

# Repayment Policies

## **Recalculation Policy**

Changes in a student's original enrollment may result in a recalculation of Title IV benefits; therefore, students will be paid based on their enrollment status at the time of payment. FWS funds are not considered in the refund process.

## **Repayment Policy**

This policy applies to students who have withdrawn from 100% of their classes. It does not apply to students who have withdrawn from selected courses.

## **Treatment of Financial Aid for Complete Withdrawal**

A Return of Title IV Funds calculation is processed for a student who meets the following conditions: receives Title IV funds (or who meets the conditions that may entitle the student to a late disbursement), begins attending classes, and completely withdraws from the term. The Return of Title IV Funds calculation is a policy of the United States Department of Education that determines the amount of the Title IV funds Calhoun Community College and/or the student are to return to a Title IV program. The term "Title IV Funds" refers to the Federal Financial Aid Programs authorized under the Higher Education Act of 1965 (as amended) and at Calhoun Community College includes Federal Direct Subsidized and Unsubsidized Loans, Direct Parent Loans to Undergraduate Students (PLUS), Federal Pell Grants and Federal Supplemental Education Opportunity Grants (FSEOG).

The student's recalculated award amount is used in the Return of the Title IV Funds calculation. The percentage of Title IV aid earned is found by dividing the number of calendar days completed by the time of withdrawal date by the number of calendar days in the term. If the student has completed more than 60% of the term, the student is considered to have earned 100% of the Title IV aid. The amount of the Title IV aid earned is found by multiplying the amount of aid disbursed for the term plus what could have been disbursed by the percentage of Title IV aid earned. If the amount earned is less than the amount of aid disbursed, a late disbursement may be due. If the amount earned equals the amount disbursed, no return and no disbursement are to be made.

Calhoun Community College returns the lesser of (a) the total amount of unearned aid or (b) an amount equal to the student's institutional charges multiplied by the percentage of aid unearned. The amount of aid Calhoun Community College is to return is then subtracted from the amount of the Title IV aid to be returned to find the initial amount of unearned Title IV aid for the student to return. The total of Title IV grant that was disbursed and could have been disbursed for the payment period is multiplied by 50% to find the amount of Title IV grant protected. The amount of Title IV grant protected is subtracted from the initial amount of unearned Title IV aid for the student to return. This is termed an overpayment. The student may be billed for funds returned by Calhoun Community College.

In the event of an overpayment, Calhoun Community College notifies the student, and the student may be allowed 30 days to pay the amount in full to the Calhoun Community College Business Office. If full payment is not made to Calhoun Community College within 30 days, the student's account will be turned over to a collection agency.

The amounts returned by Calhoun Community College or by the student are returned in the following order: (1) Unsubsidized Direct Loan; (2) Subsidized Direct Loan; (3) Direct Parent Loans to Undergraduate Students (PLUS); (4) Federal Pell Grant and (5) Federal Supplemental Education Opportunity Grants (FSEOG).

The Financial Aid Office processes the Return of Title IV Funds calculation. A student who has questions regarding the calculation should contact the Financial Aid Office at 256-306-2628. Forms, worksheets, and examples of calculations are available in the Financial Aid Office.

## **Treatment of Financial Aid if a Student Stops Attending Classes or Earns No Passing Grades in a Term**

A Return of Title IV Funds calculation is processed for a student who meets the following conditions: receives Title IV funds (or who meets the conditions that may entitle the student to a late disbursement), begins attending classes, and stops attending classes. The Return of Title IV Funds calculation is described in the previous section "Treatment of Financial Aid for Complete Withdrawal."