As required by the Higher Education Amendments of 1998, the Student Financial Aid Office must recalculate the Title IV Federal Financial Aid eligibility for any student who officially or unofficially withdraws, drops out, or is dismissed from Allegany College of Maryland prior to completing the enrollment period. A student earns Title IV Federal Financial Aid based upon the length of time the student remains enrolled during the enrollment period.

Title IV Federal Financial Aid refers to the federal programs ACM participates in as authorized under the Higher Education Act of 1965 (as amended) and includes the following programs: unsubsidized Federal Direct Student Loans, subsidized Federal Direct student loans, Federal Direct Plus loans, Federal Pell Grants, Federal Supplemental Educational Opportunity Grant, and the Iraq/Afghanistan Service Grant. (ACM does not participate in the Federal Perkins Loan program, the Federal Graduate PLUS Loan program, or the Federal SMART Grant program.)

A student’s withdrawal date will be determined as:

a. the date the student began the institutional withdrawal process or officially notified the institution of intent to withdraw; or
b. the midpoint of the period for a student who leaves without notifying the institution; or
c. the student’s last date of attendance at a documented academically-related activity.

Recalculation of federal aid is based on the percent of earned aid which is determined by one of the following:

a. If the day the student ceased attendance occurs on or before 60% of the enrollment period, the percentage of federal aid earned is equal to the percentage of the semester that was completed. Students who withdraw on or before this point may be required to return portions of their Federal Financial Aid. EXAMPLE: Student attends 40% of the semester, he/she earns 40% of the aid disbursed or that could be disbursed.

b. If the student ceases attendance after completing 60% of the enrollment period, all federal aid is considered to have been earned.

The determination of 60% of the semester is calculated by dividing the total number of calendar days in the term into the number of calendar days completed as of the date the student withdrew. Scheduled breaks of five or more consecutive days are excluded.

The difference between the earned aid and the total aid that was disbursed or could have been disbursed is “unearned aid.”

Unearned aid must be returned to the appropriate Title IV Financial Aid program. If the calculations determine that “unearned financial aid” has been credited to the student’s billing account, the institution will return those funds to the appropriate federal program. However, the student will then be responsible for any outstanding charges that remain when funds are returned. Calculations may also show that students are now ineligible for refunds of federal grants and/or loans that they have already received.

NOTE: Students who are responsible for returning “unearned financial aid funds” must make arrangements with the Business Office for prompt repayment of funds.

Title IV Funds must be returned in the following order as required by law:

- Unsubsidized Direct Student loan (other than Plus)
- Subsidized Direct Student loan
- Direct Plus Loan
- Federal Pell Grant
- Iraq/Afghanistan Service Grant
- Federal Supplemental Educational Opportunity Grant
- TEACH Grant

If less Title IV Federal Financial Aid was disbursed than was earned by the student, the student is entitled to a post-withdrawal disbursement within 30 days of his/her withdrawal. All students are notified in writing of the results of all Return of Title IV funds calculations.

See the College catalog for information on the withdrawal process. All withdrawals are handled through the Admissions/Registration Office.

NOTE: Calculation worksheets and examples are available in the Student Financial Aid Office.

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