



# Bowling Green State University

## Student Financial Aid (SFA)

### Federal Financial Aid Refund/Withdrawal Fact Sheet

Student Financial Aid  
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#### Refund Example

The following example illustrates how the federal refund policy would affect a student who withdraws from classes at BGSU:

Student is attending Fall Semester which is 117 calendar days in length.

Financial Aid: Pell Grant	\$1,650
Direct Subsidized Loan	<u>\$3,390</u>
Total Financial Aid Award	\$5,040

Tuition & Fees	\$1,621
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Financial Aid disbursed to student after Tuition and Fees are paid	\$3,419
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Student withdraws on the 24<sup>th</sup> day of the semester, which is the fourth week (40% period). Consult Undergraduate Catalog for BGSU Institutional Refund Policy.

Percent of federal financial aid earned:	
Completed days	24
Total days	<u>+117</u>
Percentage earned	20.5%

Amount of federal financial aid earned:	
Percentage earned	20.5%
Aid awarded	<u>* \$5,040</u>
Aid earned	\$1,033.20

Amount of federal aid to be returned :	
Aid awarded	\$5,040.00
Aid earned	<u>\$1,033.20</u>
Unearned aid to be returned	\$4,006.80

Of the \$4,006.80 that needs to be returned to the Dept. of Education:	
BGSU returns	\$1,288.70
<small>(79.5% of institutional charges)</small>	
Student returns	\$2,718.10

BGSU would return \$1,288.70 to the Direct Loan Program. The student would return \$2,101.30 to the Direct Loan Program, under normal repayment terms. The amount to be returned to grants are reduced by 50% , so the student would return \$308.40 (616.80 - 50%) to the Pell Grant Program.

Since BGSU had to return financial aid funds used to cover tuition & fees, the student also will be billed by the BGSU Bursar's Office for \$972.60 (60% of charged fees), \$1,288.70 (unearned loan funds), and 308.40 (50% of Pell Grant). Totalling \$2,569.70.

The policy and worksheet used to determine the amount federal financial aid funds that must be returned are available in the BGSU Bursar's Office or SFA.

#### Return of federal financial aid

Bowling Green State University (BGSU) students who receive federal financial aid and do not complete their classes may be responsible to repay a portion of the aid received according to federal law. Student Financial Aid (SFA) is supplying the following information to help you better understand what could happen if you withdraw or stop attending classes before the end of the enrollment period.

#### What is the law?

As part of the Higher Education Amendments of 1998, Congress passed new regulations governing what must happen to your federal financial aid if you completely withdraw from your courses during the enrollment period. BGSU must calculate how much federal financial aid you have earned if you withdraw or stop attending before completing 60% of the enrollment period. Federal financial aid covered under this regulation includes the Federal Pell Grant, Federal SEOG, Federal Direct Subsidized Loan, Federal Direct Unsubsidized Loan, Federal Perkins Loan, and Federal Parent Loan for Undergraduate Students (PLUS).

#### Who does this regulation apply to?

This regulation applies to students who receive federal financial aid and who withdraw or stop attending classes before completing 60% of the enrollment period.

#### How is the financial aid you earn calculated?

If you receive federal financial aid you must "earn" the aid received by staying enrolled in school. The amount of federal financial aid assistance you earn is determined on a pro-rata basis. If you withdraw or stop attending classes during the enrollment period, you may be required to return some of the financial aid you were awarded. For example, if you complete 30 percent of the semester, you earn 30 percent of the aid you originally were scheduled to receive. This means that 70 percent of your scheduled awards remain unearned and must be returned to the federal government

The following formula is used to determine unearned aid that has to be returned:

**Percent earned** = number of calendar days completed up to the withdrawal date divided by total calendar days in the payment period (less any scheduled breaks that are at least 5 days long)

**Percent unearned** = 100 percent minus percent earned

#### What is the withdrawal date?

When you reduce your enrollment to zero credit hours, you have withdrawn from BGSU. Instructions for completing the withdrawal process can be found in the *Undergraduate Catalog* and by consulting with your academic advisor. If you complete the official withdrawal process, the refund calculation will be based on the date your withdrawal activity is recorded in the BGSU Student Information System (SIS) by your academic advisor, unit, department, or college. If you do not officially withdraw, but it is determined that you stopped participating in all of your classes, the calculation is based on either the date reported by your instructor(s) as your last date of participation or the last date for which the instructor(s) determines that there is evidence that you were still participating in class, e.g., completed an assignment, took an exam, etc.

#### Who returns the unearned funds?

BGSU and the student are both responsible for returning unearned funds to the appropriate programs in specific loan/grant order. BGSU must return the lesser of:

- 1) the total amount of unearned aid; OR
- 2) institutional charges multiplied by the unearned percentage.

Amounts that must be returned will first be applied to federal loans and then to grants. Loan borrowers will be permitted to repay loans based on the terms of the promissory note.

The student will also be billed for any amount due to BGSU resulting from BGSU's return of federal aid funds. For example, if BGSU is required to return federal aid which was used to pay a portion of your charges for the enrollment period, you are required to pay BGSU for the unpaid portion of the charges.

#### How do I repay unearned funds?

If you owe any money to BGSU resulting from the return of federal funds, you will receive a bill from the BGSU Bursar's Office.

For all outstanding charges owed to BGSU, you must make payment arrangements with the Bursar's Office, (419) 372-2815. Loan repayment arrangements may be made by contacting the Direct Loan Servicing Center at 1-800-848-0979.

#### What happens if I don't repay?

If you do not repay BGSU for the charges resulting from the federal refund policy, your records will be placed on financial hold. This means you will not be permitted to register for classes or receive transcripts until the balance is paid. Outstanding balances due to BGSU can also result in collection agency action and negative credit bureau reporting.