

How a Withdrawal Affects Financial Aid

Federal Student Aid (FSA), also known as Title IV funding, is awarded under the assumption that a student will complete course(s) for the entire semester and/or payment period for which the funds were awarded. When a student ceases attendance or withdraws from eligible scheduled courses for the payment period, officially and/or unofficially, regardless of the reason, the student may no longer be eligible for the full amount of Title IV funds originally awarded.

The return of funds to the federal government is based on the premise that financial aid is earned in proportion to the length of time during which the student attended. A pro-rated schedule determines the amount of federal aid a student has earned while attending. For example, a student who withdraws in the second week of the semester has earned less of his/her financial aid than a student who withdraws in the fifth week.

Once the 60% point in the semester/payment period is reached, a student is considered to have earned all of the financial aid originally awarded and will not be required to return any funds.

Financial aid that is processed for a student who never begins attendance in any class will be canceled.

If a recipient of Title IV funds stops attending after beginning attendance, the amount of Title IV assistance earned by the student must be determined. If the amount disbursed to the student is greater than the amount the student earned, the unearned funds must be returned to the federal program(s). If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she is eligible to receive a post-withdrawal disbursement of the earned aid that was not received.

Earned versus Unearned Title IV Funding

If a student is attending classes and officially or unofficially withdraws, ceases attendance, or withdraws 100% from all eligible scheduled courses in the payment period in question, federal regulations require to calculate the amount of Federal Title IV funds earned during the term from which the student withdrew.

The percent earned is equal to the number of calendar days completed up to the withdrawal (officially or unofficially) date divided by the total number of calendar days in the semester/payment period. Breaks of 5 days or longer are not included in the count of total days in the payment period.

Earned Percent = Number of Days Completed ÷ Total Days in Payment Period

Unearned Percent = 100% - Earned Percent

As a result of a withdrawal, students who received federal funds will be required to repay unearned aid. Student's earned, or unearned portion will be repaid in accordance to the terms of the borrower's promissory note. The repayment calculation is performed utilizing the federal government's repayment worksheet see link below for access to the federal worksheet:

Post-Withdrawal Disbursements

When the total amount of the Title IV assistance earned as of the withdrawal date is more than the amount that was disbursed to the student, the difference between the two amounts will be treated as a post-withdrawal disbursement.

Post-Withdrawal Disbursement of Federal Loan Funds

If a post-withdrawal disbursement includes federal loan funds, the University must obtain the students, or parent if a PLUS loan, permission before it can be disbursed. The borrower will be notified within 30 days of the date of determination of withdrawal of the opportunity to accept all or a part of the post-withdrawal disbursement. The student or parent has 14 days from the date of notification to respond. The University will disburse the loan funds within 180 days of the date of determination of the student's withdrawal date. Loan funds will be applied towards the outstanding semester charges on the student's account and may pay up to the amount of the allowable charges. Any remainder will be paid directly to the student or parent.

Determination of Withdrawal Date

The return of TIV funds process begins when the student officially and/or unofficially withdraws from or stops attending courses. The withdrawal date used in the return calculation of a student's federal financial aid is the date the student began the official withdrawal process and/or the date of the student's notification that they wish to withdraw. If a student stops attending classes without notifying, the withdrawal date will be the midpoint of the semester or the last date of academic activity as documented by the student's instructor.

Not Started

Instructors are required to report each term whether or not a student begins/does not begin attendance in a course. If a student does not begin attendance in a course, that course must be taken out of consideration for TIV funds. The TIV funds will be recalculated excluding that course. Depending on the remaining hours of registration, students may have their aid partially reduced or fully reduced. Students may also be subject to Title IV return calculations resulting in a reduction or cancelation of Title IV aid.

Students who do not plan to attend and will not be participating in a course should drop the class prior to the start of the term (or, at the very least, within the 100% refund period) to avoid Title IV aid recalculation.

