Interamecian University of Puerto Rico

Financial Aid Information

Return of Title IV Policy - R2T4

Total Withdrawal and Its Impact on Financial Aid

The Federal Regulation establishes the specific requirements for the use and provision of funds of federal financial aid programs when participating students officially withdraw from all courses, unofficially drops out, never attended the courses in which they are enrolled, or are suspended or expelled before completing 60% of the payment period or period of enrollment.

The University is required to determine the earned of Title IV financial aid as of the date the student ceased attendance up to the 60% of the academic term, a prorate schedule is used to determine the amount of Title IV funds the student has "earned" at the time of withdrawal. For example, a student who withdraws, completing only 40 percent of the academic term (payment period) where is enrolled, will have "earned" only forty (40) percent of original aid eligibility. After the 60% point of the academic term, a student has earned 100% of the Title IV funds the student was scheduled to receive during the academic term.

Official Total Withdrawal

Any student who decides to withdraw from the University must contact a Professional Counselor, who will guide them through the process. The student must complete the Official Total Withdrawal Form and sign it on the date the process begins. Then, the student must obtain the endorsement of the financial aid officer and deliver it to the Registrar's Office to be processed. The effective date of the total withdrawal will be the date the student started the withdrawal process and indicated in the total withdrawal form.

Online students should contact the Professional Counselor by email, to inform their decision to officially withdraw. The Professional Counselor will complete the Official Total Withdrawal Form with the information provided by the student and deliver it to the Registrar's Office with a copy of the email received. The withdrawal effective date will be the date the student sent the email.

If a student never attended classes or did not participate in any related academic activity during the first three weeks of classes or its equivalent in shorter academic calendars, the student will receive an administrative withdrawal and a 100% of financial aid will be returned to the Title IV program.

Unofficial Total Withdrawal

When a student stop attending classes for at least three consecutive weeks in a semester or its equivalent in other academic terms without presenting a justification to the professor or dean of students, and does not qualify for the grade of Incomplete or F. Students who have veterans' benefits, if they stop attending classes for two weeks or more, or the equivalent of this in other academic terms.

The professor will report the last date of class attendance or the last date of the academic related activity. If the last date of attendance or the related academic activity is before completing the 60 percent point of the academic term, the withdrawal date will be considered the midpoint of the academic term. The return of funds applies only if the student withdraws before completing at least 60 percent of the term. The University will determine the withdrawal date in these cases within 30 calendar days from the end of the academic term in which the student was enrolled.

Total Withdrawal from Eligible Title IV Courses and Non-Title IV Eligible Courses

A student sometimes includes courses that is taking for credit and for which may receive Title IV funds, and courses for which the student may not receive Title IV funds- such as courses the student is attending as auditing, completing coursework previously graded as "Incomplete", or repeating for second or subsequent time after passing the course. If a student ceased attendance (drops or withdraws) in all his or her Title IV eligible courses in a payment period, the Title IV courses will be subject to the total withdrawal refund policy, but the student retain the active enrollment status for the Non-Title IV courses.

Leave Of Absence (LOA)

A leave of Absence (LOA) is granted to the student who, for one or more reasons previously defined by the University, interrupt temporarily the academic activities related to their courses. A student to be eligible to benefit from this LOA must be officially enrolled in the University and must apply for it.

A student who is granted an approved LOA and does not return to the University at the expiration of the approved LOA is considered to have withdrawn from the University. The University is required to perform a return of funds calculation. The student's official withdrawal date is the date the student began the LOA.

Determining Repayment

A repayment of aid is required when the actual amount of aid disbursed is greater than the amount earned, as determined by the recalculation. The responsibility for returning unearned aid is allocated between the University and the student. The amount of funds to return is calculated based on a formula provided by the U.S. Department of Education. The amount to be returned depends on the type of financial aid the student received, the effective date of withdrawal, and the institutional charges incurred. The institution must return a portion of the excess funds equal to the lesser of:

1. The student's institutional charges multiplied by the unearned percentage of the student's funds, or
2. The entire amount of excess funds

If the University is not required to return funds, the student has the responsibility to return the funds to the U.S. Department of Education.

For any loan funds that the student must return, (or the student's parent for a Direct PLUS Loan) the student or parent will repay the loan funds in accordance with the terms of the promissory note. That is, the loan funds will not be required to be repaid immediately, but instead, scheduled payments must be made to the holder of the loan over a period of time.

Any amount the student returns to a loan program may be repaid according to the terms of the promissory note already signed. All students who participate in a loan program and withdraw from school must complete an exit interview as required by the U.S. Department of Education through the website: studentaid.gov.

An amount of $51 or more of unearned grant funds paid to the student is called an overpayment, and the student must make payment arrangements with the U.S. Department of Education within a period not exceeding 45-days from the date of notification. If the student does not resolve overpayment within 45-days period, the university will refer the student to the U.S. Department of Education. A student who does not resolve the overpayment within the 45-day period, will lose his/her eligibility for future funds from Title IV student financial aid programs.

If the amount paid was less than the amount you earned, a post-withdrawal disbursement may be due to the student. If your post-withdrawal disbursement includes loan funds, the Financial Aid Office will send to the student an email notification giving 14-calendar days for the student or parent (if it is a parent loan) to respond in

writing to whether to accept or reject any or all of the loan funds so as not to incur additional debt. The Financial Aid Office must receive this authorization in writing before the loan can be disbursed. After the 14-calendar days deadline, authorizations to process disbursements of loan funds after the total withdrawal, will not be accepted.

The University will automatically apply the post-withdrawal disbursement of scholarship funds, allocated to pay tuition, fees, housing and other current institutional charges previously authorized by the student during the enrollment process.

Because of other eligibility requirements, there are some Title IV funds scheduled to be received by the student that cannot be disbursed once the student withdraws. For example, if the student is a first-time, or first-year undergraduate student and have not completed the first 30 days of its program before withdrawing, he or she will not receive any Direct Loan funds that the student would have received if he or she remained enrolled past the 30th day.

A school must return unearned funds to the Federal programs no later than 45 calendar days after the student's withdrawal determination date. Federal Funds are to be returned in the following order, as applicable:

1. Unsubsidized Direct Loans
2. Subsidized Direct Loans
3. Direct Plus Loans (parent or graduate)
4. Federal Pell Grants
5. Iraq and Afghanistan Service Grants
6. Federal Supplemental Educational Opportunity Grants (FSEOG)
7. TEACH Grants

If any amount is owed after the Return of TIV Calculations have been performed, the student will be notified in writing within ten (10) working days. Any amount owed to the University must be paid in full, or the student can make a satisfactory payment arrangement with the University. The bursar's office will apply a restriction (hold) on the student account until the amount owed is paid in full. If the Return of TIV aid results in a credit balance, the University will refund it to the student within 14 days via direct deposit, or via a paper check.

Example:

Consider a student who is due a post-withdrawal disbursement of $800.

The institutional charges that the student was originally assessed by the school totaled $2,300. However, under the institution's refund policy, the institution may only keep $600 of those institutional charges. No funds had been paid toward the institutional charges at the time the student withdrew.

A portion of the $800 the institution must disburse under the post-withdrawal disbursement. The school may credit $600 to institutional charges and offer $200 to the student.

Updated February 7, 2024