

Treatment of Title IV Aid When a Student Withdraws

The law requires how TBI (Taylor Business Institute) must determine the amount of Title IV aid that a student earns when withdrawing from school. The Title IV programs that are covered by this law are Federal PELL Grants, Federal Supplemental Educational Opportunities Grants (FSEOGs), Direct Loans and Direct PLUS Loans.

Though the student's aid is posted to their account at the start of each quarter, the student earns the funds as the payment period progresses. If the student withdraws during a payment period, the amount of Title IV aid that is earned up to the withdrawal date is determined by a specific formula. Title IV received by the student or on behalf of the student, is less than the amount that you earned, the student may be able to receive those additional funds in the form of a post-withdrawal disbursement (PWD). If you more assistance was received earned, the excess funds must be returned by the school and/or the student.

The amount of assistance that the student earned is determined on a pro rata basis. For example, if the student completed 30% of your payment period, 30% of the assistance originally scheduled was earned. If the student completed more than 60% of the payment period, all the assistance that was scheduled for that payment period was earned.

A student will not be subjected to returns of Title IV aid if one of the following withdrawal exemptions is met:

- All the requirements for graduation have been completed.
- A class or multiple classes that compromise at least 49 percent of the days in the quarter was successfully completed.
- A class or multiple classes that comprise at least half-time enrollment was successfully completed.

If the student did not receive all the funds that were earned, a PWD (Post-Withdrawal Disbursement) may be due. If the PWD includes loans funds, TBI must get permission from the student (or parent if a PLUS loan) before it can be disbursed. The student may choose to decline some or all the loan funds so that no additional debt is incurred. TBI may automatically use all or a portion of the student's PWD grant funds for tuition and fees (as contracted by TBI).

There are some Title IV funds that may have been scheduled to receive which cannot be disbursed once the student withdraws because of other eligibility requirements. Students must complete the first 30 days of the first quarter to be eligible to receive these funds. If the withdrawal date is within the 30 days, the student is no longer eligible to receive any Direct Loans.

If the student, TBI or a parent receives on your behalf excess Title IV program funds that must be returned, TBI must return a portion of the excess funds 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.

TBI must return this amount even if it didn't keep this amount of your Title IV program funds.

If TBI is not required to return all the excess funds, the student may be required to return the remaining amount.

For any loan funds that must be returned, the student (or the parent for a Direct PLUS Loan) will repay the loan funds in accordance with the terms of the promissory note. That is, the student (or parent) will not be required to repay any loan funds immediately, but instead, can make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that the student must return is called an overpayment. The maximum amount of a grant overpayment that must be repaid is half of the grant funds you received or were scheduled to receive. A grant overpayment will not have to be returned if the original amount of the overpayment is \$50 or less. The overpayment must be paid in full or payment arrangements can be made with TBI or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when a student withdraws are separate from any refund policy that TBI may have. Therefore, funds may still be owed to the school to cover any unpaid institutional charges. TBI may also charge for any Title IV program funds that the school was required to return. TBI can also provide you with the requirements and procedures for officially withdrawing from school and the school's refund policy.

If you have questions about your Title IV program funds, students 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 <https://studentaid.gov>.