

Return of Title IV Funds Policy

The Higher Education Amendments of 1998 changed the formula for calculating the amount of aid a student and school can retain when the student totally withdraws from all classes. Students who withdraw from all classes prior to completing more than 60% of a term will have their eligibility for federal aid recalculated based on the percent of the term completed. For example, a student who withdraws after completing only 30% of the term will have earned only 30% of any Title IV aid received. The remaining 70% must be returned by the school and/or the student.

The Financial Aid Office encourages you to read this policy carefully. If you are considering withdrawing from all classes *prior* to completing 60% (60 days) of the term, you should contact the FAO to see how your withdrawal will affect your financial aid.

This policy applies only to students who:

1. Are receiving federal student aid; and
2. Are withdrawing prior to completing 60% of the term for which the aid was provided.

All other students will be subject to Art Centers Institutional Refund Policy as outlined in the Art Center catalog.

Please note that this policy does not affect the amount of tuition the accounting office returns to you. The Accounting Office refunds a certain percentage of tuition and fees through week 5 of the term as specified on the withdrawal form. Therefore, depending on the date of withdrawal and the amount and type of financial aid received, you could owe a substantial balance to the college.

First, the college will restore to the appropriate federal fund source a proportional share of the federal financial aid that went toward your institutional charges. Second, if there is more aid to be returned, you will be required to return portions of amounts that you received to pay for living expenses. If you must return any loan funds, you may repay them in the same way you would have if you had completed the term by the original terms of your loans usually a 10-year repayment term after a grace period. In the case of any federal grant funds that you must repay, Art Center will return the funds to the programs and you may repay Art Center.

Funds will be returned to federal programs in the following order:

Unsubsidized Stafford Loan
Subsidized Stafford Loan

PLUS Loan
Perkins Loan
Pell Grant
SEOG

If your financial aid file is complete at the time of your withdrawal but all of your federal funds have not been disbursed, you may be eligible for a post-withdrawal disbursement.

The withdrawal date used will normally be the date you began the schools withdrawal process by contacting the Enrollment Services Office. If you wish to withdraw or take a leave, you must go to the Enrollment Services Office and complete a Withdrawal or Leave of Absence form. If this is not possible, contact Enrollment Services so they can begin the process for you.

Other funds which do not come under the Federal policy may also be returned. Art Center Scholarships and Cal Grants will be returned following the Institutional Tuition Refund policy. For example, if the school refunds 80% of tuition, 80% of the scholarship will be returned to the scholarship fund and 80% of the Cal Grant will have to be returned to the California Student Aid Commission. Since the Accounting Office policy refunds tuition through Week Five of the term only, Cal Grants and scholarships will not be returned after that point.

PRIVATE LOANS

If, after tuition charges have been adjusted and other financial aid has been returned to programs as appropriate, there is a credit balance on your tuition account, we will contact you for your authorization to return the excess funds to your private lender. We strongly counsel that these funds be returned in order to reduce your overall debt burden.