



FEDERAL STUDENT AID

Return of Unearned Aid

Policy Revised: 5.11.23 | Policy Effective: 5.11.23

NWC participates in Federal Student Aid (Title IV) programs and is required to publish its policy on unearned federal aid calculations. The following definitions, policies, and process apply when a student who has received federal student aid for the payment period withdraws from the College, voluntarily or involuntarily after the semester has begun, or does not otherwise complete the full payment period.

INSTITUTIONAL WITHDRAWAL PROCESSES

After a payment period has begun, a student may choose to withdraw from select courses or the institution as a whole.

Withdrawal from Courses – Students who withdraw from a course receive a *tuition & fee* refund in accordance with the College's refund policy. Review the College's Catalog for withdrawal requirements and for complete refund calculations (institutional & federal) in the *Academic Procedures and Policies* and *Expenses and Financial Aid* sections (<http://catalog.nwc.edu/>).

Withdrawal from College – To withdraw from the College, a student must complete an official *Complete Withdrawal* request via the College's online request form (accessible from the "Student Forms" tile within the Student Portal) or an official *Change of Status/Total Withdrawal* form, which can be obtained at the Enrollment Services Office (100 Orendorff Bldg.). Review the College's Catalog for withdrawal requirements and for complete refund calculations (institutional & federal) in the *Academic Procedures and Policies* and *Expenses and Financial Aid* sections (<http://catalog.nwc.edu/>).

WHO IS SUBJECT TO RETURN OF UNEARNED FEDERAL AID

All federal student aid recipients who withdraw, drop out, are expelled, are administratively withdrawn after the first day of the semester, receive failing grades for all courses within a semester (F, UF, U), or do not otherwise complete the payment period (and for programs taught in modules, where the student does not meet standards for Federal Student Aid withdrawal exemptions on, or after, 7.1.21) will be subject to this Federal Student Aid *Return of Unearned Aid* policy.

This policy applies to students who have been awarded assistance through the Federal Pell Grant, FSEOG, or Federal Direct Loans. For these students, this policy overrides & supersedes the Northwest College Institutional Refund Policy, which is published in the *Semester Class Schedule* and *Northwest College Catalog*.

If a student receives federal student aid and; (a) does not register for courses, (b) registers but does not begin attendance, or (c) withdraws, drops out, or otherwise cancels his or her registration on or before the first day of classes, all federal aid offered to that student for that semester will be cancelled.

DETERMINATION OF STUDENT SEPARATION DATES

The Financial Aid Offices uses these methods for determining a student's withdrawal/separation dates:

Official Withdrawals (student-initiated withdrawals & dropouts). The Financial Aid Office uses the date the student initiates the withdrawal process as indicated on the student's official withdrawal *Change of Status/Total Withdrawal* form as the date the student notifies the College of their intent to withdraw from all current courses when calculating unearned federal aid for the payment period/semester (form available in the Enrollment Services' Office). For those students who do not submit an official withdrawal form, the Financial Aid Office uses the latest course withdrawal date as the official withdrawal date when calculating unearned federal aid for the payment period/semester.

Unofficial Withdrawals (expulsions & administrative withdrawals). When available, the Financial Aid Office uses instructor-supplied last date of course attendance as the withdrawal date for students who have been administratively withdrawn from the college (considered an "unofficial withdrawal" as the withdrawal is not initiated by the student), or the last day of scheduled instruction prior to the commencement of a scheduled break that is omitted from Return of Unearned Aid calculations if the last day of course attendance occurred during said scheduled break, to calculate unearned federal aid for the payment period/semester. In the absence of instructor-supplied last dates of attendance, the Financial Aid office uses the latest date of administrative withdrawal request, as submitted by the student's instructors, to calculate unearned federal aid for the semester.

All F grades (non-passing grades for all completed semester courses). Students who earned failing grades in all completed payment period/semester courses are subject to the "All F Grades" policy, housed within the College's Satisfactory Academic Progress (SAP) policy.

for federal student aid. SAP policy located here: www.nwc.edu/fapolicy. When available, the Financial Aid Office uses instructor-supplied last date of attendance, or the last day of scheduled instruction prior to the commencement of a scheduled break that is omitted from Return of Unearned Aid calculations if the last day of course attendance occurred during said scheduled break, in each failed course as the student's individual course withdrawal date. In the absence of instructor-supplied last dates of attendance, the Financial Aid office uses semester's midpoint as the student's individual failed course withdrawal date. The Financial Aid Office uses the latest of all individual course withdrawal dates within the semester (voluntary course withdrawal, instructor last date of attendance, administratively withdrawal, semester midpoint, last day of scheduled instruction prior to a scheduled break, or module course end date) to determine the unofficial withdrawal date used to complete the unearned federal aid calculation.

Incomplete payment period (programs taught in modules). For students who do not complete the payment period and are enrolled in at least one course that is shorter in length than the full semester (courses that do not span the full length of the semester are defined as "modules" and enrollment in at least one module course stipulates that the student's program is considered to be a program taught in modules for that payment period), the Financial Aid Office determines whether the student meets any of Federal Student Aid's defined *Return of Unearned Aid* withdrawal exemptions for programs taught in modules in effect, on or after 7.1.21. Students who do not meet the requirements for *Return of Unearned Aid* withdrawal exemption must have an unearned student aid calculation performed. *Return of Unearned Aid* calculation for students enrolled in programs taught in modules includes:

- attendance records of the student; and,
- the number of days (start/end dates) within the payment period; and,
- the number of days (start/end dates) in each module within the semester; and,
- common breaks (number of days) between all modules within the semester; and,
- all breaks of five (5) or more consecutive days; and,
- the types of federal student aid awarded for the payment period and whether or not each module was included in the award calculation.

