

## Return of Title IV Funds Information

### What happens if I withdraw from UMUC?

Federal student financial aid is awarded under the assumption that you will be enrolled for a specified period of time, such as a semester. When you receive these funds but do not enrolled as expected, the Financial Aid Office is required to determine if you have been enrolled long enough to keep all of the financial aid paid to you. Therefore, UMUC's Financial Aid Office must calculate a "Return of Title IV Funds" any time you stop your enrollment (withdraw, drop, or stop participating in classes and receive an FN grade) before the end of the semester and do not certify your intent to return in another session before the end of the semester.

What happens if I...

...drop all of my classes before the semester starts?

If you drop all your classes before the semester has begun, your financial aid for the semester will be cancelled. This will result in a balance owed to UMUC if your aid has already been disbursed.

...withdraw, drop, or stop participating and have an FN grade in all of my classes?

You earn all of your financial aid when you have participated in at least 60 percent of all of your classes for the semester. The Return of Title IV funds calculation counts the number of days from the first day of class until the last date you were enrolled and compares that to the total calendar days of your scheduled enrollment for the semester, including the first day of your classes through the last scheduled day of exams, including weekends and holidays.

The Financial Aid Office first determines if you have completed at least 60 percent of your classes. If not, it calculates how much of your financial aid you are allowed to keep and the amount must be repaid.

...stop participating in my classes but don't withdraw from them?

If you stop participating in your classes and do not initiate an official withdrawal, you will receive FN grades that will result in your incurring significant financial penalties. It is critical that you participate in your classes. If you have a need to change your enrollment, you must initiate the official withdrawal.

### What happens next?

The Financial Aid Office is required to determine if you have completed at least 60 percent of your classes. If not, it calculates how much of your financial aid you are allowed to keep and how much must be repaid.

#### **UMUC's Financial Aid Office is required to:**

- Determine the number of calendar days the you attended classes,
- Calculate the percentage of Title IV Aid Earned and Unearned,
- Calculate the amount of institutional charges,
- Determine the amount that must be returned to each Title IV program,
- Calculate your and school's responsibility to the grant and loan programs,
- Return funds to the programs according to regulatory requirements,
- Collect grant overpayment.

## What is the recalculation process?

The Financial Aid Office calculates the number of days you were enrolled before you withdrew, dropped, or stopped participating if you received a FN and compares that to the number of days in your planned enrollments. A student earns his or her financial aid award in proportion to the number of days in the term completed.

When you completely withdraw from UMUC prior to completing 60% of your scheduled enrollment in any term, a portion of the Title IV financial aid grant and loan funds received (excluding Federal Work-Study) is considered to be an overpayment, and must be returned to the respective federal financial aid programs.

Joe enrolls for the undergraduate fall term as follows: Online session 1: 6 credits 8/22 to 10/16	Break 10/17 to 10/23	Online Session 4: 3 credits 10/24 – to 12/18	Total Days of Scheduled Enrolled 8/22– 12/18 110 days
<p>Joe completes Session 1 but withdraws from the course he registered for in Session 4 on 10/22. Because he did not complete his expected enrollment, the Financial Aid Office must determine if he is eligible to receive all of his aid.</p> <p>Did Joe complete 60 percent of his attempted course work?</p> <p>Participated 8/22 to 10/16: <u>56 days</u> = 50.9%</p> <p>Total Days of Scheduled to Enrolled: 110 days</p>			

Because Joe did not complete 60% of his combined classes, the Financial Aid Office must calculate how much of the financial aid he earned and is eligible to keep and how much was unearned and must be returned to the Financial Aid programs.

## How can I tell if I have completed 60% of my classes?

You cannot earn all of your financial aid unless you attend and participate in your registered class (es) for at least 60% of your scheduled enrollment. To determine your 60 percent date, follow these steps.

*Step 1: Determine which sessions you are enrolled for this semester.*

- Go to MyUMUC →Registration/Enrollment and view your courses.
- Click on the course that has the earliest start date and go to the course detail. You will find the session number and type; e.g., Online1.
- Repeat this by going to the course which has the latest end date, go to the course detail and locate the session number and type.

*Step 2: Choose the line which represents the sessions you are enrolled in.*

- For example, if you are enrolled for one course in Online1 and one course in Online4, locate the line in the chart below which corresponds to that enrollment pattern.
- Look across the line to the 60% column to identify the date at which this enrollment pattern has met the 60% requirement.

*Step 3: Determine if you wish to withdraw from the class.*

- If the 60% requirement has been met, you may not be required to repay the aid unless withdrawing makes you ineligible for the financial aid you were disbursed.

- B. If the 60% requirement has not been met, you may be required to repay some or all of the financial aid you received.
- C. You are encouraged to contact your instructor(s) to see if you may be able to complete the class. If you must withdraw, you must do so through MyUMUC → Registration and Enrollment. If you plan to return to a course which starts later in the current semester, be sure to indicate that when asked.
- D. The Financial Aid Office will notify you if you must repay any funds received.

