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 received, and/or still eligible to receive, for the semester. 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 applied 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.

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

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

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

1. Establish the withdrawal date and calculate the percentage of aid the student may retain.
   - 9/24/2017 is 29 days into the semester, which is 116 days long. Therefore, he has completed 25% of the semester.
   - This means that he may keep 25% of the aid awarded to him, however 75% must go back to the aid programs. (Once a student has completed 60% or more of the semester, no aid will need to be returned.)

2. Calculate the percentage of unearned aid.
   - John received $3,668 in Title IV aid.
   - 75% of $3,668 in financial aid must be returned: $2,751.

3. Calculate the maximum percentage of aid based on cost that the school will have to return.
   - John's bill for the Fall of 2017 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.