

### **Federal Return of Title IV Funds Policy**

The U.S. Department of Education mandates the Office of Financial Aid recalculate federal financial aid eligibility for students who withdraw (officially or unofficially), are dismissed, or take a leave of absence.

An **official withdraw** is when a student submits a request to the Office of Records and Registration or uses MyUB to withdraw from all classes. An **unofficial withdraw** is when a student stops attending all of his/her classes during the semester, does not follow the college procedure to officially withdraw as outlined in the UB Catalog, and fails to successfully complete the term (i.e., receives all final grades of F, FA, W, WA, or a combination of both).

When a student completely withdraws from the University of Baltimore while receiving Title IV aid, the Office of Financial Aid must determine what portions of the student's aid will be returned to the financial aid programs. The financial aid office uses a federal formula created by the Department of Education to calculate the amounts of "earned" vs. "unearned" aid.

$$\frac{\text{Number of days completed}}{\text{Total days in semester}} = \text{percentage of aid } \underline{\text{earned}}$$

$$100\% - \text{percentage of aid earned} = \text{percentage of aid } \underline{\text{unearned}}$$

Funds are returned to the appropriate federal programs based on the percentage of unearned aid.

The institution must return the amount of Title IV funds for which it is responsible no later than 45 days after the determination of the date of the student's withdrawal. Any return of financial aid funds may cause a balance, which the student will be responsible for paying.

Refunds are allocated in the following order:

- Unsubsidized Stafford Loan
- Subsidized Stafford Loan
- Federal Perkins Loan
- Federal Graduate PLUS Loan
- Federal Parent PLUS Loan
- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (SEOG)