Northwest College does not utilize a Refund Freeze Date (RFD) when calculating unearned federal aid as it is not in the student's best interest when calculating the student's percentage of unearned student aid.

UNEARNED AID CALCULATIONS

Determinations:

1. Return of Unearned Federal Aid regulations require a refund calculation be performed on any federal student aid recipient who withdraws from the College.

Withdrawal from enrollment in a program not taught in modules. Defined as withdrawal from enrollment solely in courses that run the full length of the semester (full length courses are not defined as module courses) before completing 100.00% of the payment period.

Withdrawal from enrollment in a program taught in modules. Defined as withdrawal from enrollment in a mixture of course(s) where at least one course runs the full length of the semester (not defined as a module course) and at least one course does not (defined as a module) before completing 100% of the payment period, or withdrawal from enrollment solely in module courses. Effective 7.1.21, students who withdraw from a program taught in modules qualify for a withdrawal exemption for the purposes of a *Return of Unearned Aid* calculation when the student successfully completes:

- All requirements for graduation but the payment period has not ended; or,
- A module or combination of modules that contain 49.00% or more of the number of days of the payment period (minus the number of days in common breaks between modules and all breaks of 5 or more consecutive days); or,
- Coursework equal to or greater than the coursework required for the College's definition of a half-time student for the payment period.

Successful completion of coursework equivalent to half-time enrollment is defined as successful completion of a minimum of 6.0 academic credits. Successful completion of academic credits is defined as passing the applicable course. Dropping or withdrawal from a course or receiving failing or incomplete grades for a course do not meet the definition of successful completion. Students enrolled in programs taught in modules who qualify for a withdrawal exemption are considered not to have withdrawn for *Return of Unearned Aid* calculation purposes, including enrollment reporting Title IV regulations and no *Return of Unearned Aid* calculation is required. However, students who qualify for a Title IV withdrawal exemption are still considered to have withdrawn from the College and remain subject to all other non-Title IV enrollment reporting requirements.

2. The percentage of a payment period calculation is completed according to the type of enrollment the student has selected.

Withdrawal from enrollment in a program not taught in modules. For withdrawal solely from courses that run the full length of the semester, the number of days of semester enrollment, up to and including the withdrawal day, is divided by the number of days in the payment period (minus all breaks of 5 or more consecutive days within the semester) to determine the percentage of enrollment completed.

Withdrawal from enrollment in a program taught in modules. For withdrawal from enrollment with a mixture of full length and modular courses where at least one course runs the full length of the payment period and one course does not, or solely from modular courses where no course spans the full length of the payment period, the number of days of payment period

enrollment, up to and including the withdrawal day, is divided by the number of days the number of days within all enrolled modules (minus the number of days in common breaks between each module and all breaks of 5 or more consecutive days in length) that were used to determine the types and amounts of federal student aid awarded to the student, or by the number of days within all modules in which the student was enrolled at the time of withdrawal if the student had dropped all subsequent modules prior to withdrawing from the College (applicable when the Pell grant is the only type of federal student aid awarded).

3. When a *Return of Unearned Aid* calculation demonstrates that a student has completed 60.01% or more of their calculated payment period the student is considered to have fully earned all eligible federal financial aid for the payment period. Students who complete <60.01% of the payment period have not earned 100.00% of their eligible federal aid and are required to repay a prorated amount of aid received unless the student has qualified for a waiver while in a program taught in modules.

Processes:

1. This percentage is multiplied by the total federal aid received to determine the amount of earned aid, which is subtracted from total aid received to determine the amount of unearned aid. The total institutional charges are multiplied against the portion of the semester that was not completed to determine the unearned institutional charges. Whichever dollar amount is less (unearned aid or unearned institutional charges) is the amount of total unearned federal aid.
2. These unearned funds are then returned to the financial aid programs in the order specified by federal regulations (listed below) within 45 days of the withdrawal date of determination.
3. If a student has received unearned funds that must be repaid to these programs, Northwest College will notify the student in writing of the amounts and to which programs they owe within 45 days of withdrawal from the College.
4. Return of unearned federal aid calculations that result in a credit balance on the student's account will be disbursed to the student within 14 days of the unearned federal aid calculation.
5. Students who are eligible for undisbursed aid after withdrawal from the College will receive a federal student aid post-withdrawal disbursement notice within 30 days of the date of withdrawal determination with a finite period of time stated during which the student may accept all or a portion of the post-withdrawal disbursement. Eligible post-withdrawal federal grant aid is automatically applied to a student's account, but all eligible post-withdrawal federal student loan disbursements require a student's written acceptance confirmation prior to disbursement. Students who do not respond to the College by end of the post-withdrawal period of eligibility timeframe stated in the post-withdrawal notice, or do not respond at all, shall have the post-withdrawal disbursement canceled by the College and shall become no longer eligible for a post-withdrawal disbursement for that period of enrollment.

ORDER IN WHICH UNEARNED FEDERAL AID IS RETURNED

Federal student aid regulations require unearned aid to be returned toward federal student aid programs in this specific order:

1. Unsubsidized Direct Loans (other than Direct PLUS Loans)
2. Subsidized Direct Loans
3. Direct PLUS Loans
4. Federal Pell Grants for which a return is required
5. Iraq and Afghanistan Service Grant, for which a return is required
6. Federal Supplemental Educational Opportunity Grants (FSEOG)
7. TEACH Grants for which a return is required (NWC does not participate in the TEACH grant program)

RELATED POLICIES

Students who have signed a campus housing contract will be subject to the terms of that contract and will not receive financial aid for any debt thereby incurred. Students may be required to repay a portion or all of the assistance they received for living expenses, as well as other expenses.