

WORCESTER STATE UNIVERSITY
RETURN OF TITLE IV FUNDS EXAMPLE 1 (2017)

Student 1 stopped attending classes on November 8. The semester began on September 6 and is 109 days long. Student 1 attended 64 days and has earned 58.7 percent of his financial aid (64 days divided by 109 days equals 58.7).

Student 1 received in aid:

Federal Pell Grant \$1,083

Federal Direct Subsidized Loan \$1,750

Federal Direct Unsubsidized Loan \$1,000

Federal Parent Loan \$5,210

Total aid = \$9,043

1. The amount of federal aid earned is $58.7\% \times \$9,043 = \$5,308.24$
2. Total federal aid unearned is $\$9,043 - \$5,308.24 = \$3,734.76$
3. The second calculation determines percentage of amount unearned based on school charges for tuition. Student 1 was charged \$5,366 in tuition and did not live on campus. Percentage of unearned aid for this second calculation is $100\% - 58.7\% = 41.3\%$. Therefore, unearned aid based on the tuition charges for the semester, $\$5,366 \times 41.3\% = \$2,216.16$.
4. The amount of federal aid Student 1 must return is the lesser of step 2 or 3 (\$2,216.16 in our example).
5. Federal guidelines determine the order of aid types to be reduced. Therefore Student 1's aid will be reduced accordingly:

Federal Direct Unsubsidized Loan \$0 (\$1,000 returned)

Federal Direct Subsidized Loan \$534 (\$1,216 returned)

Federal Parent Loan \$5,210 (no adjustment)

Federal Pell Grant \$1,083 (no adjustment)

The total returned amount of \$2,216 will be reversed from Student 1's account and returned to the appropriate Title IV funds reducing Student 1's total aid to \$6,827.

WORCESTER STATE UNIVERSITY
RETURN OF TITLE IV FUNDS EXAMPLE 2 (2017)

Student 2 stopped attending classes on March 1. The semester began on January 6 and is 111 days long (excluding a 5 day break). Student 2 attended 44 days and has earned 39.6 percent of his financial aid (44 days divided by 111 days equals 39.6).

Student 2 received in aid:

Federal Pell Grant \$2,907

Federal Direct Subsidized Loan \$2,250

Federal Direct Unsubsidized Loan \$1,000

Total aid = \$6,157

1. The amount of federal aid earned is $39.6\% \times \$6,157 = \$2,438.17$
2. Total federal aid unearned is $\$6,157 - \$2,438.17 = \$3,718.83$
3. The second calculation determines percentage of amount unearned based on school charges for tuition. Student 2 was charged \$3,318 in tuition and did not live on campus. Percentage of unearned aid for this second calculation is $100\% - 39.6\% = 60.4\%$. Therefore, unearned aid based on the tuition charges for the semester, $\$3,318 \times 60.4\% = \$2,004.07$.
4. The amount of federal aid Student 1 must return is the lesser of step 2 or 3 (\$2,004.07 in our example).
5. Federal guidelines determine the order of aid types to be reduced. Therefore Student 1's aid will be reduced accordingly:

Federal Direct Unsubsidized Loan \$0 (\$1,000 returned)

Federal Direct Subsidized Loan \$1,246 (\$1,004 returned)

Federal Pell Grant \$2,907 (no adjustment)

The total returned amount of \$2,004 will be reversed from Student 2's account and returned to the appropriate Title IV funds reducing Student 2's aid to \$4,153.