

RETURN TO TITLE IV POLICY

A. Policy Overview

Federal law requires that an institution calculate a return of loan funds if a student completely withdraws from all classes before the end of the semester. The calculation is based on the percentage of the semester or, in the case of specific programs like summer study-abroad, the program period completed and the amount of Federal Direct Loan funds that were disbursed. The return of Federal Direct Loan funds calculation is separate and distinct from the calculation for a refund of tuition and fees policy.

B. How the Calculation Works

Upon notification of withdrawal from classes, the Financial Aid Office will calculate the amount of aid that STCL Houston must return to the U.S. Department of Education. STCL Houston will base the calculation on the last date of attendance as determined by the Registrar. This date will coincide with one of the following:

- The date the student began the withdrawal process
- The date the student officially notified STCL Houston of the intent to withdraw
- The date that STCL Houston initiated the withdrawal process

When a student has stopped attending classes without notifying STCL Houston of an intent to withdraw, the date of determination is the point at which the instructors indicate the student's last date of attendance in class.

To calculate the percentage of time the student has completed, the number of calendar days from the first day of classes to the last date of attendance is divided by the total number of calendar days in the semester or program. The amount of "earned" aid is based upon the results of this calculation. Scheduled breaks of five or more calendar days long are excluded from the calculation.

The following guidelines are used to determine the amount of aid that has been earned:

- If a student completes more than 60% of the semester for which aid has been awarded, the semester is deemed completed and no return of Federal loans is required.
- If a student completed less than 60% of the semester for which aid has been awarded, the percentage is multiplied by the total amount of Federal loan funds disbursed or scheduled to be disbursed. The difference between the amount of Federal loans earned and the total amount of Federal loans received is the amount of unearned aid.

C. Aid the College of Law Must Return

To determine the amount of Federal Direct loans the College of Law is responsible for returning, the institutional charges including tuition and fees are multiplied by the percentage of unearned aid. The amount the College is responsible for returning is compared to the total amount of unearned aid, the lesser amount is then returned to the student's loans in the following order: Federal Direct Unsubsidized Loan followed by the Graduate PLUS loan. This amount is charged to the student's account. At this point, the student's situation is evaluated under the College's Refund of Tuition and Fees policy.

D. Aid the Student Must Return

The student is responsible for returning any portion of the unearned aid that is not returned by the College of Law. This return of funds is in addition to any refund money the College is required to return. The student is responsible for repaying any Federal Direct loan funds according to the terms of the promissory note.

E. Post Withdrawal Disbursements

At the time of withdrawal, a student may not have received all of the Direct Loan funds deemed earned as a result of the calculation. In this situation, the Office of Financial Aid will notify the student of this eligibility. The student may then request that the additional funds be disbursed or he/she may decline some or all of the funds to prevent incurring additional debt. The College of Law recommends that only funds required to meet direct educational expenses be requested to reduce overall debt.

F. Institutional Refund Policy

The institutional refund policy and determination of the institutional charges owed to STCL Houston is not the same as the percentage of Federal Direct Loans earned. If the withdrawal occurs during the published institutional refund period, a separate calculation will be done by the Accounting Services Office and the student's account will be adjusted according to the results of the calculation.

G. Exit Counseling Requirements

A student who withdraws from STCL Houston is required to complete Student Loan Exit Counseling requirements within 30 days of withdrawal. Loan Exit Counseling information will be emailed to the student and can be found at www.studentloans.gov.