

Return to Title IV Policy (R2T4)

Effective with the Fall 2000 Term, the federal government changed how federal financial aid is determined for students who withdraw from all their classes. If a student receiving Title IV funds completely withdraws from classes through 60% of the term, the university is required to determine how much of the financial aid was earned up to the time of withdrawal. Unearned Title IV funds must be returned by the University and/or the student to the federal government. This situation could result in the student owing aid funds to the University, the government or both.

How will my Financial Aid be Calculated after I withdraw

The federal formula requires return of Title IV aid if the student received federal financial assistance in the form of a Pell Grant, Supplemental Educational Opportunity Grant, Federal Perkins Loan, Federal Direct Student Loans or PLUS Loan, Teach Grants or Iraq & Afghanistan Sv. Grants and withdraws on or before 60% of the term.

To determine the amount of aid the student has earned up to the time of withdrawal, divide the number of calendar days the student attended classes by the total number of calendar days in the term. Scheduled breaks of more than five days or more are excluded. The percentage derived is then multiplied by the total federal funds that were disbursed (either to the student's account or to the student directly by check) for the term. This calculation determines the amount of aid earned by the student, which he/she may keep (for example, if the student attended 25% of the term, the student has earned 25% of the aid disbursed).

How Do You Know If I Stop Attending

For financial aid purposes there are two types of withdrawals: Official and Unofficial.

Official – an official withdrawal occurs when the student has notified the One Stop of his/her intent to withdraw from LTU. For the policy and procedure of Official Withdrawals, review the LTU Catalog, Academic Policies section. Contact the One Stop for more information.

Unofficial – an unofficial withdrawal occurs when the student has not provided official notification of withdrawal to LTU.

Students who wish to drop or withdraw from a course or courses must do so online through Banner Web. The date of the drop or withdrawal will be the date that the student completes the process on Banner Web. Instructors notify Enrollment Services if a student stops attending or never attended a class. For online courses, non-attendance is lack of participation in the online courses. Enrollment Services contacts the student by email informing them "we have been notified of non-attendance". The student has ten days to respond by either withdrawing from the course (if it is still within the withdrawal period) or by resolving the issue with the instructor. If the student does not take any action, a "WF" or "WN" grade is issued to the student. The last date of attendance as reported by the instructor is recorded as a requirement for Financial Aid processing of Return to Title IV. If it has been determined that a student has unofficially withdrawn, the Return to Title IV calculations will assume 50% of the term completed-unless documentation supporting the last date of academic activity can be provided by the student if it verifies a later date of attendance than determined by LTU. Documentation supporting the last date of academic activity should be brought to the OneStop. See below for examples of academically-related activities.

Definition Of An Academic Related Activity

Examples of LTU academic-related activities include but are not limited to physically attending a class where there is an opportunity for direct interaction between the instructor and students. Proof of participation:

- Exams or quizzes
- Tutorials
- Computer-assisted instruction
- Completion of an academic assignment, paper or project
- Participating in online discussion about academic matters
- Initiating contact with a faculty member to ask a question about the academic subject in the course

When is my aid returned?

The unearned amount (total aid disbursed less the earned amount) must be returned to the federal government as soon as possible but no later than 45 days from the determination of the withdrawal by the University.

A post withdrawal disbursement of funds will be made to the student if the amount disbursed to the student is less than the amount the student earned, and for which the student was otherwise eligible he/she is eligible to receive a post withdrawal disbursement of the earned aid that was not received. The University will notify the student if this situation exists within 30 days of the date of determination of the withdrawal.

ORDER OF RETURN OF TITLE IV FUNDS

Funds that are returned to the federal government are used to reduce the outstanding balances in individual federal programs. Financial aid returned (by the University and/or the student or parent) must be allocated in the following order:

1. Federal Unsubsidized Direct Stafford Loan
2. Federal Subsidized Direct Stafford Loan
3. Federal Direct Plus (Parent) Loan received on behalf of the student
4. Federal Pell Grants
5. Iraq and Afghanistan Service Grants
6. FSEOG Program aid Federal Supplemental Educational Opportunity Grant
7. TEACH Grants

Once a determination of earned Federal aid is made, the Office of Financial Aid will notify each affected withdrawn student of eligibility. Grants will be disbursed within 45 days of determining the post-withdrawn amount. Post-withdrawal loans will be offered to the student or parent before funds can be applied to the student's account. The offer requires acceptance or denial in writing within 14 days of receipt of the notice. Loans must be disbursed within 30 days of the date the university determines that the student withdrew.

- Loans disbursed are payable under the terms and conditions as outlined in the promissory note. Most Direct Loan borrowers will enter repayment six months after withdrawal unless they begin classes on a half-time basis (6 credits undergraduate/3 credits graduate) before the end of their six-month grace period.

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Eligibility for Michigan Competitive Scholarship/Michigan Tuition Grant funds are calculated based on a formula provided by the Michigan Office of Scholarships and Grants.

University funds are calculated using the same percentage used in the federal calculation for Title IV funds. University funds are applied only if there is a balance owed by the student to the University.

It is important to realize that a key component of satisfactory academic progress is course completion. A total withdrawal contributes no completed credits to an academic transcript. Absence of course completion during a term could be viewed negatively in positive progress towards degree completion.

Questions and concerns should be directed to the One Stop Center at (248) 204-2280 or enrollmentservices@ltu.edu. The Office of Financial Aid encourages all students to meet with their academic advisor and to take advantage of the resources offered in the Counseling and Support Services Office before withdrawing.