
Treatment of Federal Title IV Aid When a Student Withdraws

Federal law specifies how Sonoma State University (SSU) must determine the amount of Title IV program assistance that you earn if you withdraw from school before completing a semester. The Title IV programs that are covered by this law are Federal Pell Grant, Iraq and Afghanistan Service Grant, TEACH Grant, Subsidized and Unsubsidized Direct Loan, Direct PLUS Loan (Parent and Graduate), and Federal Supplemental Educational Opportunity Grant (FSEOG).

General Requirements

Although your financial aid is credited to your student account as soon as you have met all disbursement requirements each semester -- which may be as early as 10 days prior to the start of classes -- you earn the funds as you attend classes during the semester and participate in academically-related activities. If you withdraw from SSU before the end of the semester, the amount of federal financial aid that you have earned up to that point is determined by a specific formula. If you (or your parent for Direct PLUS Loan) or SSU received less assistance than the amount that you earned according to the formula, you may be able to receive those additional funds even though you have withdrawn from the semester's courses. If you received more assistance than you earned, the excess funds must be returned by the school and/or you.

The amount of federal financial aid that you have earned is determined on a pro rata basis. For example, if you attend classes for 30% of the semester, you earn 30% of the assistance you were originally scheduled to receive. Once you have completed more than 60% of the semester, you earn all the assistance that you were scheduled to receive for that semester.

If you did not receive all of the assistance that you earned, you may be due a post-withdrawal disbursement.

Post-withdrawal Disbursement Requirements

If your post-withdrawal disbursement includes loan funds, SSU must get your permission before we can disburse them. You may choose to decline some or all of the loan funds so that you don't incur additional debt. SSU may automatically use all or a portion of your post-withdrawal disbursement of grant funds for tuition, fees, and on-campus room and board charges. SSU needs your permission to use the post-withdrawal grant disbursement for all other institutional charges. See the [Authorization to Apply Financial Aid to Other Charges](#) webpage. If you do not give your permission, you will be offered the funds. However, it may be in your best interest to authorize SSU to apply the funds to reduce an outstanding balance on your student account.

There are some federal financial aid funds that cannot be disbursed to you once you withdraw because of other eligibility requirements, even if you were scheduled to receive them. For example, if you are a first-time, first-year undergraduate student and you have not completed the first 30 days of the semester before you withdraw, you will not receive any Direct Loan funds that you would have received had you remained enrolled past the 30th day.

Return of Funds Requirements

If you (or your parent for Direct PLUS Loan) or SSU received excess federal financial aid funds that must be returned due to your withdrawal from the semester, SSU must return a portion of the excess equal to the lesser of:

1. your institutional charges multiplied by the unearned percentage of your assistance, or
2. the entire amount of excess funds.

SSU must return this amount even if we didn't keep this amount of your federal financial aid funds to pay your institutional charges. If we are not required to return all 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) will 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 SSU or the federal Department of Education to return the overpayment. The requirements for federal funds when you withdraw are separate from SSU's refund policy. Therefore, you may still owe funds to SSU to cover unpaid institutional charges. SSU may also charge you for any federal funds that we were required to return. SSU's refund policy for registration charges is governed by the CA Code of Regulations, Title 5, Section 41802 and is available in the Catalog. Requirements and procedures for officially withdrawing from SSU are in the Catalog, the Schedule of Classes Registration Information, and on the [Records and Registration](#) website. If you have questions about your Title IV program funds, 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 on Student Aid on the Web at www.studentaid.ed.gov.