

Withdrawing/Leaving MU - How it will affect your financial aid

RETURN OF FEDERAL FINANCIAL AID

As part of the Higher Education Amendments of 1998, Congress passed new provisions governing what must happen to your federal financial assistance if you completely withdraw from school in any semester. This change of policy went into effect at Millersville University beginning with the Fall 2000 semester. The policy governs all federal grant and loan programs, including Federal Pell Grant, Federal SEOG, Academic Competitiveness Grant, National SMART Grant, TEACH Grant, Federal Perkins Loans, Federal Stafford Loans and Federal PLUS Loans, but does not affect Federal Work-Study.

In general, the new law assumes that you “earn” your federal financial aid awards directly in proportion to the number of days of the term you attend. If you completely withdraw from school during a term, the school must calculate, according to a specific formula, the portion of the total scheduled financial assistance you have earned, and are therefore entitled to receive, up to the time you withdrew. If you receive (or the University receives on your behalf) more assistance than you earn, the unearned excess funds must be returned to the Department of Education. If, on the other hand, you receive (or the University receives on your behalf) less assistance than the amount you have earned, you may be able to receive those additional funds.

The portion of your federal grants and loans you are entitled to receive is calculated on a percentage basis. Once you have completed more than 60% of the semester, you can be said to have earned all 100% of your assistance. In other words, your financial aid will not be adjusted. For the **Fall 2011** semester, the date that your financial aid will no longer be adjusted is **November 2, 2011**. If you withdraw from the University (either officially or unofficially) before **November 2, 2011**, you may have to repay some of the federal monies that were already disbursed to you. *Please note that withdrawing from the university will have an effect on your future financial aid eligibility. See the previous section on Maintaining Financial Aid Eligibility.*

Your withdrawal date will be determined by the University as:

- (1) the date you began the University’s withdrawal process (as described in the Schedule of Classes) or the date you officially notified the Registrar of your intent to withdraw;
- (2) the midpoint of the semester if you withdraw without notifying the University; or
- (3) your last date of attendance at an academically-related activity as documented by the University.

If you have received excess funds that must be returned to the government, the University shares with you the responsibility of returning those excess funds. The University’s portion of the excess funds to be returned is equal to the lesser of (1) the entire amount of the excess funds, or (2) your total tuition and fee charges multiplied by the percentage of unearned funds.

If the University is not required to return all of the excess funds, you must return the remaining amount (any loan funds that you must return must be repaid according to the terms of your promissory note). If you must return any grant funds, the law provides that the amount you must repay is to be reduced by 50%. This means that you only have to return half of any excess funds you receive. If the return of the unearned federal assistance causes any portion of your tuition and fees to become uncovered, the University will bill you. In such cases, you will be required to make arrangements with the Bursar to pay the balance.

Any award money you have to return is considered a federal grant overpayment. You must either repay that amount in full or make satisfactory arrangements with either the University or the Department of Education to repay the amount. You must complete these arrangements within 45 days of the date of the University’s notifying you of your overpayment status or risk losing your eligibility for further federal financial assistance.

When the total amount of unearned aid is greater than the amount returned by Millersville from the student's account, the student is responsible for returning unearned aid to the appropriate program(s) as follows:

1. Unsubsidized Federal Direct Stafford Loan*
2. Subsidized Federal Direct Stafford Loan*
3. Federal Perkins Loan
4. Federal Direct PLUS Loan
5. Federal Pell Grant**
6. Federal SEOG Grant**
7. Federal TEACH Grant**
8. Other Federal Aid
9. PHEAA Grant Other
10. Other Aid

*Loan amounts are returned in accordance with the terms of the promissory note signed by the student

**Amounts to be returned by the student to federal grant programs will receive a 50% discount.

Exception: no program can receive a refund if the student did not receive aid from that program.

The percentage of Title IV aid unearned (the amount to be returned to the appropriate aid program) shall be 100% minus the percent earned.

Unearned aid shall be returned first by Millersville University from the student's account calculated as follows:
Total institutional charges X percent of unearned aid + amount returned to program(s)

1. Refunds and adjusted student statement bills will be sent by the Bursar's Office to the student's home address on file in the Registrar's Office following withdrawal. Students are responsible for any portion of their institutional charges that are left outstanding after Title IV funds are returned.

