

Treatment of Financial Aid When Student Withdraws

The requirements for Title IV program funds when a student withdraws or stops attending are separate from American College of Technology's Refund Policy. Therefore, a student may still owe funds to American College of Technology to cover unpaid institutional charges. The student will also be responsible for any Title IV program funds that American College of Technology was required to return on his or her behalf to the federal government.

Federal regulations specify how American College of Technology must determine the amount of Title IV program assistance that a student has earned if he or she officially withdraws or stops attending. The Title IV programs that are governed by this law are the Federal Pell Grants, Academic Competitiveness Grants, National SMART Grants, TEACH Grants, Stafford Loans, PLUS Loans, Federal Supplemental Educational Grants (FSEOGs), and Federal Perkins Loans.

When a student withdraws or stops attending, the amount of assistance that the student has earned is determined on a prorated basis. For example, if the student has completed 30% of the payment period, he or she has earned 30% of the assistance that was scheduled for that payment period. Once a student has successfully completed more than 60% of the payment period, he or she has earned all the scheduled assistance for that payment period. If the student did not receive all of the assistance that was earned, a post withdrawal disbursement may be due.

American College of Technology may automatically use all, or a portion of the student's post-withdrawal disbursement of grant funds for tuition and book charges, however, will require permission to use the post withdrawal grant disbursement for all other charges. It may be in the student's best interest to allow American College of Technology to keep the funds to reduce debt with the institution.

There may be Title IV funds that cannot be disbursed once a student withdraws because of other eligibility requirements. For example, if the student is a first-time, first year undergraduate and has not completed the first 30 days of the payment period before withdrawing, he or she will not be eligible to receive loan funds that would have been received had the student remained enrolled past the 30th day.

If a student has received unearned Title IV program funds, the student must return the remaining amount. Any loan funds that the student must return may be repaid in accordance with the terms of the promissory note. That is, the student may make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that a student must return is called an overpayment. The maximum amount of a grant overpayment that the student must repay is half of the grant funds he or she received or was scheduled to receive. The student must make arrangements with the Accounting Office to return unearned grant funds.