



## Treatment of Federal (Title IV) Aid When a Student Withdraws

Federal law specifies how Northwood determines the amount of Title IV aid you can earn if you completely withdraw from school. The Title IV programs that are covered by this law are: Federal Pell Grants, Academic Competitiveness Grants (ACG), National SMART Grants, TEACH Grants, Stafford Loans, PLUS Loans, Federal Supplemental Educational Opportunity Grants (FSEOGs), and Federal Perkins Loans.

Students wishing to officially withdraw from Northwood must provide the Registrar or Academic Dean's Office written notification of their intent to withdraw. The date of notification is the date Northwood will use for determining the amount of federal (Title IV) aid for which you remain qualified. Northwood has no "leave of absence" policy. Students that need an academic leave will be treated as a withdrawn student. In the event, you do not provide official notification of withdrawal, the notification date to be used in the Title IV calculation will be the latter of the midpoint of the term or your last day in an academically related activity, as documented by the Registrar's Office.

In the event you withdraw (officially or unofficially), Northwood will determine the amount of Title IV aid that you have earned up to that point in the term. This is determined by a specific formula. If you received (or your 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 Northwood and/or you.

The amount of assistance that you have earned is determined on a pro-rata basis. For example, if you completed 30% of your term you earn 30% of the assistance you were originally scheduled to receive. Once you have completed more than 60% of the term, you will earn all the assistance that you were scheduled to receive for the term. If you did not receive all of the funds that were earned, you may be due a post-withdrawal disbursement. An example of a Title IV calculation is available in the Financial Aid Office.

If your post-withdrawal disbursement includes loan funds, Northwood 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. Northwood may automatically use all or a portion of your post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges. However, Northwood would need your permission to use the post-withdrawal grant disbursement for any other school charges.

If you receive (or your parent receives on your behalf) excess Title IV funds that must be returned, Northwood must return a portion of the excess equal to the lesser of: your institutional charges multiplied by the unearned percentage of your funds, or the entire amount of excess funds. Northwood must return this amount even if we did not keep this amount on your student account. The excess financial aid will be returned to the applicable financial aid programs within 45 days of your official notification date or the date Northwood determined you withdrew (unofficially). Funds must be returned to the federal Title IV programs in the following order, up to the net amount disbursed from that source: Unsubsidized Federal Stafford Loan, Subsidized Federal Stafford Loan, Federal PLUS Loan,

Federal Pell Grant, Academic Competitiveness Grant, National SMART Grant, Federal Supplemental Educational Opportunity Grant (FSEOG).

If Northwood 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 grant funds you received or were scheduled to receive. You must make arrangements with Northwood or the Department of Education to return the unearned grant funds.

The requirements for federal Title IV aid when you withdraw are separate from Northwood's institutional refund policy. Therefore, you may still owe funds to Northwood to cover unpaid institutional charges. Northwood may also charge you for any Title IV aid that we were required to return. Northwood's institutional refund policy is available on the Business Office web pages.