

Return of Title IV Funds Policy

As a result of the Higher Education Act amendments of 1998, a student who completely withdraws from classes, receives all F's, or a combination of both during the term may be required to repay a percentage of the Title IV Financial Aid funds received.

The federal regulations assume that students “earn” their financial aid over the course of a term by attending and participating in classes. A student cannot “earn” all of their financial aid unless they attend and/or academically participate in more than 60% of the term. (This calculation counts all calendar days, including the first and last day of each term, weekends and holidays.) A student who completes more than 60% of the term has earned all of their Financial Aid assistance.

If a student withdraws or stops attending before 60% of the term, they have not “earned” all of their financial aid funds. Federal regulations require the college to perform a Return to Title IV (R2T4) calculation to determine the amount of any unearned aid the student received that must be returned to the federal programs.

EXAMPLE: A student who withdraws completing 30% of the term will have “earned” only 30% of the Title IV Financial Aid, the remaining 70% must be returned.

Students who fail to receive a passing grade in any class are considered unofficially withdrawn and the midpoint (50%) of the term is used to determine the amount of funding that must be repaid.

The Financial Aid Office will review official records periodically throughout the term and at the end of each term for student withdrawals. The college returns funds to financial aid programs received in the following order:

- Unsubsidized Federal Direct Loan*
- Subsidized Federal Direct Loan*
- Federal Direct PLUS Loan*
- Federal Pell Grant**
- Federal Supplemental Educational Opportunity Grant**
- Other Title IV funds**

* Federal loans are repaid under the terms and conditions of the promissory note.

**Amounts to be returned by the student to federal grant programs will be reduced by 50% of the total grant aid disbursed.

The student will be mailed a written copy of the withdrawal calculations, showing the amount of unearned aid the school will refund from institutional costs and the amount the student must pay. The student has 45 days from the date of the bill to pay the amount shown in full, or to make arrangements with the Financial Aid Office for a payment plan. If the amount is not paid, or if arrangements are made for a payment plan, but payments are not made as scheduled, the balance will be turned over to the U.S. Department of Education for collection.

Location: 4000 Lancaster Drive NE, Salem, OR

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General Information: 503.399.5000

chemeketa.edu