

Withdrawal and Financial Aid Nazarene Bible College

NBC awards Federal Financial Aid (SEOG, Pell Grant, Perkins Loans, Direct Student Loans and Direct PLUS Loans) to students with the assumption that they will **complete all classes they are scheduled to attend each term** (payment period). Students who have not completed all scheduled courses and are no longer attending a course within the term are considered to be withdrawn – even if they have not officially notified the school.

If you withdraw (withdraw, drop or otherwise stop attending) from all classes within a term, NBC may be required to return a portion of the funds that you received from Federal Student Aid. This is because you earn your federal student aid by attending and completing classes. Even though funds may have been posted to your student account and you may have received a payment check, you are still earning those funds by attending your class, and you may have withdrawn before you earned all of the funds received.

CALCULATING AID EARNED

The U.S. Department of Education requires NBC to use a specific mathematical formula to calculate the amount of time you were enrolled in classes in relation to the full term. The percentage of time enrolled is then used to prorate the amount of funds earned. Students who remain enrolled beyond the 60% point in the term will earn all aid for the term.

RETURN EXAMPLE:

Return of Unearned Title IV Aid 34 CFR 668.22 - This Federal Rule states that students earn financial aid based on the period of time they are enrolled.

If you completed 50% of the term, you have earned 50% of what you were scheduled to receive for attendance in that term. If you were awarded \$500 in Pell grant, \$1500 in subsidized loans and \$2000 in unsubsidized loans, for a total award of \$4000 for the term, and you earned 50% of the total award, you would have earned \$2000. This means that you may keep 50%, or \$2000 in federal aid, but the other 50% or \$2000 must be returned to the federal government.

$$50\% \text{ AID EARNED} = \frac{42 \text{ Days Enrolled in Class}}{84 \text{ Days in Term}}$$

\$4000 TOTAL AWARD for the Term = \$500 PELL + 1500 Sub. Loans + \$2000 Unsub. Loans

\$2000 AMOUNT EARNED in the Term = 50% Aid Earned x \$4000 Total Award for Term

The AMOUNT EARNED = the amount you can KEEP.

The difference between the amount you can KEEP and the amount the school charges you for classes is the amount of CREDIT you will receive or the amount you must PAY to the school.

Please contact the NBC Advising Office for more information.

WHAT WILL YOU OWE?

If you received more federal aid funds than you earned in the term, the excess funds must be returned to the lender. Because the process of calculating a return of Federal Aid received is separate from the amount of tuition and fees (charges) the school may refund to you, returning federal financial aid may mean that you owe a balance due.

If you withdraw from classes before the refund deadline, NBC will return a percentage of your class costs. The refund amount will not include class fees. To determine how much you may receive in refunds, please review NBC's return policy which is posted in the school catalog and on the NBC website: <http://www.nbc.edu/financialaid/tuition-and-fees.php>.

In the return example above, the student has earned \$2000 in Federal Financial Aid.

- **IF** the student enrolled in 2 classes at \$1425 each for a total of \$2850 and the student receives a 75% refund the **amount the school will REFUND** in tuition charges will be:

$$75\% \text{ of } \$2850 = \$2137.50 \text{ REFUND OF TUITION}$$

- The remaining tuition will be the difference between the total cost \$2850 and the amount refunded \$2137.50

$$\$2850 - \$2137.50 = \$715.50 \text{ REMAINING COST}$$

- The Amount left on the student's account will be the difference between the aid EARNED and the REMAINING COST.

$$\$2000 \text{ (Earned)} - \$715.50 \text{ (Remaining Cost)} = \$1284.50 \text{ CREDIT}$$

POST WITHDRAWAL DISBURSEMENTS

If you have earned a portion of federal aid funds and these funds were NOT posted to your student account before you withdrew from classes, you may be eligible for a post-withdrawal disbursement. A **post-withdrawal disbursement** usually occurs if you withdraw from class before the disbursement date. The disbursement date is the day the funds are posted on your student account.

If you are eligible for a post-withdrawal disbursement, grant funds are automatically posted to your account, but NBC must get your written permission to disburse a student loan. Requesting your permission to award student loans gives you the opportunity to decline all or some of the loan funds so you will not incur additional debt. Any funds posted to your account will be used to cover the cost of what you owe in tuition and fees. If you owe more than you have earned, you will have a balance due.

SPECIAL CIRCUMSTANCES

In some cases, there will be Federal Student Aid funds that you earned, but you cannot receive when you withdraw. This is because all students must meet basic eligibility requirements before receiving Federal Student Aid. Two of the most common examples are:

- If you withdraw from all classes before aid has been disbursed, AND you never began half time enrollment (dropped all remaining classes before attending them), you will no longer be eligible to receive federal student loans. Your grants will be disbursed based on the calculation above, but your loans will be cancelled.
- If you are a first-time, first-year undergraduate student AND you withdrew within 30 days of beginning classes, you will not be eligible to receive federal student loans. All pending loan awards will be cancelled when you withdraw from classes.

REPAYING UNEARNED AID

The responsibility to repay unearned aid is shared by Nazarene Bible College and the student in to the amount of aid each is assumed to possess.

Nazarene Bible College would be responsible for returning the lesser of:

- Your institutional charges multiplied by the unearned percentage of your funds OR
- The entire amount of excess funds
- NOTE: NBC must return this amount even if we issued an excess financial aid check to you. You would then be responsible to reimburse NBC for any amount we returned on your behalf which creates an amount owed to your student account.

If you are required to return a portion of your loan funds, you will need to make scheduled payments based on the terms of your Master Promissory Note. Your loan servicer can help you through this process.

If you are required to return a portion of your grant funds (overpayment), you will need to work with the NBC Advising Office. The most you would need to repay would be half of the grant funds you received or were scheduled to receive. If the overpayment amount is \$50 or less, you will not need to make a repayment.

NOTE: NBC generally returns all unearned aid on behalf of the student. However, it is important that you read any emails or letters from NBC and respond to telephone calls to ensure that your accounts are in order so there will be no problems with future eligibility. To ensure that information is received in a timely manner, students should contact the Registrar's Office (719-884-5082) to confirm that the school has their correct home address and telephone number.

WHAT ABOUT INSTITUTIONAL AID: NBC AWARD, MERIT, AND INSTITUTIONAL SCHOLARSHIPS

Refund and repayment of institutional discounts, and special assistance funds is determined by the NBC Admissions Office.

Refund and repayment of private non-institutional scholarships is determined by the scholarship donor. Please contact the individual or organization which awarded the private scholarship for details.

BALANCES DUE

If unearned aid results in a balance due, a revised tuition and fee bill will be posted in the student portal (www.portal.nbc.edu) under "My Ledger". **It is the student's responsibility to repay these funds.** Please contact the NBC Business office (719-884-5024) to setup a repayment plan or to pay the full balance due. Students who owe money to the school cannot enroll in classes until they have paid the balance or made an agreement with the business office.