



Northwest Technical College
Bemidji, Minnesota

RETURN OF TITLE IV FUNDS POLICY AND PROCEDURE

Effective Spring Semester 2016 (January 11, 2016)

Repayment Requirements for Students Who Cease Enrollment Prior to the End of a Payment Period or Period of Enrollment: Financial aid recipients, who withdraw or cease attending all of their classes prior to 60% of the term being completed (including courses with a grade of “F”, “FW”, and “FN” for non-attendance), are subject to the federal rules for the Return of Title IV Funds. A student who does not complete all days they are scheduled to complete in module courses (that is, courses that do not span the entire length of the semester) are also considered withdrawn and are subject to the Return of Title IV funds rules. A student who withdraws from a module course but is scheduled to attend a module beginning later in the semester, must notify the Financial Aid Office in writing or he/she will be considered withdrawn. For the Return of Title IV funds calculation, the percentage of unearned aid is equal to the number of calendar days remaining in the term (or number of days of attendance remaining in planned modules) divided by the total number of calendar days in the term (or total number of days in planned modules and excluding breaks of five days or more). The calculation of Title IV funds unearned has no relationship to the student’s incurred institutional charges as determined by the college’s refund schedule for students that officially withdraw from a term. The Records Office is the college’s designated office to accept notification of official withdrawals.

In the event that the last date of attendance cannot be determined, the mid-point (50%) of the semester will be used. Students receiving a letter grade for one or more courses may be subject to a recalculation if the student was not actively participating in at least one course to the 60% point of their enrollment period. For faculty initiated withdrawals (FW and FN grades), a student is not considered an official withdrawal and is subject to a calculation based on the entire enrollment period. The Business Office will determine the repayment based upon federal and state procedures, the last date of attendance, type of aid awarded, and charges for tuition and fees. The repayment amount is considered unearned aid that a student was not eligible to receive because of not completing the term, necessitating the repayment of funds.

The college may have an obligation to return funds to an aid program that was previously applied to the student’s account. The timeline for returning these funds is 45 days from the date the school determined the student withdrew or ceased attendance. The student may have an obligation to repay funds that were paid directly to him/her. If the college returns funds that were applied to the student’s account, a balance due the college by the student will result. Federal student aid may not cover all unpaid institutional charges due to college upon withdrawal. Failure to repay will prevent future registration at the college and initiate delinquent collection procedures, which will adversely affect the student’s credit rating.

A student may be owed a disbursement of Title IV funds after the withdrawal date if the conditions for Post Withdrawal Disbursements are met according to the code of federal regulations 34 CFR 668-22(1)(2) and (3) and 34 CFR 690.61(a). A post withdrawal disbursement whether credited to the students account or disbursed to the student or parent directly, will be made from available grant funds before available loan funds. In cases where a post-withdrawal disbursement is due, NTC will notify the student of the amount and ask for consent to disburse these funds.

Actual Sample Withdrawal Case: (1) Student received \$1970 Federal Direct Loan and \$2025 Federal Pell Grant. (2) Student completed only 27% of the semester. (3) Student was required to repay \$2535 of the \$3995 total aid received. A student may contact the Accounting Office in Deputy Hall 202 to receive an estimation of the required financial aid repayment, if any.

As per Federal regulations, financial aid will be returned by NTC in this order:

- 1) Federal Unsubsidized Loan
- 2) Federal Subsidized Loan
- 3) Federal PLUS (Parent) Loan
- 4) Federal Pell Grant
- 5) Federal Supplemental Educational Opportunity Grant (SEOG)
- 6) Iraq and Afghanistan Service Grant
- 7) Other Federal Title IV assistance

Non Federal Funds:

Once the Federal Return to Title IV Refund Policy is applied, students who receive financial aid funding from the State of Minnesota are also evaluated based on the Minnesota Office of Higher Education refund policies.