Never Attended, Failed (NF) and Stopped Attending, Failed (SF) Grades

Students who receive grades of NF or SF during a term will be subject to recalculation of their financial aid eligibility, even if the student later withdraws from that course.

Any course that is graded as an NF (Never Attended Fail) must be taken out of consideration for Title IV aid. The Title IV aid for the term will be recalculated excluding that course. Depending on the remaining hours of registration, students may have their aid partially or fully reduced. Students

with no remaining courses or having withdrawn from all attended courses are also subject to federal aid return calculations.

Students who do not attend and will not be participating in a course should drop the class prior to the start of the term (or within the 100% refund period) to avoid financial aid recalculation at the end of the term.

Order of Return to Federal Aid Programs

In accordance with federal regulations, unearned aid will be returned to the federal programs within 45 days of the student's withdrawal in the following order:

Federal Direct Unsubsidized Loan

Federal Direct Subsidized Loan

Federal Direct Parent Loan for Undergraduate Students (PLUS)

Exchange rate

When Direct Loans funds are returned to the Department of Education, the calculation of the funds is in US Dollars using the original U.S. dollar amount of the loan funds, our institution will use the exchange rate from the Central Bank of Costa Rica that is posted the day of the calculation of the return of funds.

Additional Loan Information to Consider When Withdrawing

If the student is not enrolled at least half-time for more than 6 months, their loans will go into repayment. More specifically the student's six (6) month grace period begins the day their enrollment status drops below half-time. The student must complete Exit Loan Counseling at www.studentloans.gov and contact their servicer to make payment arrangements. Loans must be repaid by the loan borrower (student/parent) as outlined in the terms of the borrower's promissory note. The student should contact the servicer if they have questions regarding their grace period or repayment status.

Consequences of Non-Repayment

Students who owe the US Department of Education for an overpayment of Title IV funds are not eligible for any additional federal financial aid until the overpayment is paid in full or payment arrangements are made with the US Department of Education.

Students who owe the institution because of the return of Title IV funds calculation will not be eligible to register for subsequent semesters or receive academic transcripts until the balance is paid in full.

How a Withdrawal Affects Future Financial Aid Eligibility

Refer to the Financial Aid Office Satisfactory Academic Progress Policy to determine how a withdrawal impacts aid eligibility.

University's Tuition Refund Policy

CHAPTER 6. REFUNDS R2T4.

Article 62. Regulations of the Program for Disbursement of Title IV (R2T4) for students receiving federal loans.

Description: Up through the 60% point in each payment period or period of enrollment, a prorated schedule is used to determine the amount of Title IV funds the student has earned at the time of withdrawal. After the 60% point in the payment period or period of enrollment, a student has earned 100% of the Title IV funds he or she was scheduled to receive during the period.

Office involved: The International Relations Department handles the R2T4 Form, its responsibilities are to determine the basic principles, payment period or period of enrollment, withdrawal date, date of determination, leave of absence and case studies as per information notified by Register Office. When a student ceases attendance prior to the end of the term, the student may not be eligible for the full amount of Title IV funds the student was scheduled to receive.

Procedure: Register Office notifies International Relations Department about the absence of the student and declares officially to withdraw the student. International Relations Department determines the payment period, payment of enrollment, withdrawal date, the last date of determination, calculates percent of period completed, determines amount earned by applying percent completed to total of amounts disbursed and amounts that could have been disbursed, returns unearned funds to Title IV programs, or pays student post-withdrawal disbursement, determines Title IV overpayment. In case a student lets the school know they will withdraw, there is an Exit Interview with the student where all information is provided and filed.

In the event that the student decides to withdraw from (a) some subject (s) or from the University at all, the Office of Federal Loans of the University will determine the amount of reimbursement of the Title IV program (Direct Loan or Stafford Loans). The Federal Loans Office uses forms and software that provides the Education Department of the United States to calculate the repayment of Title IV funds. The funds must be delivered to the lender within a maximum of 45 days from the day determined that the student withdrew.

