

Treatment of Title IV Aid When a Student Withdraws

The law specifies how the Academy of Art University (AAU) must determine the amount of Title IV program assistance that you earn if you withdraw from school. The Title IV programs that are covered by this law are: Federal Pell Grants, Stafford Loans, PLUS Loans and Federal Supplemental Educational Opportunity Grants (FSEOGs).

When you withdraw during your payment period (defined as the semester) the amount of Title IV program assistance that you have earned up to that point is determined by a specific formula. If you received (or parent received on your behalf) less assistance than the amount that you earned, you may be able to receive those additional funds. If you received more assistance than you earned, the excess funds must be returned by the school and/or the student

The amount of assistance that you have earned is determined on a prorata basis. For example, if you completed 30% of your payment period, you earn 30% of the assistance you were originally scheduled to receive. Once you have completed more than 60% of the payment period, you earn all the assistance that you were scheduled to receive for that period. The percentage that is earned is calculated by dividing the number of days that have lapsed from the first day of the semester to your last day of attendance by the total number of days in the payment period.

If you did not receive all of the funds that you earned, you may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, AAU must get your permission before it can disburse any Federal Student Loan funds. You may choose to decline some or all of the loan funds so that you don't incur additional debt. AAU may automatically use all or a portion of your post-withdrawal disbursement (including loan funds, if you accept them) for tuition, fees, and room and board charges (as contracted with the school). For all other school charges, AAU needs your permission to use the post-withdrawal disbursement. If you do not give your permission, you will be offered the funds. However, it may be in your best interest to allow AAU to keep the funds to reduce your student loan debt.

If you receive excess Title IV program funds that must be returned, AAU must return a portion of the excess equal to the lesser of:

1. Your institutional charges multiplied by the unearned percentage of your funds, or
2. The entire amount of excess funds.

AAU must return this amount even if it didn't keep this amount of your Title IV program funds.

If AAU is not required to return all of the excess funds, you must return the remaining amount. Any loan funds that you must return, you (or your parent for a PLUS Loan) repay in accordance with the terms of the promissory note. That is, you make scheduled payments to the holder of the loan over a period of time.



Any amount of unearned grant funds that you must return is called an overpayment. The amount of a grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You must make arrangements with your school or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when you withdraw are separate from the AAU refund policy. **Therefore, you may still owe funds to AAU to cover unpaid institutional charges.** AAU may also charge you for any Title IV program funds that we were required to return. If you don't already know what AAU's refund policy is, you can ask us for a copy. We can also provide you with the requirements and procedures for officially withdrawing from school.

If you have questions about your Title IV program funds, you can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on Student Aid on the Web at www.studentaid.ed.gov.