

## **Financial Aid Refund Policy Return of Title IV Funds**

Luther College students who are unable to complete any courses for the semester for which they enrolled or withdraw will be evaluated for financial aid and cost adjustments according to the Federal formula for Return of Title IV Funds. Title IV funds refer to the Federal financial aid programs authorized under the Higher Education Act of 1965 (as amended) and includes the following financial aid programs: Federal Direct Unsubsidized and Subsidized Stafford Loans, Federal Direct PLUS Loans, Federal Perkins Loans, Federal Pell Grant and Federal SEOG. Though Federal College Work-Study is considered a Title IV fund, it is not included when calculating the Return of Title IV funds.

Student financial assistance and Luther College tuition, room and board charges are considered “earned” at the same percentage as the days attended for the semester prior to the point of withdrawal. After the student has attended 60 percent of the semester, the student will have earned the full semester financial assistance and will be responsible for the entire semester cost.

A student starts the withdrawal or leave of absence process at the Student Life Office. The withdrawal date is the date on which the student starts the withdrawal process or the date the student otherwise provides official notification to Luther College of his/her intent to withdraw. However, if Luther College can document an academically related activity different than the date the student officially withdrew, that date may be used. If a student leaves school and fails to follow the withdrawal process, Luther will first try to document the last known date of academically related activity for the student to establish a withdraw date. If none can be determined, then it is assumed the student withdrew at the midpoint of the period of enrollment.

Luther College will return any unearned aid that was applied to a student’s institutional charges. The student must return any unearned funds allocated to a loan program under the terms and conditions of the promissory note. If a student owes a grant overpayment, the student must make satisfactory repayment arrangements with Financial Services at Luther College.

In accordance with the Federal regulations, the student (or parent for a PLUS loan) must return unearned aid for which the student is responsible by repaying funds to the following sources in order: Direct Unsubsidized Stafford Loan, Direct Subsidized Stafford Loan, Perkins Loan, Direct PLUS, Pell Grant, FSEOG, and Other Title IV programs.

A description of the refund of institutional charges is available in the Luther College Catalog.