Federal financial aid (“Title IV funds”) is awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive.

If a recipient of Title IV grant or loan funds withdraws from SBCC after beginning attendance, the amount of Title IV grant or loan assistance earned by the student must be determined. If the amount disbursed to the student is greater than the amount the student earned, unearned funds must be returned. If the student receives less Federal Student Aid than the amount earned, SBCC offers a disbursement of the earned aid that was not received. This is called a Post-withdrawal disbursement.

Withdrawal Date

See “Withdrawal Procedures” above for an explanation of withdrawal procedures at SBCC. The withdrawal date established by SBCC is the date used by the Financial Aid Office to determine the point in time that the student is considered to have withdrawn so the percentage of the payment period or period of enrollment completed by the student can be determined. The percentage of Title IV aid earned is equal to the percentage of the payment period or period of enrollment completed.

Process for Calculation of Amount of Title IV aid earned by student

The amount of Title IV aid earned by the student is determined by multiplying the percentage of Title IV aid earned by the total of Title IV program aid disbursed plus the Title IV aid that could have been disbursed to the student or on the student’s behalf.

If the day the student withdrew occurs when or before the student completed 60% of the payment period or period of enrollment, the percentage earned is equal to the percentage of the payment period or period of enrollment that was completed. If the day the student withdrew occurs after the student has completed more than 60% of the payment period or period of enrollment, the percentage earned is 100%. When a student fails to earn a passing grade in any of their classes, SBCC must assume, for Title IV purposes, that the student has unofficially withdrawn, unless SBCC can document that the student completed the period.

Post-Withdrawal Disbursement

If the student receives less Federal Student Aid than the amount earned, SBCC offers a disbursement of the earned aid that was not received. This is called a Post-withdrawal disbursement. Without obtaining a student’s permission, Title IV grant funds from a Post-withdrawal disbursement are credited to a student’s account to pay for tuition and fees for the term for which the student is eligible for a Post-Withdrawal disbursement or are disbursed directly to the
student. SBCC must obtain a student’s authorization to credit a student’s account with Title IV grant funds for charges other than current charges and must notify the student no later than 30 calendar days after the date that SBCC determines the student withdrew. SBCC notifies students by letter that they are eligible for a Post-withdrawal disbursement and that the student has a deadline of 14 days to respond to the request for authorization. In the notification, SBCC states that SBCC is not required to make the Post-Withdrawal disbursement if the student does not respond by the deadline.

**Title IV Aid to be Returned: SBCC and Student**

If the student receives more Federal Student Aid than the amount earned, SBCC, the student, or both must return the unearned funds in a specified order as follows:

1. Unsubsidized Direct Stafford loans (other than PLUS loans).
2. Subsidized Direct Stafford loans.
3. Direct PLUS loans.
4. Federal Pell Grants for which a return of funds is required.
5. Federal Supplemental Educational Opportunity Grants (FSEOG) for which a return of funds is required.

When a Return of Title IV funds is due, SBCC and the student may both have a responsibility for returning funds. Funds that are not the responsibility of SBCC to return must be returned by the student. SBCC exercises its option to collect from the student any funds SBCC is obligated to return, and funds required for SBCC to return will become a debit on the student’s account which the student will be responsible for paying. This charge is not reported to the Department of Education and simply remains as a debit on the student’s account with SBCC.

Within 30 days of determining that a student who withdrew must repay all or part of a Title IV grant, SBCC will notify the student that he or she must repay the overpayment. In its notification SBCC will inform the student that the student owes an overpayment of Title IV funds, that the student’s eligibility for additional Title IV funds will end if the student fails to pay SBCC by the 45th day following the date SBCC sent notification to the student, and that if the student fails to pay SBCC during the 45-day period, the student’s overpayment immediately must be reported to the National Student Loan Data System (NSLDS) and referred to the Debt Resolution Services for collection.

Although a student may be eligible for a refund of fees from SBCC (see “Refund Policy” above), the student may still be required to repay all or part of their Title IV aid. Students who wish to estimate how much Federal Student Aid they will retain and how much they may have to return should contact the Financial Aid Office at 805.730.5157.