Institutional and student responsibilities in regard to the return of Title IV funds:

- a.) Millersville's responsibilities in regard to the return of Title IV funds include:
 - i.) providing each student with the information given in this policy;
 - ii.) identifying students who are affected by this policy and completing the Return of Title IV Funds calculation for those students;
 - iii.) returning any Title IV funds that are due to the Title IV programs.
- b.) The student's responsibilities in regard to the return of the Title IV funds include:
 - i.) becoming familiar with the Return of Title IV policy and how complete withdrawal affects eligibility or Title IV aid;
 - ii.) returning to the Title IV programs any funds that were disbursed directly to the student and which the student was determined to be ineligible for via the Return of Title IV Funds calculation.

2. The fees, procedures, and policies listed above supersede those published previously and are subject to change at any time.

3. Any notification of a withdrawal or cancellation of classes should be in writing and addressed to the Registrar's Office.

If a student is withdrawing and had Federal Stafford Loan funds, s/he will need to complete the Exit Counseling for the Federal Stafford Loan Program. This can be done online at www.millersville.edu/~finaid and selecting "Entrance/Exit Counseling" and then choosing the "Exit Counseling" option. It can also be done by paper – once you receive a mailing from our office.

Any student who has questions regarding the Return of Federal Funds Policy should contact the Office of Financial Aid at (717) 872-3026.

RETURN OF STATE FINANCIAL AID

The following policy applies for those students who receive a PHEAA State Grant and change enrollment status [full-time (12 or more credits), part-time (6-11 credits), or less than half-time (1-5 credits)] or completely withdraw from the University during the first 5 weeks of classes:

If a student initially enrolls in classes but withdraws, drops credits, takes a leave of absence, or is terminated (suspended or dismissed) prior to the end of the term, a refund to PHEAA of all or a portion of the State Grant may be required.

When a student (full-time or part-time) withdraws or drops to less than half-time (or otherwise ceases to be eligible for State Grant aid) before the end of the term and **before State Grant funds have been credited**, the student is not eligible for any portion of the term disbursement, regardless of the date on which the student withdrew. Similarly, an increase in the award for the term cannot be credited after the student has withdrawn or dropped to less than half-time status during the term.

When a student drops from full-time enrollment (12 or more credits) to part-time (6-11 credits) **after State Grant funds have been credited and during the drop period**, the PHEAA State Grant must be adjusted to the part-time award amount. The overpayment of the State Grant must be returned to PHEAA by the University.

If State Grant funds have not been credited, then the amount of the award will be based on the enrollment at the time the funds are awarded.

If a student completely withdraws from the university, the PA State Grant will be adjusted based on the chart below:

Timeline	Percentage Student May Keep	Percentage to be Returned to PHEAA
During Week 1 (08/29/11 – 09/02/11)	0%	100%
During Week 2 (09/05/11 - 09/09/11)	20%	80%
During Week 3 (09/12/11 – 09/16/11)	40%	60%
During Week 4 (09/19/11 – 09/23/11)	50%	50%
During Week 5 (09/26/11 – 09/30/11)	40%	60%

If a student changes enrollment status [drops from full-time enrollment (12 or more credits) to part-time (6-11 credits)] **after State Grant funds have been credited and during the drop period**, the PA State Grant must be returned to PHEAA by the University. If a student changes enrollment status after the first week of classes (September 5, 2011 to December 17, 2011) but remains enrolled in at least one course, the PA State Grant will not be adjusted since the student will receive no refund on tuition payments after the first week of classes, unless s/he completely withdraws.

If a student changes enrollment status or completely withdraws from the University on or after October 3, 2011, the PA State Grant (PHEAA) will not be adjusted. (Federal aid can still be adjusted – please see the information regarding withdrawing from the university at the beginning of this document). *Please note that changing enrollment status or withdrawing from the university will have an effect on your future financial aid eligibility for the PHEAA State Grant. See the previous section on Maintaining Financial Aid Eligibility.*