

SMCC Quick Guide to Withdrawing and the Impact on Financial Aid

When a student receiving federal financial aid (grants and/or student loan funds) doesn't complete all the days in a semester that they were scheduled to attend, the student may be considered withdrawn and have to return part of the financial aid they have received. This apply to both official withdrawals and unofficial withdrawals.

Effective June 1, 2021, there are 3 exceptions which would exempt the student from being considered withdrawn for R2T4 purposes and earn 100% of their semester aid:

1. If the student successfully completed coursework in a module or combined modules that was comprised of more than 49% of the days in the payment period (semester) for which the student received federal aid. For example, earns a passing grade in an 8 week course and then withdraws from other courses.
2. If the student successfully completes 6 or more credits for the payment period (semester) at SMCC.
3. If the student graduated during the semester by completing the coursework early but did not complete all the days they were scheduled to attend. (This would be a rare occurrence)

Successful completion requires a passing grade (A, A-, A+, B, B-, B+, C, C-, C+, D, D+).

For students that are considered withdrawn...though your aid is disbursed to your account at the start of each semester, you earn the funds as you complete the payment period. If you are considered withdrawn during the semester, the amount of Title IV program assistance that you have earned up to that point is determined by a specific formula in accordance with the federal refund calculation established by the U.S. Department of Education.

The withdrawal date is the last date of attendance as reported by the SMCC Registration Office. The amount of assistance that you have earned is determined on a pro rata basis. For example, if you complete 30% of the semester, you earn 30% of the assistance you were originally scheduled to receive and 70% is considered unearned and needs to be returned. Once you have completed more than 60% of the semester, you earn all the assistance that you were scheduled to receive for that period.

The following is an example for illustrative purposes:

If there were 111 total days in the semester and the student completed 54 days, the student would earn 48.6 percent of the Title IV aid received ($54/111 = 48.6\%$). In this example, the student originally received the following federal awards for the term:

Pell Grant	\$2,887.00
Subsidized Federal Direct Loans	\$1,732.00
Total Federal Aid	\$4,619.00

Per the U.S. Department of Education's formula, the student earned \$2,245 ($48.6\% \times \$4,619 = \$2,245$)
Next, we need to determine the amount of aid that needs to be returned to the Title IV programs (total federal aid originally received minus aid earned).

Total Federal Aid Originally Received	\$4,619.00
Total Federal Aid Earned	- \$2,245.00
Total Federal Unearned Aid to be Returned	\$2,374.00

If you received (or your school or parent receive on your behalf) unearned Title IV program funds that must be returned, your school must return a portion of the unearned aid equal to the lesser of:

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

Title IV federal financial aid will be repaid to the appropriate program(s) as mandated by regulations published by the U.S. Department of Education. Title IV refunds will be repaid in the following order:

Unsubsidized Federal Direct Loan

Subsidized Federal Direct Loan

Federal Direct PLUS Loan

Federal Pell Grant

Iraq Afghanistan Service Grant

FSEOG Grant

When Title IV, HEA funds are returned, the student may owe a balance to the institution. A student will not be allowed to register for any future courses at SMCC until this balance is paid.

If you did not receive all of the funds that you earned, you may be due a post-withdrawal disbursement. If your post-withdrawal disbursement includes loan funds, SMCC must get your permission before it can disburse them. You may choose to decline some or all of the loan funds so that you don't incur additional debt.

A school must disburse any amount of a post-withdrawal disbursement of grant funds that is not credited to the student's account. Moreover, the school must make the disbursement as soon as possible but no later than 45 days after the date of the school's determination that the student withdrew.

There are some Title IV funds that you were scheduled to receive that cannot be disbursed to you once you withdraw because of other eligibility requirements. For example, if you are a first-time, first-year

undergraduate student and you have not completed the first 30 days of your program before you withdraw, you will not receive any Direct Loan funds that you would have received had you remained enrolled past the 30th day.

Students are encouraged to familiarize themselves with the College's refund policy and requirements and procedures for officially withdrawing from the school. All students who receive federal financial aid and who are considering withdrawing from the College are strongly encouraged to meet with a Financial Aid Office staff person prior to leaving the College.

If you have any questions about the withdrawal refund policy, please contact the SMCC Financial Aid Office by calling 207-741-5518 or email us at finaid@smccme.edu.