

Withdrawals

All students receiving financial aid and withdrawing from the College, **either officially or unofficially**, should contact the Financial Aid Office prior to withdrawing. Federal regulations require the Financial Aid Office to adjust your federal aid you are eligible to receive based on your withdrawal date. You may be responsible to return funds for the portion of the semester you did not attend. Our office may also be required to return financial aid for the portion of the semester you did not attend. You will receive a letter from Student Financial Services notifying you of your obligation. Depending on the calculation, you may owe money back to Penn Highlands and/or the Department of Education.

NOTE: A review of final grades will be conducted. If a student has all "F" grades, the Financial Aid Office will be notified if the student has stopped attending all classes. If so, a recalculation will be performed, based on the last day of attendance reported, to determine earned aid. The student will be financially responsible for any remaining balance due to the Department of Education and/or the College. The student will have the opportunity to provide proof of attendance and completed coursework, at which time the Financial Aid Office will reevaluate the possibility of earned aid. If it is determined that the student never attended any classes or completed any work, the student is not entitled to receive Title IV Funds.

Federal Aid Refund Policy

If a student needs to completely withdraw for the term and has received federal aid, they are required to contact the Financial Aid Office in person or by phone. The Financial Aid Office will inform you of the Return of Title IV process and the required funds that you may be responsible to pay back.

The Financial Aid Office is required by federal statute to recalculate federal financial aid eligibility for students who withdraw (officially or unofficially), drop out, are dismissed, or take a leave of absence prior to completing 60% of a payment period or term. The federal Title IV financial aid programs must be recalculated in these situations.

****** If a student, who began attendance and has not officially withdrawn, fails to earn a passing grade in all of their courses offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn, unless the institution can document that the student completed the period. For students awarded a non-passing grade, the student's last day of attendance (LDA) is entered with their F grade, to determine whether a student who received all "F" grades withdrew. If one instructor reports that the student attended through the end of the period, then the student is not a withdrawal. If it is determined that the student never attended any classes, the student is not eligible for any aid.******

If a student leaves the institution prior to completing 60% of a payment period or term, the financial aid office recalculates eligibility for Title IV funds. Recalculation is based on the percentage of earned aid using the following Federal Return of Title IV funds formula:

Percentage of payment period or term completed = the number of days completed (as reported on the withdrawal form as the last day of attendance) divided by the total days in the payment period or term. (Any break of five days or more is not counted as part of the days in the term.) This percentage is also the percentage of earned aid.

Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula:

Aid to be returned = (100% of the aid that could be disbursed minus the percentage of earned aid) multiplied by the total amount of aid that could have been disbursed during the payment period or term. Please see example.

If a student earned less aid than was disbursed, the institution would be required to return a portion of the funds, within 45 days after determining the student has withdrawn, and the student would be required to return a portion of the funds. Keep in mind that when Title IV funds are returned, the student borrower may owe a debit balance to the institution.

If the return calculation results in a credit balance on the student's account, the credit will be disbursed to the student no later than 14 days after the calculation.

We must return Title IV funds to the programs from which the student received aid during the payment period or period of enrollment as applicable, in the following order, up to the net amount disbursed from each source:

- Unsubsidized Direct Loans (other than Direct PLUS Loans)
- Subsidized Direct Loans
- Direct PLUS Loans (parent or graduate)
- Federal Pell Grants for which a return of Title IV funds is required
- Iraq and Afghanistan Service Grant, for which a return of Title IV funds is required
- FSEOG for which a return of Title IV funds is required
- TEACH Grants for which a return of Title IV funds is required Under the September 2, 2020 final regulations, the order of return of Title IV funds was slightly modified with respect to Iraq and Afghanistan Service Grants.

Post Withdrawal Disbursement

If the student did not receive all of the funds that were earned prior to withdrawing, a post-withdrawal disbursement may be due. If the post-withdrawal disbursement includes loan funds, the student must give permission before the funds can be disbursed. Penn Highlands may automatically use all or a portion of the post-withdrawal disbursement of grant funds for tuition and fee charges. Permission is required to use the post-withdrawal grant disbursement for all other school charges. Students will be notified of post-withdrawal disbursement eligibility within 30 days of the date of withdrawal determination. The school must return the Title IV funds within 45 days of the date the school determines the student withdrew.

A credit balance that occurs as a result of a post-withdrawal disbursement will be refunded to the student or parent (PLUS loans) as soon as possible, but no later than 14 days after the credit balance occurs on the student account. Students may set up direct deposit in their myPeak portal, Student Financial Services page. Otherwise, a check will be mailed to the address on record.

Example of Return of Title IV Calculations

Below is an example of the Return of Title IV calculations used to determine the amount of unearned aid a student would be expected to repay based on the date of withdrawal.

John Doe contacted the Registrar's Office on January 26 to do a complete withdrawal from the College. The term began on January 5 and is 75 days long. John has attended 22 days and has earned 29.3% of his financial aid (22 divided by 75 days = 29.3%). John received in aid:

- Federal Stafford Loan: \$1,167
- Parent PLUS Loan: \$1,500
- Pell Grant: \$1,000

- Total Aid Spring Term: \$3,667
1. The amount of federal aid earned by the student is $29.3\% \times \$3667 = \1074.43 .
 2. The total federal aid unearned is $\$3667 - \$1074.43 = \$2592.57$.
 3. The second calculation determines percentage of amount unearned based on school charges for tuition and fees/or book charges (if applicable). John was charged on his student billing account \$1843 in tuition and fees. Percentage of unearned aid for this second calculation is $100\% - 29.3\% = 70.7\%$, therefore based on the tuition and fee charges for the term $\$1843 \times 70.7\% = \1303 .
 4. The amount to be returned in federal aid is the lesser of number 2 or number 3, which for this example is \$1303. This is the amount that must be returned from John's federal financial aid.
 5. Federal guidelines determine the order of aid types to be reduced: Stafford Loans, parent PLUS Loans, and then Pell Grant for John until \$1303 has been repaid. Therefore John's aid will be reduced to:
 - Federal Stafford Loan: \$1,167
 - Parent PLUS Loan: $\$1,500 - \$136 = \$1,364$
 - Pell Grant: $\$1,000 - \$0 = \$1,000$
 - Total Returned: \$1,303

The total returned amount reflects the amount to be billed to John's student billing account from his financial aid. Any refunds from tuition that are determined and applied to his account may affect the amount that John owes for spring term.