Return of Federal Student Aid when Students Withdraw from College

If a student withdraws from college, federal law legally obligates SUNY Plattsburgh to return any unearned financial aid from Title IV programs back to the federal government on a pro-rated basis for students who withdraw from the college prior to 60% of the semester length. The student is responsible for any college account balance that is created by the return of unearned Title IV funds. The federal Title IV programs that are covered by this law are: Federal Pell Grants, Iraq Afghanistan Service Grants, TEACH Grants, Subsidized Loans, Unsubsidized Loans, PLUS Loans, Federal Supplemental Educational Opportunity Grants (FSEOGs), and Federal Perkins Loans.

When a student withdraws, the length of the semester and effective college withdrawal date determine the amount of federal financial aid funds that must be returned. If a student withdraws with an effective date prior to 60% of the semester, federal financial aid is earned proportionally based upon the percent of semester completed. If a student withdraws with an effective date after 60% of the semester, the student is considered to have earned 100% of federal aid and no funds must be returned to federal government.

The semester length is published in the college catalog and academic calendar. The effective college withdrawal date is established based upon whether the student withdraws officially or unofficially. An official college withdrawal occurs when a student completes the college process to withdraw from college. For an official withdrawal, the effective date is the date the student starts the college process to withdraw or notifies an appropriate office of their intent to withdraw. An unofficial college withdrawal occurs when a student never attends or stops actively participating in all courses in term. Active participation includes attending a class, completing an assignment, taking an exam or quiz, etc. If a course is online, it also includes participating in an online discussion, but would not include a simple login with no active participation. After a term ends, the Financial Aid Office reviews all students who did not earn any credits in a semester. For unofficial withdrawals, the effective withdrawal date is the last date of active participation in all classes in a semester. If the last date of active participation cannot be determined for all classes in a semester, per federal law, the effective college withdrawal date defaults to 50% or the latest date of active participation, whichever occurs later.

Once the semester length and effective college withdrawal date have been determined, SUNY Plattsburgh must return any unearned portion of federal funds. The amount of unearned funds to be returned is calculated using the following formulas:

- **Percent of Earned Funds** = \( \frac{\text{Number of days between the semester start date and effective college withdrawal date}}{\text{Number of days between the semester start date and semester end date}} \)
- **Percent of Unearned Funds** = 100% - Percent of earned federal Funds
- **Amount of Unearned Funds** = Percent of unearned funds * amount federal funds originally scheduled to receive
For example, suppose a student originally receives $1,000 in federal aid funds for a semester that lasts 100 days. If this student officially or unofficially withdraws with an effective date on day 30 of the semester, he or she would earn 30% of federal aid funds, leaving 70% unearned. In this example, SUNY Plattsburgh would be legally obligated to return $700 back to the federal government (70% * $1,000). The student would be responsible for any college account balance that was created from this return.

A student is considered to have earned 100% of federal aid funds if the effective withdrawal date occurs on or after 60% of the semester length. College breaks that last five or more days are excluded in the calculation of the semester length. Also note that SUNY Plattsburgh will return 100% of federal funds if a student never actively participated in a semester.

The requirements for the return of federal aid funds when you withdraw are separate from SUNY Plattsburgh's refund schedules for tuition and fees. Therefore, you may still owe funds to SUNY Plattsburgh to cover unpaid institutional charges. SUNY Plattsburgh may also charge you for any Title IV aid that the college was required to return. Visit our Bill Paying & Refunds webpage for more information regarding tuition and fee liability that result from withdrawals.

If you have questions about your Title IV program funds, contact the SUNY Plattsburgh Financial Aid Office or call the Federal Student Aid Information Center at 1-800-4-FEDAID (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.

Other Issues

If a student did not receive all of the funds that were earned, a student may be due a Post-withdrawal disbursement. If a Post-withdrawal disbursement includes loan funds, SUNY Plattsburgh must get the student’s permission before it can disburse them. A student may choose to decline some or all of the loan funds in order to avoid incurring additional debt. SUNY Plattsburgh may automatically use all or a portion of your Post-withdrawal disbursement of grant funds for tuition, fees, and SUNY Plattsburgh room and board charges. SUNY Plattsburgh needs the student’s permission to use the Post-withdrawal grant disbursement for all other college charges. If a student did not give SUNY Plattsburgh permission during the federal authorization request process, you will be offered the funds. However, it may be in the student’s best interest to allow SUNY Plattsburgh to keep the funds to reduce your debt at the college.

There are some Title IV funds that cannot be disbursed to a student after a withdrawal because of other eligibility requirements. For example, first-time, first-year undergraduate students who withdraw before completing 30 days are not eligible to receive any Direct Loan funds that would have been received had the student remained enrolled past the 30th day.