

What is Title IV Aid?

Title IV of the Higher Education Act of 1965, as amended in 1998, (Title IV, and HEA program) establishes general rules that apply to the student financial assistance programs. *For purposes of Return of Title IV Funds, these programs include:*

- Pell Grant; Academic Competitive Grant (ACG);**
- National SMART Grant; Federal Supplemental Educational Opportunity Grant (FSEOG); Federal Direct Loans; Federal Perkins Loans; Federal PLUS Loans**

What Return of Title IV Funds Means to Financial Aid Recipients

This publication provides information about the UC Davis *Return of Title IV Funds* (Return) policies that apply to any student who cancels, withdraws, is dismissed, or participates in the Planned Educational Leave Program (PELP). The policy will apply to students that discontinue enrollment in **all** classes, **on or after the first day of the term** (See TABLE 1, Medical Students refer to TABLE 6 and 7 for calculations).

When you withdraw, two separate calculations must take place:

1. **A refund of fees must be calculated.**
2. **The Financial Aid Office must calculate the Return.**

If you cancel your registration prior to the first day of classes, this policy will not apply to you. Also, if you drop some but not all of your classes this policy will not apply; however, you should notify the Financial Aid Office because your continued eligibility may be affected.

Fee Refund

Based upon the date you withdraw, you may receive a full or partial refund of your fees. This refund will not impact the Return calculation, but does affect the amount of money you may owe back to the University for withdrawing.

During your first term at UC Davis, you will be classified as a **new** student. After your first term, you will be considered a **continuing** student at UC Davis.

Beginning with the first day of class, the Refund Policy will refund fees based upon the number of days elapsed when the withdrawal is filed for the quarter/semester (See TABLES 3 and 4).

Return of Title IV Funds (Return)

When you withdraw, the Financial Aid Office must calculate the amount of financial aid you have *earned* prior to withdrawing. Any aid received in excess of the *earned* amount is considered *unearned*. The *unearned* financial aid must be returned to the respective programs. UC Davis and the student jointly share this amount.

The calculation is based upon only the amount of Title IV Aid for which you were eligible. UC Davis policy uses the same federal formula to calculate how much university and/or state aid is *earned* if the student withdraws before the end of the quarter.

Calculating Earned Financial Aid

The amount of *earned* financial aid is calculated on a daily basis from the first day of classes. The process uses calendar days rather than business days.

Earned aid is determined by taking the number of days attended before withdrawing divided by the total number of days in the term (first day of instruction until the last day of finals, excluding spring break for semester students).

The Return policy applies to students that withdraw on or before the 60% point of the term. Withdrawal after this date will not result in any adjustments to your financial aid for that given term (See TABLE 2). Students who have their aid returned will be notified in writing.

A student who receives a grade of NS in ALL enrolled classes will be treated as an Unofficial Withdrawal and 50% of their aid will be returned as required by Federal Regulation. Students who receive F's, NP's, U's or I's have completed coursework and therefore "earned" those grades, are not Unofficial Withdrawals, so their aid will not be adjusted.

Calculating Return of Title IV Aid Amount

Once the *earned* and *unearned* aid percentages are determined (See TABLE 5), the next step is to calculate the dollar amount of *unearned* aid that must be returned.

The Return amount is determined by multiplying the *unearned* aid percentage by the total of all Title IV aid received.

$$\begin{aligned} & \text{Unearned Aid Percentage} \\ & \times \text{Total of all Title IV Funds Received} \\ & = \text{Total Unearned Aid} \end{aligned}$$

School Portion of the Return

The amount of *unearned* aid that must be returned by UC Davis is a percentage of the institutional charges for the term.

Once the dollar amount of the school portion of the Return is determined, it is compared to the total amount of all *unearned aid*. If the school portion is less than the *total unearned aid*, then UC Davis must return the amount of the school portion.

If the calculated school portion **exceeds** the *total unearned aid*, then UC Davis must return the amount of the *total unearned aid*.

Financial aid will be returned to the aid program from which it came. If returned to a loan program, your outstanding balance will be reduced by the amount of the return. Aid will be returned in the following order:

| | |
|-----------------------------|---------------------------|
| 1. Pell Grant | 6. Subsidized Direct Loan |
| 2. ACG | 7. Perkins Loan |
| 3. National SMART Grant | 8. Direct Grad PLUS Loan |
| 4. FSEOG | 9. Direct PLUS (Parent) |
| 5. Unsubsidized Direct Loan | 10. Other Title IV Aid |

Fee Refund versus School Return Amount

In most cases, the amount of the fee refund received will be less than the amount of the school portion of Title IV funds. When you withdraw from school, a balance will be created on your student account at UC Davis for the difference between the fee refund and the Return amount. You will be responsible for paying this balance in addition to any other balance created from the *student* portion of the Return.

