

Return of Unearned Financial Aid

Returning Aid to Title IV Programs

The responsibility for returning unearned aid is allocated between Messenger College and the student according to the portion of disbursed aid that could have been used to cover Messenger College charges and the portion that could have been disbursed directly to the student once charges were covered. Messenger College will distribute the unearned aid back to the Title IV programs as specified by law. The student will be billed for the amount the student owes the Title IV programs and Messenger College. Examples of refund calculations are available in the Business Office.

Students who receive financial aid under the Title IV program and withdraw from school before the end of the term must repay all or part of the funds. This policy is effective only if the student completely terminates his/her enrollment by official withdrawal, is dismissed from classes, or stops attending classes without an official withdrawal, before completing more than sixty percent of the semester.

Definition of Title IV Funds:

The term "Title IV Funds" refers to the federal financial aid programs authorized under the Higher Education Act of 1965 (as amended) and includes the following programs at Messenger College: Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, and Federal Direct Loans (subsidized, unsubsidized, and parent PLUS loans).

The amount of the refund of institutional fees for students withdrawing will be calculated according to the policy in the catalog. This is a separate policy from the Return of Title IV Funds Policy.

Funds will be returned in the following order:

1. Unsubsidized Direct Federal Loan
2. Subsidized Direct Federal Loan
3. Parent Plus Direct Federal Loan
4. Federal Pell Grant
5. Federal Supplemental Educational Opportunity Grant

Post Withdrawal Disbursements

If it is determined that a student had earned Title IV funds which had not yet been disbursed to them they are offered a post-withdrawal disbursement.

A post-withdrawal disbursement of Title IV grants does not require permission from the student. A student's permission is not required to credit a student's account with the post-withdrawal disbursement for current charges for tuition, fees, and room and board up to the amount of the outstanding charges, or for minor (e.g., under \$200) prior year charges that the school has authorization to retain. However, the student's authorization must be obtained before crediting the account for charges other than current charges.

A post-withdrawal disbursement must be made from available grant funds before available loans funds.

Title IV Credit Balances

Any pending Title IV credits are placed on hold once the institution determines that a student has withdrawn. Any Title IV credit remaining after the R2T4 calculation and resulting adjustments must be paid to the student within 14 days of the calculation.

Post withdrawal disbursement to student for earned Title IV funds in excess of outstanding current (educationally related) charges from the date of determination that student withdrew:

- Loans – As soon as possible but no later than 180 days
- Pell Grants – As soon as possible but no later than 45 days