Title IV funds are 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 a school 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 amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, the student is eligible to receive a post-withdrawal disbursement of the earned aid that was not received.

Federal regulations require a recalculation of financial aid eligibility if a student:

- Completely withdraws, or;
- Stops attending before the end of the semester/payment period, or;
- Does not complete all modules (courses which are not scheduled for the entire semester or payment period for which he/she has registered at the time those modules began.)
- Does not provide written confirmation to SWC at the time of ceasing attendance of future attendance of a module during the same payment period.

Failing to begin attendance

If a student receives financial aid, but never attends any class meetings, the Financial Aid Office must return all disbursed funds to the respective federal and institutional aid programs.

When a student stops attending or fails to begin attendance in a scheduled course, the student will need to confirm in writing future attendance in a Title IV eligible course later in the semester (the course will need to start no later than 45 calendar days after the end of the course the student ceased attending). If the student fails to confirm future attendance a Return of Title IV calculation will be required. Note: If a student officially drops courses in a later module while still attending a current module, the student is not considered as withdrawn based on not attending the later module. However, a recalculation of aid based on a change in enrollment status may still be required.

Reducing number of units and possible overpayment

When a student chooses to reduce their course/unit load, but remains enrolled, this results in a change in enrollment status and no R2T4 calculation is required. However, the student’s financial aid amount will be adjusted accordingly and an eligibility calculation will be performed. This could result in an overpayment of aid, creating a student liability that will be have to be repaid. The student will have 30 days from notification to pay this liability directly to the school. Once the 30 days have passed, the student liability will be forwarded to the Department of Education’s Debt Resolution Services Office and reported on NSLDS as an “overpayment”. At that time, the student will no longer be eligible for Title IV aid until the overpayment is paid in full or a payment plan is arranged with the Department of Education.
**Withdrawing from classes**

Unless a student completes **more than 60 percent** of the term in which federal aid was disbursed, the student will be required to return all or part of the financial aid disbursed in the term. This applies to students who have officially (including medical), or unofficially withdrawn. For a student who withdraws after the 60 percent of the term, all funds are considered to have been “earned”. However, a school must still determine whether the student is eligible for a post-withdrawal disbursement.

**Types of Withdrawals**

There are two types of withdrawals: official and unofficial

- **An official** withdrawal is initiated by the student and is determined by “the student’s withdrawal date, or the date of notification, whichever is later.”
  - For official withdrawal, the date is determined by the date of the official withdrawal from classes or the student’s last date of academically related activity.

- **An unofficial** withdrawal occurs when there is no notification or official withdrawal by the student, so the withdrawal date is based on “the date that the College becomes aware that the student has ceased attendance”. If the student does not officially drop a course(s) and fails all courses in a term, it will be considered an unofficial withdrawal, even if the student was enrolled in the course(s) for the entire term.

For unofficial withdrawal, if a student stops attending classes without notifying SWC, the withdrawal date will be the midpoint of the semester or the last date of academic related activity determined by SWC. Additional documentation supporting the last date of academic activity may be provided by the student if they verify a later date of attendance than determined by SWC.
  - Examples of Southwestern College (SWC) academic-related activities include but are not limited to physically attending a class where there is an opportunity for direct interaction between the instructor and students.
    - Proof of participation:
    - Exams, quizzes, or tutorials
    - Computer-assisted instruction
    - Completion of an academic assignment, paper or project
    - Participating in an online discussion about academic matters
    - Initiating contact with a faculty member to ask a question about the academic subject studied in the course
  - Documentation not acceptable as proof of participation
    - Student’s self-certification of attendance that is not supported by school documentation
    - Participating in academic counseling or advising

If the student is enrolled in short-term courses (or modules) and the student withdraws and does not attend a subsequent short-term class, it is considered a complete withdrawal. If at the time of withdrawal the student will attend and is enrolled in another short-term course that will begin within 45 days of the same payment period, but fails to provide written confirmation of future attendance in the subsequent module, the student is considered a complete withdrawal. If the student fails to attend the subsequent module, the withdrawal date will be that of the prior module.
**Students who fail to complete any classes or who receive all failing grades**

Financial aid is awarded under the assumption that the student will attend Southwestern College for the entire term for which federal assistance was disbursed. When the student has failed to earn a passing grade in at least one class for the term, federal regulations require the school to determine whether the student established eligibility for funds disbursed by attending at least one class or participating in any SWC academic-related activity. If the school cannot verify that the student meets that requirement, all financial aid must be repaid to the federal and institutional programs. Student will be responsible for any balance due.