Student Portion of Return of Title IV Funds

After the school returns the correct amount of aid, any amount of the total *unearned* aid that remains becomes the *student portion* of the Return. The student portion of the Return is calculated by subtracting the amount of the school Return from the *total unearned aid*.

$$\frac{\text{Total Unearned Aid} - (\text{subtract}) \text{ School Return Amount}}{\text{Student Portion of Return}}$$

Depending on the remaining sources of aid after the school Return, the student portion of the Return is distributed back to the aid program from which it was awarded as follows:

| | |
|-----------------------------|---------------------------|
| 1. Pell Grant | 6. Subsidized Direct Loan |
| 2. ACG | 7. Perkins Loan |
| 3. National SMART Grant | 8. Direct Grad PLUS Loan |
| 4. FSEOG | 9. Direct PLUS (Parent) |
| 5. Unsubsidized Direct Loan | 10. Other Title IV Aid |

Any amount of the Return allocated to loans is repayable after you leave UC Davis and enter repayment according to the terms and conditions of those loans. You will not be billed for these funds upon withdrawal.

Also, any amount allocated to federal Title IV grants are subsequently decreased by 50%. This adjustment is an effort to reduce the impact of withdrawing on those students receiving grant funds. UC Davis will return these funds on your behalf and you will be responsible for reimbursing UC Davis for this return.

Federal Formula Used for Cal Grants and Institutional Aid

If you are not receiving any of the types of aid listed on Page 2, then your financial aid awards are all classified as NON-FEDERAL. Students that received any non-Title IV aid (listed below) are required to go through a similar calculation to determine the portion of these funds that are *unearned*. Aid is returned as follows:

1. University Loans
2. University Grant/Scholarships
3. Cal Grants

Future Aid Eligibility

Withdrawing may affect your eligibility to receive financial aid in subsequent terms. Depending upon the type of financial aid you receive, you may be required to resubmit certain applications.

If your loans should go into repayment once you withdraw from school, it is important to make your payments on time to prevent default. If you default on a loan, you would lose your eligibility for any future financial aid.

Satisfactory Academic Progress

Withdrawal from school may affect your Satisfactory Academic Progress standing and future eligibility for financial aid.

Cancellation of Registration

If you cancel your registration prior to the beginning of the term you will not be considered a student for that term. If this occurs, you are not entitled to receive any form of financial aid during the term and your aid will be canceled and returned to the appropriate programs. If your cancellation takes place close to the beginning of the term and you have already received financial aid to cover your living expenses, you will be required to repay the entire amount received.

If you have questions about *Return to Title IV Funds* at UC Davis, please contact the representative for your Financial Aid Office:

UC Davis
Financial Aid Office
One Shields Avenue
Davis, CA 95616-8596

Undergraduates
530-752-2390
undergradfinaid@ucdavis.edu
financialaid.ucdavis.edu/undergraduate

Graduate Students
530-752-9246
gradfinaid@ucdavis.edu
financialaid.ucdavis.edu/graduate

School of Law
530-752-6573
financialaid@law.ucdavis.edu
www.law.ucdavis.edu/financialaid

School of Medicine
916-734-4120
medfinancialaid@ucdavis.edu
www.ucdmc.ucdavis.edu/ome/finaid

| TABLE 1 | | | | |
|-------------------------------------|--|--------------------------|---|--------------------------|
| *NUMBER OF DAYS IN EACH TERM | | | | |
| Term | 2006-2007 | | 2007-2008 | |
| | Undergraduate or Graduate Student Quarters | Semesters (Law Students) | Undergraduate or Graduate Students Quarters | Semesters (Law Students) |
| Fall | 80 Days | 124 Days | 79 Days | 117 Days |
| Winter | 79 Days | | 76 Days | |
| Spring | 79 Days | 124 Days | 74 Days | 123 Days |
| SS I | 40 Days | | 40 Days | |
| SS II | 40 Days | | 40 Days | |

