When the federal Higher Education Act (HEA) of 1965 was amended in 1998, a new concept was established with regard to HEA Title IV student financial aid programs. **The new concept is that students must earn their Title IV federal financial aid. If they do not stay enrolled long enough to earn all of their aid, then some of the aid has to be returned to the HEA Title IV programs as unearned Title IV aid.** The return of unearned Title IV funds policy has been in effect since the fall of 2000.

HEA Title IV financial aid programs include Federal Pell Grant, Federal Academic Competitiveness Grant, Federal Supplemental Educational Opportunity Grant, Federal Work Study and Federal Stafford Loans. HEA Title IV law and regulations, concerning the return of unearned federal financial aid, do NOT affect Federal Work Study earnings. Only grants and loans are impacted by this policy.

A return of Title IV Funds calculation must be performed for Title IV students who completely withdraw from the semester/payment period of enrollment for which he/she was charged. **Official withdrawal** occurs when the student notifies St. Louis Community College to be withdrawn from all classes through the Admissions/Registration office. Students who want to withdraw from courses should withdraw by using the appropriate form that is submitted to the Admissions/Registration office. **Unofficial withdrawal** occurs when the student simply ceases to attend classes and receives grades of “F,” “W” or “U” in all of their classes. Pursuant to federal guidelines, the college will determine a last date of attendance for those students.

The return of unearned Title IV funds policy will impact only those students who withdraw or cease to attend all of their courses before 60 percent of the semester is completed.

When a student withdraws, federal law and regulations require institutions to make a timely refund of “unearned institutional charges” assessed the student by the institution, back to the HEA Title IV programs. When a student withdraws, the institution must also determine if the student owes a repayment of unearned Title IV funds that the institution either disbursed to the student directly or credited the student's account to pay for “non-institutional” costs. **The U.S. Department of Education gives colleges the option of billing students for the unearned HEA Title IV funds that the school has to pay as a part of institutional charges. As a result, the student may owe St. Louis Community College and/or the Department of Education.** The method in which unearned HEA Title IV funds are returned to the Title IV programs is based on a federally mandated formula.

If the student owes unearned Title IV funds from a federal program, the college must notify the student within 30 days of determining the student's withdrawal. The student retains eligibility for Title IV funds from an initial 45-day period, during which one of the following should happen: (1) student repays unearned Title IV funds in full or (2) the student makes satisfactory arrangements with the U.S. Department of Education to repay the unearned Title IV funds. In addition, the student must repay the college the money that the college pays to USDE for unearned institutional charges. If the student fails to take the appropriate steps, he/she loses eligibility for HEA Title IV funds.

For further explanation of the return of Title IV funds policy, please contact the Financial Aid office for assistance.