RETURN OF TITLE IV FUNDS

Federal statute requires a recalculation of aid eligibility when a recipient of financial aid withdraws from the University of Nebraska at Kearney.

The "Return of Title IV Financial Aid" requirement is based on the amount of federal financial aid received, the University charges incurred and the date of withdrawal. If a student received more assistance than earned, the excess funds must be returned. The amount of assistance earned is determined on a pro rata basis. That is, if a student completed 30% of the semester, then the student has earned 30% of the financial aid he was originally scheduled to receive. Once a student has completed more than 60% of the semester all of the assistance is considered "earned."

The official date of withdrawal is the date the class(es) are dropped on MyBLUE. Alternatively, a student who remains enrolled but fails to pass any classes will also have the calculation done in accordance with federal statute. UNK grading policy requires faculty to report the last date a student who failed a class participated in any academic activity. This date then becomes the basis for the withdrawal calculation. Therefore, a student cannot avoid the federally required return of Title IV Financial Aid by stopping out of classes but remaining enrolled and taking failing marks.

If a student’s University charges are reduced as a result of withdrawal, and that withdrawal creates a credit balance on the student account, the funds reflected in that credit balance may be used to repay the federal financial aid programs. If the credit balance does not cover the amount due back to the aid programs, the student will be billed the difference. If the student owes back to any of the grant programs, the student has 45 days to make repayment to the University or be reported to the U.S. Department of Education as a student who owes an overpayment. Owing an overpayment to the U.S. Department of Education means that student will no longer be eligible for federal financial aid at any school until the overpayment is paid in full.

Federal statute determines the order in which programs will be paid back.

1. Unsubsidized Federal Stafford Loan
2. Subsidized Federal Stafford Loan
3. Perkins Loan
4. Parent Loans for Undergraduate Students (PLUS)
5. Federal Pell Grant
6. Federal Supplemental Equal Opportunity Grant (SEOG)
7. Federal Teach Grant

Below is an example of the Return of Title IV Funds calculation.

3. Calculate the maximum percentage of aid based on cost that the school will have to return.
   - John’s bill for the Fall of 2016 was $2,276
   - 75% of the cost, $2,276, is $1,707.

4. Calculate the amount of aid the school must return.
   - The school then returns the lesser of $1,707 (percentage of cost) or $2,751 (percent of unearned financial aid) to the aid programs.
   - The school returns $1,707 on John’s behalf.

5. Aid the student must personally return.
   - John’s grant aid is returned on his behalf by the school and therefore becomes part of the bill that must be repaid to the school. Failure to pay this would result in reporting to the Department of Education as an overpayment.
   - The balance of John’s loan not paid by the school will go into repayment in accordance with the terms of the promissory note.