*See TABLES 6 and 7 for Health Professions School Terms

| TABLE 2 | | | | |
|------------------------------------|--------------------------|--------------------------|--------------------------|------------------------|
| *THE 60% POINT OF EACH TERM | | | | |
| TERM | 2006-2007 | | 2007-2008 | |
| | QUARTERS | SEMESTERS | QUARTERS | SEMESTERS |
| FALL | Day 48 Tuesday, 11/14 | Day 73 Tuesday, 11/2 | Day 47 Monday, 11/12 | Day 70 Sunday, 11/4 |
| WINTER | Day 47 Sunday, 2/18 | | Day 46 Thursday, 2/21 | |
| SPRING | Day 47 Tuesday, 5/13 | Day 74 Thursday, 3/30 | Day 44 Tuesday, 5/13 | Day 74 Sunday, 3/23 |
| SS I | | | | |
| SS II | | | | |

* For undergraduate/graduate students/School of Law. See TABLES 6 and 7 for Health Professions School terms.

| TABLE 3 | | | |
|---|---------------|----------------------|---------------|
| Refund Schedule for New Students | | | |
| Days Quarter | Refund | Days Semester | Refund |
| 1-7 | 90% | 0-7 | 100% |
| 8-14 | 80% | 8-14 | 90% |
| 15-21 | 70% | 15-28 | 80% |
| 22-28 | 60% | 29-35 | 70% |
| 29-35 | 50% | 36-49 | 60% |
| 36-42 | 40% | 50-56 | 50% |
| 43-49 | 0% | 57-63 | 40% |
| | | 64+ | 0% |

| TABLE 4 | | | |
|--|---------------|----------------------|---------------|
| Refund Schedule for Continuing Students | | | |
| Days Quarter | Refund | Days Semester | Refund |
| 0-1 | 100% | 0-1 | 100% |
| 2-7 | 90% | 2-11 | 90% |
| 8-18 | 50% | 12-27 | 50% |
| 19-35 | 25% | 28-53 | 25% |
| 36+ | 0% | 54+ | 0% |

| TABLE 5 | |
|--|------------------------------|
| Examples of Calculating Earned Financial Aid (2007-2008) | |
| Undergraduate/Graduate withdraws Fall Qtr. on Wednesday of week 5: | |
| Days Attended 34 | <i>Earned Aid = 43%</i> |
| Days in Quarter 79 | <i>Unearned Aid = 57%</i> |
| Medical student withdraws Fall Qtr. on Monday of week 5: (October 22) | |
| Days Attended 29 | <i>Earned Aid = 33.34%</i> |
| (Yr. 1 med. student) Days in Quarter 87 | <i>Unearned Aid = 66.66%</i> |
| Law student withdraws Fall Semester on Monday of week 3: | |
| Days Attended 15 | <i>Earned Aid = 12.82%</i> |
| Days in Semester 117 | <i>Unearned Aid = 87.18%</i> |

***Sample of Return of Aid Calculation**

Undergraduate student withdraws week 3 during Fall Quarter:

| | |
|---------------------------|------------|
| Fall registration fees | \$2,708.16 |
| Number of days attended | 19 |
| Number of days in quarter | 79 |
| Earned aid | 24.1% |
| Unearned aid | 75.9% |

Aid Package:

| | |
|----------------------------|----------------|
| Direct Loan | 1,500 |
| Pell Grant | 1,350 |
| Cal Grant | 2,047 |
| Total Aid Disbursed | \$4,897 |

| | | |
|--|-------------|-------|
| Title IV aid to be returned | Direct Loan | 1,500 |
| | Pell Grant | 555 |
| Cal Grant (or other Institutional Aid) to be returned | | 1,554 |

Total aid to be returned \$3,609

**These samples represent the 2007-2008 academic year.
The amounts and dates will change each academic year.*

***Sample of Return of Aid Calculation**

Graduate student withdraws week 1 during Fall Quarter:

| | |
|---------------------------|------------|
| Fall registration fees | \$1,628.16 |
| Number of days attended | 1 |
| Number of days in quarter | 79 |
| Earned aid | 1.3% |
| Unearned aid | 98.7% |

Aid Package:

| | |
|------------------------------------|----------------|
| Direct Loan | 7,350 |
| Total Aid Disbursed | \$7,350 |
| Title IV aid to be returned | 1607 |
| Total aid to be returned | \$1,607 |

**These samples represent the 2007-2008 academic year.
The amounts and dates will change each academic year.*