



**UNIVERSITY OF NORTHERN COLORADO  
OFFICE OF FINANCIAL AID  
RETURN OF TITLE IV FUND POLICY**

If you withdraw from school prior to completing 60% of a term, you may be required to repay a portion of the federal financial aid that you received for that term. Federal aid includes Federal Stafford Loan, Federal Perkins Loan, Federal PLUS Loan, Federal Pell Grant, Academic Competitiveness Grant, National SMART Grant, Federal Supplemental Educational Opportunity Grant, Colorado Leveraging Educational Assistance Partnership Program and Special Leveraging Educational Assistance Partnership Program. You will also be placed on financial aid suspension—see “Standards of Satisfactory Academic Progress”.

**If you receive all F or UW grades, you will be an “Unauthorized Withdrawal” and we will use the 50% point of the semester for the Return of Title IV Fund Calculation. We recommend that you try to complete one class, if possible, to avoid any financial hardship imposed by this regulation. If you are planning to leave school, it is important that you follow formal withdrawal procedures with the registrar and you understand your financial obligations.**

**How much will I have to repay when I withdraw from school?**

The amount of repayment depends upon the number of days that you attend school in the term, the type of financial aid that you received, and whether or not UNC refunds the amount of your tuition and fees. The portion of the term that you do not attend represents the portion of aid that is determined to be unearned. All other students who withdraw prior to completing 60% of a term must repay a portion of their federal financial aid.

**When will I have earned 100% of my federal financial aid?**

If you initiate withdrawal procedures after completing 60% of the term, you will have earned 100% of your federal financial aid for that term and no repayment is required. You are, nevertheless, still placed on financial aid suspension.

**How is the amount of the federal aid repayment calculated?**

1) Earned federal financial aid is prorated according to the percentage of the semester completed. The amount of unearned federal aid is the total amount of federal aid less the portion of earned federal aid.  
2) The amount of unearned federal aid is divided into two categories: (A) Unearned aid attributed to school charges (tuition and fees) and (B) unearned aid attributed to all other expenses (non-school expenses). Regardless of the order and method in which tuition and fees are paid, unearned federal aid is attributed toward school charges first, then toward non-school expenses.

**A. Unearned Federal Aid Attributed to School Charges:**

- UNC is required to return all unearned federal aid attributed to school charges. This means that a portion of your tuition and fees is no longer covered by financial aid, and you as the student are liable for paying the balance of your school charges.
- **All unearned federal aid attributed to school charges is subject to immediate repayment by you unless you are eligible for a tuition and fee refund.**

**B. Unearned Federal Aid Attributed to Non-School Expenses:**

- For unearned aid allocated to the federal loan programs, you are not required to make immediate repayment. The regulation allows repayment to be made in accordance with the regular repayment.
- Federal grant fund repayment is limited to 50% of the initial unearned aid allocation.

3) Unearned aid is allocated and/or returned in the following order: Unsubsidized Federal Stafford Loan; Subsidized Federal Stafford Loan; Federal Perkins Loan; Federal PLUS Loan; Federal Pell Grant; Academic Competitiveness Grant; National SMART Grant; Federal Supplemental Educational Opportunity Grant (FSEOG); Colorado Leveraging Educational Assistance Partnership Program (CLEAPP); Special Leveraging Educational Assistance Partnership Program (SLEAPP).

**FORMULAS USED IN CALCULATING EARNED/UNEARNED FEDERAL AID:**

- a) % of earned federal aid = (number of calendar days completed) / (number of calendar days in the term). Breaks of 5 or more days are excluded.
- b) % of unearned federal aid = 100% - (% of earned federal aid).
- c) Total amount of unearned federal aid = (% of unearned federal aid) X (total amount of federal aid received).
- d) Amount of unearned aid attributed to school charges = (% of unearned federal aid) X (school charges).
- e) Amount of unearned aid attributed to non-school expenses = (total amount of unearned federal aid) – (amount of unearned aid attributed to school charges).

**EXAMPLES:**

1) A student completes 40 days of a 110-day semester. He has received a total of \$2,650.00 in federal financial aid as follows: \$1,650.00 Federal Pell Grant; \$1,000.00 Federal Supplemental Educational Opportunity Grant (FSEOG). His total school charges are \$1,200.00.

- a) % of earned federal aid =  $40/110 = 36.4\%$
- b) % of unearned federal aid =  $100\% - 36.4\% = 63.6\%$
- c) Total amount of unearned federal aid =  $63.6\% \times \$2,650.00 = \$1,685.40$ .
- d) Amount of unearned federal aid attributed to school charges =  $63.6\% \times \$1,200.00 = \$763.20$ .
  - i) The school must return \$763.20 to the Federal Pell Grant program. The student must repay the full amount since the return of grant funds occurred under the school charges category.
  - ii) The remaining amount of the student's Federal Pell Grant =  $\$1,650.00 - \$763.20 = \$886.80$ .
- e) Amount of unearned federal aid attributed to non-school expenses =  $\$1,685.40 - \$763.20 = \$922.20$ .
  - i) \$886.80 is allocated to the Federal Pell Grant. Federal regulation requires that the student pay only 50% of the initial allocation. The student must pay \$443.40 back to the Federal Pell Grant program.

ii)  $\$922.20 - \$886.80 = \$35.40$  is allocated to FSEOG. Federal regulation requires that the student pay only 50% of the initial allocation. The student must pay \$17.70 back to the FSEOG program.

iii) The student must repay a total of  $\$443.40 + \$17.70 = \$461.10$  under this category. UNC will return these funds to the respective programs and bill the student for repayment.

**f) The student owes a total of \$1,206.60 in unearned federal aid: \$763.20 for school charges and \$443.40 for non-school expenses.**

2) A student withdraws before the drop/add date and completes 15 days of a 118-day semester. She has received a total of \$6,742.50 in federal financial aid as follows: \$1,650.00 Federal Pell Grant; \$2,667.50 subsidized Federal Stafford Loan; \$2,425.00 unsubsidized Federal Stafford Loan. Her total school charges are \$1,725.00.

a) % of earned federal aid =  $15/110 = 13.6\%$

b) % of unearned federal aid =  $100\% - 13.6\% = 86.4\%$

c) Total amount of unearned federal aid =  $86.4\% \times \$6,742.50 = \$5,825.52$ .

d) Amount of unearned federal aid attributed to school charges =  $86.4\% \times \$1,725.00 = \$1,490.40$ .

i) The school must return \$1,490.40 to the student's Unsubsidized Federal Stafford Loan.

ii) The remaining balance of the student's unsubsidized Federal Stafford Loan =  $\$2,425.00 - \$1,490.40 = \$934.60$ .

e) Amount of unearned federal aid attributed to non-school expenses =  $\$5,825.52 - \$1,490.40 = \$4,335.12$ .

i) \$934.60 is allocated to unsubsidized Federal Stafford Loan and \$2,667.50 is allocated to subsidized Federal Stafford Loan. Federal regulation allows repayment to be made in accordance with the regular repayment schedule of the loan.

ii) \$733.02 is allocated to Federal Pell Grant. Federal regulation requires that the student repay only 50% of the initial allocation. This means that the student must pay \$366.51 back to the Federal Pell program. UNC will return these funds and bill the student for the repayment.

**The student owes a total of \$366.51 in Federal Pell Grant, \$2667.50 to Subsidized Stafford loan and \$934.60 to Unsubsidized Stafford loan. The School Repays \$1490.40 to Unsubsidized Stafford loan.**