



# Lourdes University

## Student Account's Office

### Federal Financial Aid Refund/Withdrawal Fact Sheet

Student Account's Office  
6832 Convent Blvd.  
Sylvania, OH 43560

1-800-878-3210  
419-824-3696  
419-517-8921 fax

#### Refund Example

The following example illustrates how the federal refund policy would affect a student who withdraws from classes at Lourdes University:

Student is attending Spring Semester which is 106 calendar days in length.

Financial Aid: Pell Grant	\$1,000
Subsidized Stafford Loan	\$2,500
Unsub Stafford Loan	\$4,000
<b>Total Financial Aid Award</b>	<b>\$7,500</b>

Tuition & Fees \$6,550

Financial Aid disbursed to student after Tuition and Fees are paid \$950

Student withdraws on the 24<sup>th</sup> day of the semester, which is the fourth week (40% period). Consult Undergraduate Catalog for Lourdes College Institutional Refund Policy.

Percent of federal financial aid earned:	
Completed days	24
Total days	÷106
Percentage earned	22.6%

Amount of federal financial aid earned:	
Percentage earned	22.6%
Aid awarded	* \$7,500
Aid earned	\$1,695.00

Amount of federal aid to be returned :	
Aid awarded	\$7,500.00
Aid earned	\$1,695.00
Unearned aid to be returned	\$5,805.00

Of the \$5,805 that needs to be returned to the Dept. of Education:

Lourdes returns \$5,069.70  
(77.4% of institutional charges)

Student returns \$ 735.30

Lourdes would return \$5,069.70 to the Direct Loan Program. The student would return \$735.30 to the Direct Loan Program under normal repayment terms. If grant funds need to be returned, the amount would be reduced by 50%, however in this example the student would not have to return any grant funds.

Since Lourdes had to return financial aid funds used to cover tuition & fees, the student also will be billed by the Bursar's Office for \$5,069.70 (60% of charged fees).

The policy and worksheet used to determine the amount federal financial aid funds that must be returned are available in the Student Accounts Office or Financial Aid Office.

#### Return of federal financial aid

Lourdes University students who receive federal financial aid and do not complete their classes may be responsible to repay a portion of the aid received according to federal law. Lourdes University is supplying the following information to help you better understand what could happen if you withdraw or stop attending classes before the end of the enrollment period.

#### What is the law?

As part of the Higher Education Amendments of 1998, Congress passed new regulations governing what must happen to your federal financial aid if you completely withdraw from your courses during the enrollment period. Lourdes University must calculate how much federal financial aid you have earned if you withdraw or stop attending before completing 60% of the enrollment period. Federal financial aid covered under this regulation includes the Federal Pell Grant, Federal SEOG, Direct Loan Stafford Subsidized and Unsubsidized Loans and Parent Loan for Undergraduate Students (PLUS) and Federal Perkins Loan.

#### Who does this regulation apply to?

This regulation applies to students who receive federal financial aid and who withdraw or stop attending classes before completing 60% of the enrollment period.

#### How is the financial aid you earn calculated?

If you receive federal financial aid you must "earn" the aid received by staying enrolled in school. The amount of federal financial aid assistance you earn is determined on a pro-rata basis. If you withdraw or stop attending classes during the enrollment period, you may be required to return some of the financial aid you were awarded. For example, if you complete 30 percent of the semester, you earn 30 percent of the aid you originally were scheduled to receive. This means that 70 percent of your scheduled awards remains unearned and must be returned to the federal government

The following formula is used to determine unearned aid that has to be returned:

**Percent earned** = number of calendar days completed up to the withdrawal date divided by total calendar days in the payment period (less any scheduled breaks that are at least 5 days long)

**Percent unearned** = 100 percent minus percent earned

#### What is the withdrawal date?

When you reduce your enrollment to zero credit hours, you have withdrawn from Lourdes University. Instructions for completing the withdrawal process can be found in the *Undergraduate Catalog* and by consulting with your academic advisor. If you complete the official withdrawal process, the refund calculation will be based on the date as recorded on your official withdrawal slip. If you do not officially withdraw, but it is determined that you stopped participating in all of your classes, the calculation is based on the date reported by your instructor(s) as your last date of participation.

#### Who returns the unearned funds?

Lourdes University and the student are both responsible for returning unearned funds to the appropriate programs in specific loan/grant order. Lourdes University must return the lesser of:

- 1) the total amount of unearned aid; OR
- 2) institutional charges multiplied by the unearned percentage.

Amounts that must be returned will first be applied to federal loans and then to grants. Loan borrowers will be permitted to repay loans based on the terms of the promissory note.

The student will also be billed for any amount due to Lourdes University resulting from the return of federal aid funds. For example, if Lourdes University is required to return federal aid which was used to pay a portion of your charges for the enrollment period, you are required to pay Lourdes University for the unpaid portion of the charges.

#### How do I repay unearned funds?

If you owe any money to Lourdes University resulting from the return of federal funds, you will receive a bill from the Student Accounts Office.

For all outstanding charges owed to Lourdes University, you must make payment arrangements with the Student Accounts Office, (419) 824-3696. Loan repayment arrangements may be made by contacting Direct Loan servicing at 1-800-848-0979.

#### What happens if I don't repay?

If you do not repay Lourdes University for the charges resulting from the federal refund policy, your records will be placed on financial hold. This means you will not be permitted to register for classes or receive transcripts until the balance is paid. Outstanding balances due to Lourdes University can also result in collection agency action and negative credit bureau reporting.