<b>Undergraduate Fall 2011</b>			
	<b>Start Date</b>	<b>End Date</b>	<b>60%</b>
<b>UG Online Session 1</b>	08/22/2011	10/16/2011	09/24/2011
<b>UG Online Session 1 &amp; 4</b>	08/22/2011	12/18/2011	11/04/2011
<b>UG Online Session 2</b>	09/12/2011	11/06/2011	10/15/2011
<b>UG Online Session 2 &amp; 3</b>	09/12/2011	11/27/2011	10/28/2011
<b>UG Online Session 2, 3, &amp; 4</b>	09/12/2011	12/18/2011	11/09/2011
<b>UG Online Session 3</b>	10/03/2011	11/27/2011	11/05/2011
<b>UG Online Session 3 &amp; 4</b>	10/03/2011	12/18/2011	11/18/2011
<b>UG Online Session 4</b>	10/24/2011	12/18/2011	11/26/2011
<b>UG Onsite Session 1</b>	08/22/2011	10/16/2011	09/24/2011
<b>UG Onsite Session 1 &amp; 2</b>	08/22/2011	12/18/2011	11/04/2011
<b>UG Onsite Session 2</b>	10/24/2011	12/18/2011	11/26/2011
<b>Europe Online Midsession</b>	09/19/2011	11/20/2011	10/26/2011
<b>Europe Field Study</b>	10/15/2011	10/22/2011	10/19/2011
<b>Graduate Fall 2011</b>			
	<b>Start Date</b>	<b>End Date</b>	<b>60%:</b>
<b>GR Online Session 1</b>	09/06/2011	11/27/2011	10/25/2011
<b>GR Online Session 2</b>	09/26/2011	12/18/2011	11/15/2011
<b>GR Online Session 1 &amp; 2</b>	09/06/2011	12/18/2011	11/07/2011
<b>GR On Site Standard</b>	09/06/2011	11/27/2011	10/25/2011
<b>GR MBA Program</b>	10/05/2011	12/13/2011	11/16/2011
<b>One Year MBA Program</b>	08/22/2011	12/18/2011	11/01/2011
<b>GR Executive Program 1</b>	10/05/2011	12/13/2011	11/16/2011
<b>GR Doctoral Program</b>	09/12/2011	12/12/2011	11/06/2011
<b>Europe Online Session 1</b>	08/29/2011	10/30/2011	10/05/2011
<b>Europe Online Session 2</b>	10/10/2011	12/18/2011	11/21/2011
<b>NOTE: Dates reflect major sessions Stateside, Europe and Asia unless otherwise specified.</b>			

## TIPS for Students

1. Plan ahead – minimize your financial risk by selecting classes you are able to successfully complete.
2. Check and double check – As a financial aid applicant you are expected to understand the policies. Review our website to ensure actions you take do not result in a balance due to UMUC or a complete loss of eligibility because you are not meeting SAP.
3. Know the impact – The Department of Education does not allow for exceptions to policy. Regardless of the reason that you withdraw or unsuccessfully complete your classes, SAP and Return of Title IV Funds policies must be applied to you. There are no exceptions.
4. Understand your options – UMUC understands you have conflicting priorities; family, work and school, and that changes in your enrollment may need to happen. If you do need to withdraw or drop, and make arrangements to return within the same semester, we will be able to reinstate your financial aid. If you are unable to return, immediately contact Student Accounts to make payment arrangements. If you work with them as soon as you have a balance they will be able to offer you an extended payment plan.
5. Don't ignore the balance – if you do not take action your balance will be transferred to SCCU and you will be required to pay an additional 17% processing fee and you will have a negative impact on your credit score. SCCU is a state entity and they can garnish wages or intercept tax returns.

## What is the difference between earned and unearned Title IV funds?

Title IV Funds Earned – The student earns Title IV funds in proportion to the percentage of time officially enrolled in the semester (In the example above, Joe earned 50.9% of his financial aid). If the aid earned is more than the amount that was disbursed, the student will be offered a post withdrawal disbursement.

Title IV Funds Unearned – Unearned funds must be returned to the federal programs from which they originated (e.g., if Joe in the above example is eligible for 50.9% of the Title IV aid, then the unearned funds will be 49.1% of the Title IV aid received). The school is responsible for returning unearned Title IV aid up to an amount that is equal to the total institutional charges for the payment period times the percentage of the Title IV aid unearned. The student is responsible for returning the balance of unearned Title IV aid.

## What are the timelines for Return of Title IV funds?

UMUC must determine the amount of aid that was earned and how much was unearned; the unearned aid is returned to the Department of Education. If you must return any federal financial aid funds received, you will be notified in writing within 45 days of the date UMUC determines you have not earned your aid.

The amount of unearned aid will be returned to the Department of Education, which will create a balance due to UMUC. This is posted as a charge to your account and must be repaid to the university immediately. The loan you borrowed will be reduced by this amount, so when your loan enters repayment the total amount borrowed will be lower.

## In what order is Return of Title IV Funds returned?

When institutions have to return unearned Title IV funds from institutional charges, the money is returned to programs in the following order:

- Unsubsidized Direct Stafford Loans
- Subsidized Direct Stafford Loans
- Federal Perkins Loans
- Federal Direct PLUS Loans
- Federal Pell Grant
- Academic Competitiveness Grant (ACG)
- National SMART Grant
- Federal Supplemental Opportunity Grant (SEOG)

Federal Work-Study earnings are not affected by Title IV regulations concerning the return of unearned federal financial aid.

## How do I withdraw from my courses at UMUC?

Now that you understand that you may owe a portion of the financial aid you received back to the federal government and/or UMUC if you withdraw, you should first contact your instructor to see if there

is any way that you can complete the courses you are registered for – this is the only way to avoid any possible financial consequences.

If your circumstances are such that you are not able to complete the class, you must withdraw using MyUMUC and select “Drop/Update Classes”. If you are planning to complete a course during the same term at a later start, be sure to indicate it on the Course Withdrawal request screen.

**Please remember, the institutional refund policy is different than the financial aid Return of Title IV process. Click [here](#) to learn about UMUC’s refund policy.**

### **Can I register for the next semester?**

Once you have repaid any unearned funds due to the University, you will be eligible to enroll in the next semester. Just remember: “FN” and “W” grades are considered in determining your Satisfactory Academic Progress and can negatively affect your financial aid eligibility.