

Clafin University

Office of Student Financial Aid

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Treatment of Federal Title IV Aid After Withdrawal

The law specifies how Clafin University must determine the amount of Federal Title IV program assistance that you earn if you withdraw from school. The Title IV programs that are covered by this law are Federal Pell Grants, Federal Stafford Loans, PLUS Loans, Federal Supplemental Educational Opportunity Grants (FSEOGs), Federal Perkins Loans, Academic Competitive Grants (ACG) and National Science and Mathematics Access to Retain Talent (SMART) grants. When you withdraw during the semester 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 Clafin 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 receive more assistance than you earned, the excess funds must be returned by Clafin and/or you.

The amount of assistance that you have earned is determined on a pro-rata basis. For example, if you completed 30 percent of your semester, you earn 30 percent of the assistance you were originally scheduled to receive. Once you have completed more than 60 percent of the semester, you earn all of the assistance that you were scheduled to receive for that semester. If you did not receive funds that you earned, you may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, you have fourteen days to choose to decline the additional loan funds so that you don't incur additional debt. Clafin will automatically use all or a portion of your post-withdrawal disbursement (including loan funds if you accept them) for tuition, fees, and room and board charges. Clafin needs your permission to use the post-withdrawal disbursement. If you do not give your permission, you will be offered the funds. However, it may be in your best interest to allow Clafin to keep the funds to reduce your debt.

If you receive (or Clafin or your parent receives on your behalf) excess Title IV program funds that must be returned, Clafin 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. Clafin must return this amount even if it didn't keep this amount of your Title IV funds.

If Clafin 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 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 amount of a grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. Clafin will return the unearned grant funds for you, which may cause you to owe a balance.

The requirements for Title IV program funds when you withdraw are separate from any refund policy that Claflin has. Therefore, you may still owe funds to Claflin to cover unpaid institutional charges. Claflin may also charge you for any Title IV program funds that Claflin was required to return. If you don't already know what Claflin's refund policy is, see previous section or, you can ask for a copy in the Office of the Registrar. Claflin can also provide you with the requirements and procedures for officially withdrawing from school. If you have questions about your Title IV program funds, you can call the Federal Student Aid Information Center at 1.800.4.FED.AID. TTY users may call 1.800.730.8913. Information is also available on "Student Aid on the Web" at www.studentaid.ed.gov. The Office of Financial Aid and the Bursar at Claflin are also available to assist you.