

Policy Summary

This policy specifies the treatment of title IV funds when a student withdraws from a term in accordance with CFR 34 668.22.

This applies to students who discontinue enrollment in all classes, on or after the first day of the term. When a student withdraws, two separate calculations must take place:

1. A refund of fees must be calculated by the Registrar's office.
2. The Office of Financial Aid and Scholarships must calculate the Return of aid.

Details regarding procedures can be found within the OFAS Fiscal Operation process manual on Confluence.

Definitions

Title IV: Title IV of the Higher Education Act of 1965, as amended in 1998, (Title IV, and HEA program) establishes general rules that apply to federal student financial assistance programs. For purposes of Return of Title IV Funds, these programs include: Pell and Federal Supplemental Educational Opportunity (FSEOG) Grants, Direct Loans, Direct PLUS Loans and Perkins Loans.

Refund of fees: calculated by the Office of the Registrar. More information available here:
<http://registrar.sa.ucsb.edu/fees-residency/fee-information/fee-refunds>

Policy Statement

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 they were originally scheduled to receive.

This policy does not apply to students who cancel their registration prior to the first day of classes or to students who drop some but not all of their classes. However, students should notify our office of any changes they make because their continued eligibility may be affected.

The official office of record for withdrawals is the Registrar. Details regarding the withdrawal process, including procedures, can be found here: <https://tinyurl.com/withdraw-ucsb>

Return of Title IV Funds When a student withdraws, OFAS calculates the amount of financial aid earned prior to withdrawing. Earned aid is determined by taking the number of days attended before enrollment ended divided by the total number of days in the term (first day of instruction until the last day of finals). Any Title IV aid received in excess of the earned amount is considered unearned. Once the earned and unearned aid percentages are determined, the next step is to calculate the dollar amount of unearned aid that must be returned. The Return amount is determined by multiplying the unearned aid percentage by the total of all Title IV aid received.

Unearned Aid Percentage X Total of all Title IV Funds Received = Total Unearned Aid

Unearned aid must be returned back to the respective federal aid program. OFAS ensures that this aid is returned no later than 45 days from the date of a student's withdrawal. Financial aid will be returned to the aid program from which it came. If returned to a loan program, your outstanding balance will be reduced by the amount of the return. Aid will be returned in the following order:

1. Unsubsidized Direct Loan 2. Subsidized Direct Loan 3. Federal Perkins Loan 4. Direct PLUS Loan 5. Federal Pell Grants 6. Federal Supplemental Educational Opportunity Grant 7. Iraq and Afghanistan Service Grant

If the student is a Work-Study employee, he or she will no longer be eligible to receive payment from federal Work-Study funds effective immediately upon withdrawal. Non-Title IV aid programs (such as Cal Grants and UCSB Scholarships) are also subject to reduction in cases of a withdrawal, in accordance with state and university policies. If a student withdraws after the 60% date of the term, there are no unearned funds. Return of aid only applies to students who withdraw prior to the 60% date of the term. Withdrawal after this point will not result in any adjustments to financial aid for that quarter. In most instances, the fee refund will be less than the total unearned aid amount. As a result, when a student withdraws, it is likely that a balance will be created on the student's BARC account for the difference between the fee refund and the return of aid amount. The student is responsible for paying this balance.

Unofficial Withdrawals Students who "walk away" and do not pass any of their courses in a term will have disbursed financial aid reduced. Federal regulations require that OFAS recalculates aid eligibility as if the student unofficially withdrew at the midpoint of the term (50% completion).

Post withdrawal disbursement Students may be eligible for a late or post-withdrawal disbursement if they have accepted aid that did not disburse at the time of withdrawal. OFAS will send a notification of PWD eligibility directly to the student, which will include directions on accepting or declining the aid. If no response is received within approximately two weeks of notification, the award will be canceled.

Refund of Fees Based on the withdrawal date determined by the Office of Registrar, students may receive a full or partial fee refund. Refund of fees is based on the number of calendar days (not school days) completed until the date the withdrawal is filed. The refund schedule is based on whether the student is new or continuing.

Compliance / Responsibilities

1) OFAS will determine any post-withdrawal disbursement eligibility and notify students within 30

days of the official withdrawal determination date. 2) Any required return of TIV funds will be calculated and refunded to the aid program within

45 days of the official withdrawal determination date. 3) Students may view our Financial Aid Matters and Policy Information pages on our website for

further information: <https://www.finaid.ucsb.edu/policies-and-disclosures> 4) Students who undergo an R2T4 calculation receive an outcome notification via email to their

school U-mail accounts. This includes contact information for our withdrawal process team in the event of follow up questions. 5) All R2T4 calculations are reviewed by Management for accuracy and timeliness.