East Tennessee State University
Return of Title IV Funds Policy 2016-2017

THIS POLICY SHALL APPLY TO ALL STUDENTS AT EAST TENNESSEE STATE UNIVERSITY (ETSU) WHO RECEIVE FINANCIAL AID FROM TITLE IV FUNDS AND WHO TOTALLY WITHDRAW, DROP OUT, OR STOP ATTENDING ALL CLASSES WITHOUT OFFICIALLY WITHDRAWING.

Students who withdraw from all classes prior to completing more than 60% of an enrollment term will have their aid recalculated based on the percent of the term they completed. For example, a student who withdraws completing only 30% of the term will have “earned” only 30% of any Title IV aid received. The remaining 70% must be returned. Read this policy carefully. If you are thinking about withdrawing from all classes or have stopped attending all classes (unofficial withdrawal) PRIOR to completing 60% of the semester, please CONTACT the Financial Aid Office to see how your withdrawal will affect your financial aid and your possible repayment.

“Title IV Funds” refers to the federal financial aid programs authorized under the Higher Education Act of 1965 (as amended) and includes: Direct Loans, Perkins Loans, Federal Pell Grants, Federal Supplemental Education Opportunity Grants (FSEOG), Iraq and Afghanistan Service Grants, and Teach Grants.

Unofficial Withdrawals: Unofficial withdrawal occurs when a student ceases attendance in all registered classes for a specified term but does not complete the official withdrawal procedures. The withdrawal date determined for unofficial withdrawals is the last date of attendance as reported by instructors electronically.

A student’s withdrawal date is:

The date the student began the institution’s withdrawal process (as described in ETSU’s Office of Financial Aid Website).

❖ or officially notified the institution of intent to withdraw or
❖ The midpoint or later date of the period for a student who stops attending all classes without notifying the institution; or
❖ Student’s last date of attendance at a documented academically-related activity.

Exception: For veterans receiving veteran’s benefits the date of withdrawal will be the last date of attendance or date of the last documented academically-related activity. The withdrawal date for students who withdraw prior to the census date is the last date of attendance or date of the last documented academically-related activity.

Students may drop classes on GoldLink or a withdrawal could be in writing and addressed to the Registrar’s Office in Burgin Dossett Hall, Room 101.

Refunds on all institutional charges (tuition and fees and books if charged) will be calculated using the state refund policy published on the ETSU Bursar’s Office Website. Refunds calculated by ETSU as the result of students who drop classes but who do not totally withdraw from the institution will be returned to the student.
The percentage of Title IV aid unearned to be returned to the appropriate program shall be 100% minus the percent earned. No program can receive a refund if the student did not receive aid from that program. Unearned aid shall be returned first by ETSU from the student's account to the appropriate programs in this order: Unsubsidized Direct Loans; Subsidized Direct Loans; Federal Perkins Loans; Direct PLUS Loans; Federal Pell Grants; FSEOG; Teach Grants; Iraq and Afghanistan Service Grant.

** Amounts to be returned by the student to federal grant programs will be reduced by 50%. A student does not owe a repayment if the original grant overpayment is $50 or less.

The Financial Aid Office will notify the student of the amount of repayment within 30 days of determining the student's withdrawal. The student has 30 calendar days after notification to make a repayment in full or make satisfactory repayment arrangements with ETSU's Bursar's Office.

If the student does not repay the entire amount or make satisfactory repayment arrangements within the time allotted, any repayment owed will be sent to the U.S. Department of Education for collection. The student then has the opportunity to repay or make satisfactory repayment arrangements with the U.S. Department of Education. **STUDENTS WHO HAVE NOT REPAID OR MADE ARRANGEMENTS TO REPAY WILL BE INELIGIBLE FOR TITLE IV AID AT ANY COLLEGE/UNIVERSITY.**

Examples:

- **Reed** enrolled in Spring classes which started on January 19. There are 103 days in the term. He received a total of $7,888 (Federal Pell $2,888, State Grant $1000, Direct Subsidized Loan $500, and Direct Unsubsidized Loan $3500). His educational charges were $4197.50. Reed withdrew on February 2—he had completed 15 days; 14.5% of the term was earned. ETSU would have to return $3,585 (Direct Unsubsidized Loan $3463; Direct Subsidized Loan $122). Reed must repay $444 Federal Pell to the Department of Education and will owe ETSU $3463 for funds returned to the Department of Education on his behalf.

- **Casey** enrolled in Fall classes which started on August 24. There are 109 days in the term. Casey received a total of $5,444 (Federal Pell $1444, State Grant $1000, FSEOG grant $500, and Lottery $2500). Her educational charges were $4,111.50. Casey withdrew on September 29—she had completed 37 days; 33.9% of the term was earned. ETSU would have to return $1285 to Federal Pell. Casey will owe ETSU $1285 for funds returned to the Department of Education on her behalf.

- **Parker** enrolled in Fall classes which started on August 24. There are 109 days in the term. Parker received a total of $6263 (Federal Pell $1263, Lottery $1750, Institutional Scholarship $500, Direct Unsubsidized Loan of $1000 and Direct Subsidized Loan $1750). His educational charges were $4,076.50. Parker withdrew on October 26—he had completed 64 days; 58.7% of the term was earned. ETSU would have to return a total of $1646 (Direct Unsubsidized Loan $990 and Direct Subsidized Loan $656). Parker will owe ETSU $1646 for funds returned to the Department of Education on his behalf.
NOTE: Students are responsible for making any federal grant repayments. **THEY MUST ALSO REPAY ETSU FOR ANY FUNDS RETURNED TO THE U.S. DEPARTMENT OF EDUCATION ON THEIR BEHALF.** Students may submit a written appeal for a refund to the school's Bursar's Office for extenuating circumstances surrounding their withdrawal from school. For more information about the ETSU’s refund policy, please see the [Fee Adjustment (Refund) Policy](#) on the Bursar’s website.

*Worksheets for these calculations are available upon request in the Financial Aid Office.*