

## 2019-20 Return of Federal Funds Policy

A student who receives Title IV funds and withdraws from classes up through the 60% point in a period of enrollment may no longer be eligible for the full amount of federal aid. Title IV (federal aid) includes: Direct Stafford Loans, Direct PLUS Loans, Pell Grant, Supplemental Educational Opportunity Grant (SEOG), and Iraq and Afghanistan Service Grant. A percentage is used to determine the amount of federal funds the student has earned, and which may be disbursed, at the time of withdrawal. For an official withdrawal, the withdrawal date is the date the student begins the university's withdrawal process. For an unofficial withdrawal, the withdrawal date is the last date the student participated in an "academically-related activity" (e.g. attending a class or lab, taking an exam, submitting an assignment) which will be confirmed by a faculty or staff member. If it is impossible to establish a date that the student last participated in an "academically-related activity," the midpoint of the semester will be considered the official last date of attendance for the purpose of returning unearned Title IV funds. Any unearned funds must be returned by the school and/or student. This must be done no later than 45 days from the date the Office of Financial Aid is notified of total withdrawal. This federal calculation must also be done after semester grades are submitted in the event that a student receives all F's (a 0.0 semester GPA) and the F's are due to lack of attendance.

Funds that are returned to the federal government are used to reduce the outstanding balances in individual federal programs. Financial aid returned must be allocated in the following order:

1. Federal Direct Unsubsidized Stafford Loan
2. Federal Direct Subsidized Stafford Loan
3. Federal Direct Parent PLUS Loan
4. Federal Direct Graduate PLUS Loan
5. Federal Pell Grant
6. Federal Supplemental Educational Opportunity Grant (SEOG)
7. Iraq and Afghanistan Service Grant

A student may be eligible for a post-withdrawal disbursement if, prior to withdrawing, the student earned more federal financial aid than was disbursed. If a student is eligible for a post-withdrawal disbursement for Title IV funds, it will be processed for the student and a refund will be issued within 14 days of the credit balance.

If the post-withdrawal disbursement includes loan funds, Aurora University must get the student's permission before it can disburse the loan. Students may choose to decline some or all of the loan funds so that s/he does not incur additional debt. A notice will be sent out to the student, and a signed response or email from their AU email account must be returned to the university within 14 days.

Aurora University may automatically use all or a portion of the post-withdrawal disbursement of grant funds for tuition and fees. However, the university needs the student's permission to use the post-withdrawal grant disbursement for all other university charges. If the student does not give his/her permission, the student will be offered the funds. It may be in the student's best interest to allow the university to keep the funds to reduce the student's debt at the university.

It is also important to understand that accepting a post-withdrawal disbursement of student loan funds will increase a student's overall student loan debt that must be repaid under the terms of the Master Promissory Note. Additionally, accepting the disbursement of grant funds will reduce the remaining amount of grant funds available to the student should the student continue his/her education at a later time.

Further details regarding the federal returns calculations are available in the Office of Financial Aid.

**This information is accurate at all Aurora University locations and subject to change without prior notice.**

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