

Treatment of Federal Title IV Aid When a Student Withdraws Summary of the Requirements of 34 CFR 668.22

Federal law specifies how all schools, including Moravian College, must determine the amount of federal student aid (Title IV program assistance) that you can retain if you withdraw from college. The Title IV programs at Moravian College that are covered by this law include: Federal Pell Grants, Iraq and Afghanistan Service Grants, Direct Loans, Direct PLUS Loans, Federal Supplemental Educational Opportunity Grants (FSEOGs), and Federal Perkins Loans.

Title IV funds typically are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive. If a recipient of Title IV grant or loan funds withdraws from a school after beginning attendance, the amount of Title IV grant or loan assistance actually earned by the student must be determined by the school.

Though your aid is posted to your account at the start of each term, you earn the funds as you complete the term. If you withdraw during your payment period, 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 Moravian College or your 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 Moravian College and/or you.

The amount of assistance earned is determined on a pro rata basis. For example, if you completed 30% of the term, you earned 30% of the assistance you were originally scheduled to receive. Once you have completed more than 60% of the term, you've earned all the assistance that you were scheduled to receive for that period.

If you did not receive all of the federal Title IV funds that you earned, you may be due a post-withdrawal disbursement. If your post-withdrawal disbursement includes loan funds, Moravian College must get your permission before it can disburse them. You may choose to decline some or all of the loan funds so that you don't incur additional debt. The college may automatically use all or a portion of your post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges as contracted. Moravian College needs your permission to use the post-withdrawal grant disbursement for all other institutional charges. If you do not give your permission, you will be offered the funds. However, it may be in your best interest to allow the college to keep the funds to reduce your account balance.

Sometimes there are Title IV funds that you might have received that cannot be disbursed to you once you withdraw because of other eligibility requirements. For example, if you were offered a Direct Loan but did not complete your Master Promissory Note (MPN) or entrance counseling before withdrawing, your potential Direct Loan eligibility is forfeited and you cannot receive a post-withdrawal disbursement of the loan proceeds.

If you receive (or Moravian College or your parent receives on your behalf) excess Title IV program funds that must be returned, the college 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.

The college is obligated to return this amount, even if we did not keep this amount of your Title IV program funds. If by application of the rules Moravian College is required to return only part of the excess funds, you must return the remaining amount.

For any loan funds that you must return, you (or your parent for a Direct 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 maximum amount of a grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You do not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. You must make arrangements with Moravian College or the US Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when you withdraw differ from other sources of student aid, and are separate from Moravian College's institutional refund policy. Therefore, you may still owe funds to Moravian College to cover unpaid institutional charges. The college may also charge you for any Title IV program funds that we are required to return. If you are not familiar with Moravian College's refund policy, [please click here](#) or ask for a copy. In addition, it is important to follow the college's [requirements and procedures for officially withdrawing](#) from school.

If you have questions about your Title IV program funds, please contact Moravian College's Office of Financial Aid Services at 610-861-1330 or finaid@moravian.edu. Alternatively, 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 online at moravian.edu/financialaid and at studentaid.ed.gov.