

## **Grace College Federal Aid Refund Policy**

### **Undergraduate Federal Aid Refund Policy**

The Financial Aid Office is required by federal law to determine how much financial aid was earned by students who withdraw, drop out, or are dismissed prior to completing 60% of a payment period or term. For a student who withdraws after the 60% point-in-time, there are no unearned funds.

The calculation is based on the percentage of earned aid using the following Federal Return of Title IV funds formula:

Percentage of payment period or term completed = the number of days completed up to the withdrawal date divided by the total days in the payment period or term. (Any break of five days or more is not counted as part of the days in the term.) This percentage is also the percentage of earned aid.

Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula:

Aid to be returned = (100% of the aid that could be disbursed minus the percentage of earned aid) multiplied by the total amount of aid that could have been disbursed during the payment period or term.)

If a student earned less aid than was disbursed then the institution would be required to return a portion of the funds and the student would be required to return a portion of the funds. Keep in mind that when Title IV funds are returned, the student borrower may owe a balance to the institution.

The institution must return the amount of Title IV funds for which it is responsible no later than 45 days after the date of the determination of the date of the student's withdrawal.

Refunds are allocated in the following order:

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

**Graduate Federal Aid Refund Policy**

Same as above except the refunds are allocated in the following order:

1. Unsubsidized Federal Direct Loan
2. Federal Direct Grad PLUS Loan

**Undergraduate Indiana state aid**

Students must be enrolled for four weeks before any of the state aid has been earned. If a student withdraws during weeks one through four, no state aid may be kept and will have to be returned to the state of Indiana. After week four, all state aid may be kept towards tuition charges since tuition is not refunded after the fourth week.

**Undergraduate Institutional aid**

During the first four weeks of the semester, a student "earns" institutional aid in proportion to the length of time he/she remains enrolled. The student will earn the same percentage of institutional aid as he/she is charged for tuition. If a student withdraws after the fourth week, he/she will receive no refund of tuition charges and thus will have "earned" all institutional aid for that semester.