

Return to Title IV Funds

This document describes the Financial Aid, Veterans & Scholarship Services (FAVSS) Return of Title IV Aid policy that applies to students receiving federal student aid funds. This includes federal Pell & SEOG, and student loans programs. Title IV or student financial aid (SFA) is awarded to a student under the assumption that the student will attend school for the entire semester for which the aid is awarded.

Withdrawals

When a student withdraws, the student may no longer be eligible for the full amount of aid that the student was originally scheduled to receive. FAVSS is required by regulation to complete a Return of Title IV (R2T4) calculation for any student that withdraws from or ceases to attend all classes during a semester. The purpose of the calculation is to determine the earned and unearned amounts of federal student aid that the otherwise eligible student is entitled to receive. The R2T4 calculation is based on the number of days attended established on an official or unofficial withdrawal date.

Official Withdrawal

An official withdrawal is initiated by the student via the students MyPalomar account or by notifying the Admissions office.

Unofficial Withdrawal

Palomar College is a nonattendance taking institution post census certification. Students who do not officially withdraw and complete zero (0) units will be considered unofficially withdrawn. The midpoint of the payment period (semester) will be used as the effective withdrawal date to determine earned and unearned aid amounts for students who unofficially withdraw from the College.

Combination of Official and Unofficial Withdrawals

Students who have official and unofficial withdrawals in one payment period (semester) will be calculated on the date of the official withdrawal or the midpoint date (50%), whichever is greater.

Failure to Begin Attendance

If a student receives financial aid, but never attends any class meetings, the Financial Aid Office must return all disbursed funds to the respective federal, state and institutional aid programs, which will result in an Institutional Portion Liability*. Any funds received by the student are considered unearned and will be required to be repaid by the student.

Earning a grade of FW or F:

Per Palomar College [Administrative Policy 4230](#), the grade of FW is awarded to students who fail as a result of unofficially withdrawing. The grade of F is awarded to students who complete the course but fail to achieve the course objectives. Students who earn at least one grade of F will be considered to have completed a course and will not be subject to an R2T4 calculation unless the F is earned in a course that represents less than 49% of a payment period (short-term course). F grades for course (s) not representing 49% of a payment period may be subject to an R2T4 calculation.

Written confirmation of future attendance in a short-term class

Short-term courses are courses that do not span the entire length of the semester. If a student withdraws and does not attend a subsequent short-term class, it is considered a complete withdrawal and a R2T4 calculation must be completed. If at the time of withdrawal, the student will attend another short-term course within the same semester, then it is not considered a withdrawal. However, Federal Regulations requires the Financial Aid Office to request the student to provide written confirmation or email to the Financial Aid Office within 5 days that they are planning to attend in an upcoming short-term course. This confirmation is required even if the student was previously registered for future courses prior to withdrawing. This allowance is only permitted if the course begins within 45 days from the day the student withdraws from all other courses.

Pell Recalculation Date

Each semester will have a Pell Recalculation Date (PRD) otherwise known as a “freeze date” to determine each student’s enrollment level (number of units enrolled) and verify FSA program eligibility and award amounts. We will adjust (increase or decrease) FSA amounts to reflect enrollment level as of the PRD. For more information, please see our [Freeze Date/Pell Recalculation policy](#).

Changes in Enrollment Level

Reduction in unit load (dropping classes) prior to the PRD, may change FSA eligibility even if the student does not completely withdraw from all classes. A R2T4 calculation is not required, but FSA eligibility and award amounts may be adjusted and can result in an overpayment. The student is required to return any overpayment of funds.

Post-Withdrawal Disbursement

If the student received less FSA than the amount earned based on the R2T4, the College will offer a Post-Withdrawal Disbursement (PWD). Federal Pell grants will be disbursed without written confirmation; however, a student may decline or reduce their PWD to preserve grant eligibility. Loan proceeds will require written confirmation from the student for disbursement. Palomar College may use all or a portion of a student’s PWD (including student loan funds, if accepted) to offset any eligible, outstanding tuition and fees.

Student Responsibilities

Students are required to notify FAVSS of their withdrawal via their Palomar College student email address, in person, or by mail so that we may calculate a return in a timely manner. Additionally, FAVSS will run periodic reviews during the term to identify student and instructor drops (made using MyPalomar access). The R2T4 calculation will be completed within 30 days after the withdrawal is determined. If the student has been overpaid, he/she will be notified via email and U.S. mail. The notification will include the FSA program and amount(s) that are required to be returned.

Order of Return of Title IV Funds

R2T4 calculations require the return of funds in the following order:

- Unsubsidized Loans
- Subsidized Loans
- Federal Pell Grants
- Iraq & Afghanistan Service Grant (IASG)
- Federal Supplemental Educational Opportunity Grant (FSEOG)

Return of Unearned Funds

If a determination is made that a student did not earn all funds for the payment period (semester) that were disbursed, a repayment of funds may be required. The student will be notified of the amount owed to the institution (Institutional Liability) and/or the amount owed to the Department of Education (Student Portion Liability). For students who are required to return Title IV aid in addition to the portion of aid the school is required to return, there is a 50% protection allowance on unearned Title IV student grants only. Loans would need to be repaid in full.

Institutional Portion Liability

Palomar College will recoup institutional portions returned to the FSA Program on your behalf by placing a miscellaneous charge on the student's financial account. This will not affect federal financial aid eligibility, but may prevent the student from enrolling, dropping classes, and other services at the College. Students may pay this debt via MyPalomar, mail in a cashier's check or money order or in person at the Cashiers office.

*Student Portion Liability

Students who have a Student Portion Liability will remain eligible for FSA funds for 45 days once notified by the College. This gives the student 45 days to repay the funds to the institution. This debt **cannot** be paid via MyPalomar and must be paid via mail with a cashier's check or money order, or in person at the Cashiers office. If payment in full is not received by the given date (45 days), the debt will be to the Department of Education's Default Resolution Group (DRG). Additionally, an overpayment will be reported on the National Student Loan Database (NSLDS) and the student will lose federal FSA eligibility until the funds have been repaid. Once the debt is transferred to the DRG, payments can no longer be accepted by the institution. The student will work with DRG to repay the funds (payment arrangements are available).

DRG Contact Information:

Phone: 1-800-621-3115

Mail:

U.S. Department of Education

Default Resolution Group

P.O. Box 5609

Greenville, TX 75403

Students may have a combination of Institutional and Student liabilities.

Palomar College Refund Policy

Students should be aware that though our school refund policy determines the charges students will owe after withdrawing, the refund policy will not affect the amount of Title IV aid the student earned under the Return calculation. Mandatory fees including enrollment, health, student center and nonresident fees will be included in the Return calculation. Palomar College's refund policy is available online at: <https://www2.palomar.edu/pages/fiscalservices/information-for-students/refund-policy/>