WITHDRAWAL AND 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, 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. If you attend 30% of the semester, you earn 30% of the assistance you were originally scheduled to receive. This means that 70% of your schedule awards remain unearned and must be returned to the federal government.

Once you have completed more than 60% of the semester, you can be said to have earned all 100% of your assistance. If you withdraw from the University (either officially or unofficially) before completing 60% of the semester, 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 our website for more information on Satisfactory Academic Progress (SAP) under “Determining Eligibility” and then “Maintaining Financial Aid.”

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 Stafford Loan*
2. Subsidized Federal Stafford Loan*
3. Federal Perkins Loan
4. Federal PLUS Loan
5. Federal Pell Grant**
6. Academic Competitiveness Grant (ACG)**
7. National SMART Grant**
8. Federal SEOG Grant**
9. Other Federal Aid
10. PHEAA Grant
11. 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.