Treatment of Title IV Aid When a Student Withdraws

The law specifies how Lewis and Clark (L&C) Community College must determine the amount of Title IV program assistance that you earn if you withdraw from school. The Title IV programs that L&C administers that are covered by this law are: Federal Pell Grants, Federal Supplemental Educational Opportunity Grants (FSEOGs), Direct Loans, Direct PLUS Loans, and Iraq and Afghanistan Service Grants.

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 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. The amount of assistance that you have earned is determined on a pro rata basis. For example, if you completed 30% of your payment period, you earn 30% of the assistance you were originally scheduled to receive. Once you have completed more than 60% of the payment period, you earn all the assistance that you were scheduled to receive for that period.

If you did not receive all of the funds that you earned, you may be due a post-withdrawal disbursement. If your post-withdrawal disbursement includes loan funds, L&C must get your permission before we can disburse them. You may choose to decline some or all of the loan funds so that you don’t incur additional debt. L&C may automatically use all or a portion of your post-withdrawal disbursement of grant funds for tuition and fees. L&C needs your permission to use the post-withdrawal grant disbursement for all other school charges. You granted permission upon acceptance of your financial aid award unless you provided a letter in writing as indicated on your award letter. If you provided the aforementioned letter, 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.

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.

If you receive (or L&C or parent receives on your behalf) excess Title IV program funds that must be returned, L&C 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.

L&C must return this amount even if it didn’t keep this amount of your Title IV program funds.

If L&C 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 received or were scheduled to receive. You must make arrangements with L&C or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when you withdraw are separate from any refund policy that L&C may have. Therefore, you may still owe funds to L&C to cover unpaid institutional charges. L&C may also charge you for any Title IV program funds that the College was required to return. If you don’t already know what your L&C’s refund policy is, please see L&C’s web site or the current L&C Catalog. Requirements and procedures for officially withdrawing from school are also located online and in the current Catalog.

If you have questions about your Title program funds, you can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on Student Aid on the Web at www.studentaid.ed.gov.

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