

The Higher Education Amendments of 1998 changed the formula for calculating the amount of aid a student and school can retain when the student totally withdraws from all classes. Students who withdraw from all classes prior to completing more than 60% of an enrollment term will have their eligibility for aid recalculated based on the percent of the term completed. For example, a student who withdraws completing only 30% of the term will have "earned" only 30% of any Title IV aid received. The School and/or the student must return the remaining 70%.

Please read this policy carefully if you are thinking of withdrawing before all of your aid has been "earned". You may be responsible for paying back a portion of your unearned aid if you withdraw before the 60% point in the semester.

- This policy shall apply to all students who withdraw, drop out or are expelled from NEO A&M College, and receive financial aid from Title IV funds:
 - The term "Title IV Funds" refers to the Federal financial aid programs authorized under the Higher Education Act of 1965 (as amended) and includes the following programs: Unsubsidized Stafford loans, Subsidized Stafford loans, Federal PLUS loans, Federal Pell Grants, Iraq and Afghanistan Service Grant and Federal SEOG.
- A student's withdrawal date is:
 - The date the student began the institution's withdrawal process (as described in the NEO Catalog and Class Schedule) or officially notified the institution of intent to withdraw; or
 - The midpoint of the period for a student who leaves without notifying the institution; or
 - The student's last date of attendance at a documented academically related activity.
- Refunds on all institutional charges, including tuition and fees, will be calculated using the state refund policy published in the NEO Catalog and Class Schedule.
- Title IV aid is earned in a prorated manner on a per diem basis up to and including the 60% point in the semester. Title IV aid and all other aid is viewed as 100% earned after that point in time.
 - The percentage of Title IV aid earned shall be calculated as follows:

$$\frac{\text{Number of days completed by student}}{\text{Total number of days in term}^*} = \text{Percent of term completed}$$

The percent of term completed shall be the percentage of Title IV aid earned by the student.

*The total number of calendar days in a term of enrollment shall exclude any scheduled breaks of more than five days.

- The percentage of Title IV aid unearned (i.e., to be returned to the appropriate program) shall be 100% minus the percent earned.
- Unearned aid will be returned to the appropriate federal program within 45 days of the date that NEO was made aware that the student withdrew from classes.
- Unearned aid shall be returned first by NEO from the student's account calculated as follows:

Total institutional charges (times) percent of unearned aid = Amount returned to program(s)

- Unearned Title IV aid shall be returned to the federal programs in the following order:
 - Unsubsidized Stafford Loan
 - Subsidized Stafford Loan
 - Parent Loans (PLUS)
 - Federal Pell Grant
 - Iraq and Afghanistan Service Grant
 - Federal SEOG

- When the total amount of unearned aid is greater than the amount returned by NEO from the student's account, the student is responsible for returning unearned aid to the appropriate program(s) in the order as follows:
 - Unsubsidized Stafford Loan*
 - Subsidized Stafford Loan*
 - Parent Loans (PLUS)*
 - Federal Pell Grant**
 - Iraq and Afghanistan Service Grant
 - Federal SEOG**

*Loan amounts are returned within the terms of the master promissory note.

**Amounts to be returned by the student to federal grant programs will receive a 50% discount.

➤ **Students Enrolled in Modules**

- Student who are enrolled in classes that do not span the entire semester are considered to be enrolled in “modules”.
- Students who are enrolled in modules are considered withdrawn under the following circumstances:
 - Have withdrawn from school and are not scheduled to begin another course within the payment period for more than 45 calendar days after the end of the module the student ceased attending.
 - Have not given NEO written confirmation that they will attend a future module in the same semester that begins no later than 45 calendar days after the end of the module the student ceased attending.
- Withdrawal exemptions for student enrolled in modules.
 - Student completes all the requirements for graduation before completing the semester.
 - Student successfully completes one module that includes 49% or more of the number of days in the semester, excluding scheduled breaks of five or more consecutive days and all days between modules. Successful completion means earning a passing grade.
 - Student successfully completes at least six hours for the semester.
- Student in modules who are eligible for student loans or campus-based aid will have the length of their enrollment for a semester determined based on the Return to Title IV freeze date (RFD) each semester.
- The RFD is the first business day after the official drop/add period for each semester.

➤ **Post-Withdrawal Disbursement**

- If a student has accepted his/her federal aid and it has not been disbursed, the reason for the non-disbursal will be determined. If any of the conditions below have been met the aid will be included in the “Aid that Could Have Been Disbursed” section of the calculation to determine if a post-withdrawal disbursement is due:
 - Federal Pell Grant-ISIR received with an “official” EFC preceding the withdrawal date and the student meets all other eligibility requirements.
 - FSEOG-Aid was awarded prior to withdrawal date.
 - Direct Subsidized, Unsubsidized, and PLUS loans-Loan had originated prior to withdrawal date and Master Promissory Note was signed prior to R2T4 calculation date.
- If the post-withdrawal disbursement calculation indicates that a post withdrawal

disbursement is due from grant funds and a student has outstanding institutional charges, the funds will automatically be applied to the student's account. If the calculation indicates that a post-withdrawal disbursement is due from loan funds the student/parent is sent a letter notifying them of the amount available. The student/parent is asked to return the letter within 14 days indicating whether they wish to receive the aid and if so, the amount. When a loan is offered, the letter contains language reminding the student of the loan obligation should they choose to receive it. If the letter is not received within 14 days but is received within the applicable late disbursement provisions outlined in 34CFR168.164 and the student/parent requests the funds, NEO will disburse the funds.

- Refunds and adjusted bills will be sent to the student's home address on file in the Office of Admissions, following withdrawal. Students are responsible for any portion of their institutional charges that are left outstanding after Title IV funds are returned.

- **Unofficial Withdrawal**
 - Instructors must report a "last date of attendance" (LDA) when giving a student a failing grade in a term. The LDA as reported by a student's instructors will be used to determine the date when a student ceased attending classes.
 - Students who receive failing grades in all of their classes in a term, because of non-attendance, will be considered to have "Unofficially Withdrawn" from NEO.
 - Students who are considered an "Unofficial Withdraw" will be subject to the same Return to Title IV policy as students that officially withdraw from NEO.

- **Institutional and student responsibilities in regard to the return of Title IV funds:**
 - NEO's responsibilities in regard to the return of Title IV funds include:
 - providing each student with the information given in this policy;
 - identifying students who are affected by this policy and completing the Return of Title IV Funds calculation for those students;
 - Returning any Title IV funds that are due the Title IV programs.

 - The student's responsibilities in regard to the return of Title IF funds include:
 - becoming familiar with the Return of Title IV Policy and how complete withdrawal affects eligibility for Title IV aid;
 - 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.

- The fees, procedures, and policies listed above supersede those published previously and are subject to change at any time.
- Any notification of a withdrawal or cancellation of classes should be in writing and addressed to the Office of Admissions.

If you would like examples of the refund policy, contact the Financial Aid Office.