

# WITHDRAWALS AND RETURN OF FEDERAL FINANCIAL AID

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As part of the Higher Education Amendments of 1998, Congress passed provisions governing what occurs to federal financial aid if students completely withdraw from school in any term. The law assumes that students “earn” federal financial aid award directly in proportion to the number of days of the term attended. For example, if a student completes 30% of the term, he/she earns 30% of the assistance he/she was originally scheduled to receive. This means that 70% of the scheduled awards remain unearned and must be returned to the federal government.

If a student withdraws from the College (either officially or unofficially) or ceases attendance in all courses before completing more than 60% of the term, he/she may have to repay any unearned federal monies that were already disbursed. The student must either repay the disbursed monies that were unearned in full or make satisfactory arrangements with either the College or the Department of Education. Students must complete these repayment arrangements within 45 days of the date of the College’s notification of overpayment status or risk losing eligibility for additional federal financial assistance. In addition, students may owe the College money for tuition that was originally covered by financial aid funds.