the total grant assistance that was disbursed for a payment period or a grant overpayment amount of 50 dollars or less that is not a remaining balance.

REPAYMENT OF THE OVERPAYMENT BY THE STUDENT AND TITLE IV ELIGIBILITY

A student who owes an overpayment remains eligible for Title IV and HEA program funds through the earliest of 45 days from the institutional notification of the overpayment or 45 days from the date the institution was required to notify the student of the overpayment if, during the 45 days, the student repays the overpayment in full to the institution or enters into a repayment agreement that is satisfactory with the institution with a maximum payment in full within two years.

STUDENT NOTIFICATION FOR REPAYMENT

The institution must notify a student within 30 days of the institution's determination that the student withdrew and owes a Title IV or HEA overpayment in order to recover the overpayment. The notification provides the student with terms to permit the student to repay the overpayment while maintaining Title IV and HEA program funds with repayment of the full amount of the overpayment within two years of the date of the institution's determination the student withdrew.

ORDER OF RETURN OF TITLE IV FUNDS

Unearned funds returned by the institution or student are credited to outstanding Title IV loan balances made to the student or on behalf of the student for the payment period.

Excess funds must be credited to outstanding balances in the following order:

- Federal Direct Unsubsidized loans
- Federal Direct Subsidized loans
- Federal Perkins loans
- Federal Direct PLUS loan received on the behalf of the student

If unearned funds remain to be returned after repayment of all outstanding loan amounts, the remaining excess must be credited to any amount awarded in the payment period to grant programs in the following order:

- Federal Pell Grants
- Iraq & Afghanistan Service Grants
- Federal Supplemental Education Opportunity Grants (FSEOG)
- Federal TEACH Grants
- Other Title IV aid.

RETURNS AND NOTIFICATION

Students affected by a Return of Title IV calculation will be notified on an individual basis via electronic mail and billing notification. The Return of Title IV calculation may result in a balance due to Purdue University. Please contact the **Bursar** Office directly to resolve any outstanding balances.

Please contact the Office of the Bursar if you have any questions about refunds or the calculation of refund amounts.

POST-WITHDRAWAL DISBURSEMENT CONDITIONS

A student may be eligible for a post-withdrawal disbursement if, prior to withdrawing, the student earned more federal financial aid than was disbursed. If a student is eligible for a post-withdrawal disbursement for Title IV funds, it will be processed for the student and a refund will be issued.

If the post-withdrawal disbursement includes loan funds, Purdue University must get the student's permission before it can disburse the loan. Students may choose to decline some or all of the loan funds so that they does not incur additional debt. A notice will be sent out to the student by the Bursar's Office, and the student must respond to the School before the disbursement can be made.

Purdue University may automatically use all or a portion of the post-withdrawal disbursement of grant funds for tuition and fees. The school needs the student's permission to use the post-withdrawal grant disbursement for all other school charges. If the student does not give his/her permission, the student will be offered the funds.