Article 63. R2T4 and Disbursement Period. When the student withdraws during the period of payment, the amount of Title IV of the program of assistance he/she has received up to that moment is determined by a specific formula. If the day of withdrawal is before the day he/she reported to the Registration Department or the director of the program about his/her attempt of withdrawal, or the day that the student delivered the Removal of Subjects Form, if the student received or the University received less assistance than required from the student, he/she can obtain additional funds, if the student received more assistance than required, the excess funds must be returned by the school and/or the student.

Article 64. Removal of Subjects.

The Universidad de Iberoamérica determines that school attendance is mandatory. A justified withdrawal is granted with permission of the Dean, the Registration office and the Office of Federal Loans. If for some reason the student is absent from class by more than 15% of the total of the course in an academic year, he/she will receive an unjustified withdrawal from the professor authorized by the Dean.

Article 65. Attendance. Students who do not attend classes will be reported to the Registration Department, which will notify the Dean of the Faculty. The Dean will consult with the Professor and the Faculty to check if the student never attended or to verify what was the last date of attendance. Without a 'Removal of Subjects Form' officially filled out by the student, the University will take the last date of attendance to perform the R2T4 form.

In case the student notifies the Dean or a member of the Faculty that he/she intends to withdraw the subjects (s), the student will be informed that must fill out the 'Removal of Subjects Form', document the date in which the University was notified and provide the information to the Registration Department. If the student does not give the Form to the Registration Department, but there is evidence in writing that he/she notified about his/her retirement, the most recent date will be used for the calculation, with the R2T4 formula.

Article 66. Failed Students and Attendance. In the event that the student fails all the subjects, the Dean will contact the members of the Faculty to determine if the respective grades were acquired by merit or by lack of attendance. In case it is determined that they were acquired by lack of attendance, the Dean and the Faculty will try to determine the last day of attendance, which is used to determine the R2T4 calculations. If the exact date cannot be determined, the University will assume 50% of attendance and will use that date as the last of attendance. Students who do not attend any class, are not eligible for a federal loan and must return all of the funds to the Bank that guarantees the loan.

Article 67. Amount of Reimbursement. The attendance rate is calculated by dividing the number of days of attendance by the total of days that are in the period of the loan. For example, if the student completes 30% of the study period, he/she has received 30% of the financial support. Once the student completes more than 60% of the class, the academic support received will be awarded. In the event that the student did not receive the total of the federal loan, he/she can request it or reimburse it. The Federal Loans office will use the R2T4 Forms of the United States Department of Education to determine the amount of the loan that the student can remove or refund.

Article 68. Institutional and non-institutional Charges. The student, when register in University and apply for federal loans, will automatically authorize the University to deduce the institutional and non-institutional charges. The University may use all or a part of the federal loan to cover tuition costs, registration and other non-institutional expenses. For any other charges, the University needs the student's permission to make payments. In the event that the student does not grant permission will not be offered the student federal loan.

Article 69. Special cases. There are federal funds the student requests at a certain moment, and that once approved he/she cannot receive them for failing to meet the eligibility requirements of the University, stipulated by this Regulation:

a) In the case of a student of first entry and first academic year who hasn't completed the first 30 days of the program before his/her retirement, this student will not receive federal loans. In case the first 30 days have passed, the student will receive part of the federal fund.

Article 70. Funds Excess. In case the student or the University (on behalf of the student) receives an excess of federal funds, the University will return the part of the federal funds equivalent or lower to:

to. The institutional charges multiplied by the percentage of not awarded funds, or

b. The total amount of excess funds.

The student is responsible of reimbursing the remaining amount. Any loan that may be repaid by the student, must be paid according to the "Master Promissory Note".

Article 71. Refund. Title IV funds are reimbursed in the following order:

a) Unsubsidized Federal Stafford loans

b) Subsidized Federal Stafford loans

c) PLUS Loan Funds