Student Financial Aid
Title IV Refund Policy

Policy Statement

It is the policy of the District to comply with the Return to Title IV provisions of Title IV student financial aid.

Purpose of Policy

The Financial Aid Office is required by federal statute to recalculate federal financial aid eligibility for students who withdraw, drop out, are dismissed, or take a leave of absence. Prior to completing 60% of a payment period or term, the federal Title IV financial aid programs must be recalculated in these situations.

It is strongly recommended that students contact the financial aid office on their campus before withdrawing from courses.

If a student leaves the institution prior to completing 60% of a payment period or term, the financial aid office recalculates eligibility for Title IV funds. Recalculation is based on the percentage of earned aid using the following Federal Return of Title IV funds formula: Percentage of payment period or term completed = the number of days completed up to the withdrawal date divided by the total days in the payment period or term. (Any break of five days or more is not counted as part of the days in the term.) This percentage is also the percentage of earned aid.

Related Policy Information

Unofficial Withdrawals

If a student does not officially withdraw from all classes but fails to earn a passing grade in at least one course, federal aid regulations require that we assume the student has “unofficially withdrawn,” unless it can be documented that the student completed the enrollment period. Unofficial withdrawals require a Title IV refund calculation at the midpoint of the enrollment period. The reduction of federal aid may create a balance due to the institution that must be repaid.

Title IV Refund Process

Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula:

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\text{Aid to be returned} = (100\% \text{ of the aid that could be disbursed minus the percentage of earned aid}) \times \text{the total amount of aid that could have been disbursed during the payment period)}
\]
If a student earned less aid than was disbursed, the institution would be required to return a portion of
the funds and the student would be required to return a portion of the funds. Keep in mind that when
Title IV funds are returned, the student borrower may owe a debit balance to the institution.
If a student earned more aid than was disbursed to him/her, the institution would owe the student a
post-withdrawal disbursement which must be paid within 180 days of the student's withdrawal. The
institution must return the amount of Title IV funds for which it is responsible no later than 45 days
after the date of the determination of the date of the student’s withdrawal.

Refunds are allocated in the following order:
• Unsubsidized Direct Stafford Loans
• Subsidized Direct Stafford Loans
• Direct PLUS Loans
• Federal Pell Grants for which a Return of funds is required
• All other Federal Grants for which a Return of funds is required

Title IV Refund Repayment Policy
A bill will be sent with the amount due to the institution and the amount that is due to the
Department of Education. The student is not eligible for further student financial aid funds until
the overpayment is paid in full. In addition, the student’s District records will be placed on
“HOLD.” The student will not be permitted to register for classes or request academic transcripts
until this bill has been paid in full.

The overpayment is reported to the National Student Loan Data System (NSLDS). NSLDS notifies
all other colleges and universities of the overpayment status. When the bill has been paid in full to
the institution, the institution is responsible for removing the NSLDS entry.

If the bills are not paid in full, the student’s account is forwarded to a collection agency. The
department of Education has the ability to garnish your wages, withhold your tax refunds, send your
account to a collection agency, and take you to court to recover the money owed.

The institution will forward the institutional amount to a collection agency and a $25 processing fee
will be added.

Repayment is made as noted below:

Coastline Community College
Administrative Services Office
11460 Warner Avenue
Fountain Valley, CA 92708

Golden West College
Fiscal Services Office
15744 Golden West College
Huntington Beach, CA 92647

Orange Coast College
Bursars Office
2701 Fairview Road
Costa Mesa, CA 92628-5005

The amount that is owed to the Department of Education at this location:
US Department of Education Debt Resolution Service
P O Box 5609
Greenville, TX 75403
Voice: (800) 621-3115