

Treatment of Federal Aid When a Student Withdraws

Federal Student Aid funds are awarded to you, a student, under the assumption that you will attend school for the entire period for which the assistance is awarded. When you withdraw, you may no longer be eligible for the full amount of Title IV funds that you were originally scheduled to receive. The Title IV programs that are covered by this law are: Federal Pell Grants, Stafford Loans, PLUS Loans, Federal Supplemental Educational Opportunity Grants (FSEOGs), Federal Perkins Loans and in some cases, certain state grant aid (LEAP/SLEAP), GEAR UP grants, and SSS grants to students.

When you withdraw during your payment period, the amount of Title IV program assistance that you have earned up to that point is determined by a specific formula. If you received (or UCF or your parent received on your behalf) less assistance than the amount that you earned, you may be able to receive those additional funds. If you received more assistance than you earned, the excess funds must be returned by UCF and/or you.

The amount of assistance that you have earned is determined on a pro rata basis. For example, if you completed 30% of your payment period or period of enrollment, you earn 30% of the assistance you were originally scheduled to receive. Once you have completed more than 60% of the payment period or period of enrollment, you earn all the assistance that you were scheduled to receive for that period.

If you did not receive all of the funds that you earned, you may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, you may choose to decline the loan funds, so that you don't incur additional debt. UCF may automatically use all or a portion of your post-withdrawal disbursement (including loan funds, if you accept them) for any unpaid charges on your student account.

There are Title IV funds that may be scheduled to receive that a student cannot *earn* once the student withdraws because of other eligibility requirements. For example, once you withdraw you automatically become ineligible for a second or subsequent loan disbursement.

If you receive (or UCF or your parent receives on your behalf) excess Title IV program funds that must be returned, UCF must return a portion of the excess equal to the lesser of:

1. your institutional charges multiplied by the unearned percentage of your funds, or
2. the entire amount of excess funds.

UCF is required to return this amount even if it didn't keep this amount of your Title IV program funds. In general, UCF returns the school portion from the revenue that was collected from your tuition charges for that semester. UCF may charge you for all or a portion of the school portion of the returned funds. This is often the case when a tuition waiver, third party payment, or departmental payment covered your tuition, and all of the aid was refunded to you. Additionally, if you had housing charges for the semester, you may owe money back.

If UCF is not required to return all of the excess funds, you must return the remaining amount. Any loan funds that you must return, you (or your parent for a PLUS Loan) repay in accordance with the terms of the promissory note. That is, you make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that you must return is called an *overpayment*. The amount of a grant overpayment that you must repay is half of the unearned amount. UCF will return your portion of the unearned grant funds, and you will be required to repay UCF.