

RETURN OF FEDERAL FINANCIAL AID

Return of Federal Financial Aid for Students Who Withdraw From All Classes Within a Term

The law specifies how your school must determine the amount of Title IV program assistance that you earn if you withdraw from school. The Title IV programs that are covered by this law are: Federal Pell Grants, Iraq and Afghanistan Service Grants, TEACH Grants, Direct Loans, Direct PLUS Loans, and Federal Supplemental Educational Opportunity Grants (FSEOGs).

Though your aid is posted to your account at the start of each semester, you earn the funds as you complete the semester. If you withdraw during the semester, the amount of Title IV program assistance that you have earned up to that point is determined by a specific formula. If you received (or if TAMUT or your parent received on your behalf) less assistance than the amount that you earned, you may be able to receive those additional funds. If you received more assistance than you earned, the excess funds must be returned by the school and/or you.

The amount of assistance that you have earned is determined on a pro rata basis. For example, if you completed 30% of your payment period or period of enrollment, you earn 30% of the assistance you were originally scheduled to receive. Once you have completed more than 60% of the payment period or period of enrollment, you earn all the assistance that you were scheduled to receive for that period.

To calculate the amount of aid a student has earned, the Financial Aid Office will divide the number of calendar days the student attended classes by the total number of calendar days in the semester (scheduled breaks of 5 days or more will be deducted out of the equation). The resulting percentage is then multiplied by the total amount of federal funds that was disbursed for the semester. The result of this calculation determines the amount of aid earned by the student. Any amount exceeding the earned calculation amount must be returned to the federal government by either the university or the student. The Financial Aid Office will notify and instruct any students who owe money because the university has returned the appropriate amount to the government for the student. Funds returned on your behalf may result in a balance on your account, which you are then responsible for paying in accordance with [TAMUT's refund policy](#).

If you did not receive all of the funds that you earned, you may be due a post-withdrawal disbursement. If your post-withdrawal disbursement includes loan funds, your school must get your permission before it can disburse them. You may choose to decline some or all of the loan funds so that you don't incur additional debt. Your school may automatically use all or a portion of your post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges (as contracted with the school). The school needs your permission to use the post-withdrawal grant disbursement for all other school charges. If you do not give your permission (some schools ask for this when you enroll), you will be offered the funds. However, it may be in your best interest to allow the school to keep the funds to reduce your debt at the school.

If you receive (or TAMUT or your parent receives on your behalf) excess Title IV program funds that must be returned to the federal government, TAMUT must return a portion of the excess equal to the lesser of:

- your institutional charges multiplied by the unearned percentage of your funds, or
- the entire amount of excess funds.

TAMUT must return this amount even if excess funds were refunded to the student at the time of disbursement.

Any loan funds that you must return to the federal government, you (or your parent for a Direct PLUS Loan) repay in accordance with the terms of the promissory note. That is, you make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that you must return is called an overpayment. The maximum amount of a grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You do not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. You must make arrangements with TAMUT to return the unearned grant funds to avoid being reported to the Department of Education as an overpayment, which may result in your being ineligible for future federal funds.

Title IV aid that must be returned to the federal government must be allocated in the following order:

1. Unsubsidized Federal Stafford Loans
2. Subsidized Federal Stafford Loans
3. Federal Graduate Plus (Student) Loans
4. Federal Parent (PLUS) Loans
5. Federal Pell Grant
6. Federal SEOG
7. TEACH Grant
8. Iraq & Afghanistan Service Grants

The requirements for Title IV program funds when you withdraw are separate from any refund policy that your school may have. Therefore, you may still owe funds to the school to cover unpaid institutional charges. Your school may also charge you for any Title IV program funds that the school was required to return.

[Refund Policy](#)

[Procedures for Withdrawing](#)

It is a wise practice to consult the Financial Aid Office and academic advisors before completely withdrawing from the university. This will provide an opportunity for you to understand the consequences of a complete withdrawal, receive valid estimates of potential monies owed, and become educated on the consequences a complete withdrawal may have on your Satisfactory Academic Progress (SAP). A complete withdrawal can result in ineligibility for financial assistance from Texas A&M University-Texarkana in the future, due to your not completing a specified number of credit hours for which aid was disbursed.

For additional information, you may contact the Financial Aid Office at:

Enrollment Services: 1st Floor of the Building for Academic and Student Services

Phone: (903) 334-6601

Fax: (903) 223-3140

Email: finaid@tamut.edu

Mailing Address:

Texas A&M University-Texarkana

Office of Financial Aid and Veteran Services

7101 University Ave

Texarkana, TX 75503