If the student has not completely withdrawn but has failed to earn a passing grade in at least one class for the term, federal regulations require the school to determine whether the student established eligibility for financial aid. Eligibility is based on if the student attended at least one class or participated in any SWC academic-related activity. All disbursed funds must be returned to the federal and institutional aid programs if the student was not enrolled in one class or participated academic-related activity.

When the student has a combination of fail and withdraw grades for the term, approximately 50% of the financial aid must be repaid. Student will be responsible for any balance due.

**Student notification of repayment obligation**

After the type and date of withdrawal is determined, the R2T4 calculation will be completed within 30 days. If the student was overpaid, they will be notified via email of the amount and program of funds that are required to be returned. Students who have an Institutional Liability owed to Southwestern College as a result of an R2T4 calculation/overpayment will have a hold placed on their record, prohibiting registering for subsequent semesters or receiving academic transcripts until the balance is paid in full.

Students who have a Student Liability will be given a period of time to pay off the amount due in full to the institution. If payment is not received in full by the given date, the overpayment will be reported to NSLDS and referred to the Department of Education’s Debt Resolution Services for any student portion due. Note: Students who have a student liability as a result of withdrawals initially will retain their eligibility for Title IV funds for a maximum of 45 days from the earlier of: 1. the date the school sends the student notice of the overpayment, or 2. the date the school was required to notify the student of the overpayment. Once the overpayment is forwarded to NSLDS, the student may contact the DOE’s Debt Resolution Services at 1-800-261-3115 to resolve the student portion of the overpayment.

Mandatory fees, which include Tuition Fees, Enrollment Fees, Student Center Fees and Health Fees, are required to be included in any Title IV calculation.

**Order of repayment to federal aid programs**

1. Federal Direct Loans, Unsubsidized
2. Federal Direct Loans, Subsidized
3. Federal Pell Grant
4. Federal Supplemental Educational Opportunity Grant (FSEOG)
**Post Withdrawal Disbursement**

If a student did not receive all of the funds that he/she earned, the student may be due a post withdrawal disbursement. Southwestern College may use all or a portion of a student’s post-withdrawal disbursement (including student loan funds, if accepted) to offset any eligible, outstanding tuition and fees.

A post-withdrawal disbursement must be made within 180 days of the date the institution determines that the student withdrew. The amount of a post-withdrawal disbursement is determined by a federally-mandated calculation.

**School and Student responsibilities in regard to the R2T4 policy & process**

Southwestern College’s responsibilities:

- Providing each student with the information given in this policy;
- Identifying students affected by this policy and completing the Return of Title IV Funds (R2T4) calculation;
- Informing the student of the result of the R2T4 calculation and any balance owed to SWC as a result of a required return of funds;
- Returning any unearned Title IV aid that is due to the Title IV programs and, if applicable, notifying the borrower’s holder of federal loan funds of the student’s withdrawal date;
- Notifying student and/or Plus borrower of eligibility for a Post-Withdraw Disbursement, if applicable.

Students’ responsibilities:

- Becoming familiar with the Return of Title IV Funds (R2T4) policy and how withdrawing from all courses effects eligibility for Title IV aid;
- Resolving any outstanding balance owed to the SWC resulting from a required return of unearned Title IV aid;
- Resolving any repayment to the U.S. Department of Education as a result of an overpayment of Title IV grant funds.

Questions about Title IV Financial Aid program funds can addressed to the Federal Student Aid Information Center at 1-800-4-FEDaida (1-800-433-3243). TTY users may call 1-800-730-8913. Students may contact Debt Resolution Services (defaulted loans & overpayment issues) at 1-800-621-3115. Information is also available on Student Aid on the Web at [http://www.studentaid.ed.gov](http://www.studentaid.ed.gov)

Note: The procedures and policies listed above are subject to change without advance notice based on changes to federal laws, federal regulations, or school policies. If changes are made, students must abide by the most current policy.