

## Treatment of Federal Student Aid When A Student Withdraws

The law specifies how CV-TEC must determine the amount of Federal Student Aid (FSA) funds that you earn if you withdraw from school. Even though you are awarded your student aid at the beginning of your enrollment, you actually earn the aid as you attend the program day by day. When you withdraw, the amount of FSA funds that you have earned up to that point is determined by a specific formula. If you received (or CV-TEC or 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 CV-TEC and/or you.

As outlined in Disbursing Federal Student Aid, even though our full time programs can reach more than 1000 clock hours, for financial aid purposes, a full time academic year is defined as 900 clock hours. Each academic year consist of two (2) payment periods, each being 450 clock hours in length.

The amount of SFA funds that you have earned is determined on a prorated basis. For example, once the 30% mark of your payment period has been reached, you earn 30% of the SFA funds you were originally scheduled to receive for that payment period. Once the 60% mark of your payment period has been reached, you earn 100% of the SFA funds that you were scheduled to receive for that payment period. For a clock hour program, the percentage of the period completed is determined by dividing the number of hours the student was scheduled to complete in the payment period, as of the date the student withdrew, by the total number of clock hours in the same period.

If you receive (or CV-TEC or parents receive on your behalf) excess FSA funds that must be returned, CV-TEC must return a portion of the excess equal to the lesser of:

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

CV-TEC must return this amount even if it did not keep this amount of your FSA funds.

If CV-TEC is not required to return all of the excess funds, you must return the remaining amount. Any loan funds that you must return, you (or your parent for a 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 unearned amount. You must make arrangements with CV-TEC or the Department of Education to return the unearned grant funds.

The requirements for FSA funds when you withdraw are separate from any refund policy that CV-TEC may have. Therefore, you may still owe funds to CV-TEC to cover unpaid institutional charges. CV-TEC may also charge you for any FSA program funds that CV-TEC was required to return.

When FSA funds have to be returned, federal regulations require that CV-TEC must return funds in the following order:

- \* Unsubsidized Loan
- \* Subsidized Loan
- \* PLUS (Parent) Loan
- \* Pell Grant

If you don't already know CV-TEC's Refund Policy, you can view it [here](#) (link to page). CV-TEC can also provide you with the requirements and procedures for officially withdrawing from school.

If you have questions about your Federal Student Aid funds, you can call the Federal Student Aid Information Center at:

1-800-4FEDAID (1-800-433-3243)

TTY users may call 1-800-730-8913

Information is also available on "Student Aid on the Web" at [www.studentaid.ed.gov](http://www.studentaid.ed.gov).

The Financial Aid Office at CV-TEC is also available to assist you. Just call (518) 957-2245