

## **Title IV Refund Policy**

Students benefiting from receiving Title IV federal funds will have their federal financial aid refunds calculated as per federal regulations.

The U.S. Department of Education (USDE) specifies that BCTC must determine the amount of financial aid program assistance that you earn if you withdraw from your program of study. The USDE requires that when you withdraw during a payment period, the amount of the financial aid program assistance that you have earned up to that point is determined by a specific Title IV formula. If you received, or BCTC received on your behalf, less assistance than the amount that you earned, you will be able to receive those additional funds. If you received more assistance than you earned, the excess funds must be returned.

The amount of assistance that you earned is determined by using the Title IV Refund Calculation. That is, if you completed 30% of the 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 of your assistance.

When a student withdraws and refunds are required to be returned, the following distribution list is used to return the funds. Funds are returned in the order listed until all required amounts have been returned.

1. Unsubsidized Federal Stafford Loan
2. Subsidized Federal Stafford Loan
3. Federal PLUS Loan
4. Federal Pell Grant
4. Sponsoring Agency
5. Student

If the Office of Financial Aid 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 your loan agreement, or you make scheduled payments to the holder of the loan over a period of time.

If you are responsible for returning grant funds, you do not have to return the full amount. The law provides that you are not required to return 50% of the grant assistance that you receive that is your responsibility to repay. Any amount that you have to return is a grant overpayment, and you must make arrangements with BCTC or the U.S. Department of Education to return the funds.

The requirements for Title IV program funds when you withdraw are separate from any school refund policies. The amount of refund determined by the Title IV calculation determines how much financial aid you have earned for the current payment period, whereas the school refund policy determines the amount of tuition owed for the current payment period. Therefore, you may still owe funds to the school to cover unpaid institutional charges and/or for any Title IV program funds that the school was required to return. The school's refund policies are located above.