

Return of Financial Aid Policy:

According to federal law, the Financial Aid Office must recalculate Federal Title IV financial aid eligibility for students who withdraw from all classes, drop out, are dismissed, or take a leave of absence prior to completing more than 60% of a semester. Federal Title IV financial aid and all other aid are viewed as 100% earned after that point in time. Withdrawal date is defined as the actual date the student began the institution's withdrawal process, the student's last date of recorded attendance (if taken by an individual instructor), or the midpoint of the semester for a student who leaves without notifying the institution and/or receives failing grades for all classes in a given semester. The Federal Title IV programs covered under this policy include Federal Pell Grant, Federal SEOG, Federal Stafford Loans, and Federal PLUS Loan (Graduate Student or Parent).

The school and the student share the responsibility for returning Title IV aid. The school returns "unearned" Title IV funds that have been paid to the school to cover the student's institutional charges received from Title IV grants and/or loan programs. If the student owes funds back to the Title IV programs, the institution will advise the student. The student has 45 days from the date of notification from the institution to take action on the overpayment. If the student's portion of unearned Title IV funds included a federal grant, the student has to pay no more than 50% of the initial amount that the student is responsible for returning. Immediate repaying of the unearned loan amount is not required because the student repays the loan to the lender according to the terms or conditions in the promissory note. The institution will advise the lender of the student's withdrawal within 30 days of determining the student withdrew.

No additional disbursements may be made to the student for the enrollment period. If the student does not repay the amount owed to the Title IV programs or does not make satisfactory payment arrangements with the U.S. Department of Education, MCCN will report to the National Student Loan Data System (NSLDS) that the student received an overpayment. The student loses eligibility for further Title IV aid until resolved.

Recalculation is based on the percent of earned aid using the following formula:

Percent earned = Number of calendar days completed up to and including the withdrawal date/ total calendar days in the quarter/semester.

Federal Title IV financial aid is returned to the federal government (reducing student loan debt) based on the percent of unearned aid using the following formula:

Aid to be returned = (100% - percent earned) x the amount of aid disbursed toward institutional charges.

Return of Funds

Federal Title IV financial aid is returned in the order mandated by the U.S. Department of Education. No program can receive a refund if the student did not receive aid from that program. Funds must be returned within 45 days after the date of withdrawal determination. Return of funds required by the student for unearned aid is returned (repaid) in accordance to the terms of the loan on the promissory note. The order is as follows:

- Unsubsidized Direct Stafford Loan
- Subsidized Direct Stafford Loans
- Direct PLUS (Graduate Student or Parent)
- Pell Grant
- FSEOG

Post-Withdrawal Disbursements

If it is determined that a student is eligible for Federal Title IV financial aid funds that have not been disbursed, grant funds that the student is eligible for will be disbursed first. Federal aid that the student is eligible for will be credited to the student's account for outstanding charges. If the student has no outstanding charges or if there is a balance due the student after disbursement, MCCN will notify the student of his/her eligibility for the loans. The student must respond within 14 days of the date of the letter as to whether they want all, part, or none of the loan(s). If the student fails to respond within 14 days, no loan disbursement will be made.

Before calculating the amount of financial aid that must be cancelled, the following is taken into consideration:

If a promissory note for a Stafford Loan has not been signed and submitted by the student prior to the withdrawal date, the loan(s) is automatically cancelled.

If an entrance loan interview has not been completed by the student prior to the withdrawal date, the Stafford Loan is automatically cancelled.

If the student is a first-time attendee of MCCN and withdraws during the first-14 days of the semester, the Stafford Loan is automatically cancelled.

Students who have not completed verification are not eligible for financial aid and are not included under this policy.