

DISBURSEMENT OF FINANCIAL AID

Disbursement of financial aid includes tuition assistance and student loans. Disbursements are delivered in installments with students receiving any eligible refunds on set dates each semester. Financial aid funds are disbursed to the seminary on a set date and the Business Office has 14 days to process and disburse any refunds to the students. After the lender disburses loan funds to Grace, enrollment status is checked and funds are credited to account for qualified students.

WITHDRAWAL AND REFUND POLICY

Officially Dropping a Course or Withdrawing from School

Official drop mean that the approved procedure to withdraw from a course was followed by the student. The only way to officially drop a course is through Populi or by using the Withdrawal Drop Form and sending it to the Registrar. This applies to all courses, irrespective of delivery mode or course length.

If a student is withdrawing from school, he must provide official notification to the Registrar's office in writing and complete all necessary forms. The official withdrawal date is determined by the Registrar and recorded.

If a student drops a course/withdraws before the first day of the module, he will be refunded 100% of his tuition plus the technology fee. If a student drops a course after the first class session but before the Drop Date for the module/semester, the student is still responsible for 25% of his tuition plus all the fees. After the Drop Date there are no refunds. All refunds must be requested from the Business Office. Refunds are based on the amount billed, not what has been paid.

TUITION REFUND POLICY	
Before Module Begins	100% tuition and \$80 technology fee
After First Class Session	75% tuition, no fees
After Drop Date	0% tuition, no fees

Unofficially Dropping a Course or Withdrawing from School

Beware of *unofficially* dropping a course. It will adversely affect your grades and student account. *Unofficial drop* means that the approved procedure to withdraw from a course or school was not followed by the student. Students are prohibited from dropping a course/withdrawing by:

- Not attending the course;
- Communicating their desire to drop the course/withdraw other than submitting the Withdrawal Drop Form/General Petition to the Registrar; or
- Communicating their desire to drop the course/withdraw to employees other than the Registrar (or his or her assistant)

When a student unofficially drops a course/withdraws, the Registrar will apply the Student Attendance Policy to determine the date of the drop and will assign the notation WF (Withdrawal-Fail) to the student's record, according to the Grading System Policy. Refunds are never due for unofficial drops/withdrawals.

LEAVE OF ABSENCE

A leave of absence (LOA) is a temporary interruption in a student's program of study. LOA refers to the specific time period during a program when a student is not in attendance. An LOA is not required if a student is not in attendance only for an institutionally scheduled break. However, a scheduled break may occur during an LOA.

An LOA must meet certain conditions to be counted as a temporary interruption in a student's education instead of being counted as a withdrawal requiring a school to perform a Return calculation. If an LOA does not meet the conditions in 34 CFR 668.22(d), the student is considered to have ceased attendance and to have withdrawn from the school, and the school is required to perform a Return calculation.

All of Grace School of Theology courses and programs of study are offered in a standard term format (semester or quarter in which all classes begin and end between the term's start and end dates with no overlap between terms). Because of this LOA does not apply for Title IV purposes. A student who takes an "LOA" mid-semester may not return "at the same point in the program" in which he or she left. When they return, they return at the beginning of a class, not the middle. A student who stops during a term is a withdrawal, and if they are receiving Title IV aid, there must be a calculation.

FEDERAL RETURN OF TITLE IV FUNDS (R2T4)

The Financial Aid Office is required by federal statute to recalculate federal financial aid eligibility for students who withdraw, drop out, are dismissed, or take a leave of absence prior to completing 60% of a payment period or term. The federal Title IV financial aid programs must be recalculated in these situations. The calculation must be performed even if the student has completed 60% of the payment period to show that the school determined that the student withdrew.

If a student leaves the institution prior to completing 60% of a payment period or term, the financial aid office recalculates eligibility for Title IV funds. Recalculation is based on the percentage of earned aid using the following Federal Return of Title IV funds formula:

Percentage of payment period or term completed = the number of days completed up to the withdrawal date divided by the total days in the payment period or term. (Any break of five days or more is not counted as part of the days in the term.) This percentage is also the percentage of earned aid.

Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula:

- Aid to be returned = (100% of the aid that could be disbursed minus the percentage of earned aid) multiplied by the total amount of aid that could have been disbursed during the payment period or term.
- If a student earned less aid than was disbursed, the institution would be required to return a portion of the funds and the student would be required to return a portion of the funds. Keep in mind that when Title IV funds are returned, the student borrower may owe a debit balance to the institution.
- If a student earned more aid than was disbursed to him/her, the institution would owe the student a post-withdrawal disbursement which must be paid within 120 days of the date the institution determined that the student withdrew.

Refunds are allocated in the following order:

1. Unsubsidized Federal Stafford Loan
2. Subsidized Federal Stafford Loan
3. Federal Perkins Loan
4. Federal Parent (PLUS) Loan
5. Federal Pell Grant
6. Federal Supplemental Opportunity Grant
7. Other Title IV Assistance
8. Other State
9. Private and Institutional Aid
10. The Student

CALCULATION OF EARNED TITLE IV ASSISTANCE

Percentage of Title IV Aid Earned

The percentage of Title IV federal aid assistance earned by the student will be determined on a pro-rata basis up to the 60% point of a student's payment period. For example, if the student completed 30% of a payment period, 30% of the aid originally scheduled to be received would have been earned. Once a student has completed more than 60% of a payment period, 100% of awarded aid has been earned. The percentage is determined by the number of completed days by the student (beginning of semester up until the withdrawal or unofficial withdrawal date) divided by the total number of calendar days for the semester (not including scheduled breaks of 5 days or more).

Amount of Title IV Aid Earned

After calculating the percentage of aid earned, the amount of aid earned is calculated and rounded to the one-hundredth decimal. Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Iraq Afghanistan Grant, Direct Subsidized Loan, Direct Unsubsidized Loan, and Federal Direct PLUS Loan aid that has been disbursed or yet to be disbursed will be included in the calculation of amount of aid earned.

Withdrawal and Return of Title IV Funds Reporting

Grace's Financial Aid Office will run reports routinely each week to identify and perform Return of Title IV (R2T4) calculations of federal financial aid recipients. The reports will identify federal aid recipients that:

- Completely withdrew
- Received a non-passing grade in the course with the latest end date in the student's semester. However, if the last date of attendance corresponding to the non-passing grade is at the end of the course, no R2T4 is required.

POST-WITHDRAWAL DISBURSEMENTS

When the total amount of the Title IV grant and/or loan assistance earned as of the withdrawal date is more than the amount that was disbursed to the student, the difference between the two amounts will be treated as a post-withdrawal disbursement. If a post-withdrawal disbursement includes Loan funds, the school must get student permission before it can disburse them. If a post-withdrawal disbursement includes Grant funds, the school may automatically use all or a portion of them for tuition, fees, and room and board charges (as contracted with the school). The school needs student permission to use the post-withdrawal grant disbursement for all other school charges. If a student does not give permission, the funds will be offered. In both cases it may be in

the student's best interest to allow the school to keep the funds in order to reduce any debt owed to the school.

Post-Withdrawal Disbursement of Grant Funds

A post-withdrawal disbursement of grant funds will be applied towards outstanding semester charges on the student's account and may pay up to the amount of the allowable charges (i.e., tuition and fees). Any remainder of grant aid will be paid to the student. The student will be notified within 30 days of the date of determination of withdrawal of the post-withdrawal disbursement. Student has 14 days from the date of notification to respond to school. A refund will be sent within 45 days of the date that the school determined that the student withdrew.

Post-Withdrawal Disbursement of Loan Funds

A post-withdrawal disbursement of loan funds may be paid if the student is eligible to receive the funds. The student will be notified within 30 days of the date of determination of withdrawal of the opportunity to accept all or a part of the post-withdrawal disbursement. Upon receipt of a timely response from the student (14 days from date of notification), the school will disburse the loan funds within 180 days of the date of determination of the student's withdrawal date. Loan funds will be applied towards the outstanding semester charges on the student's account and may pay up to the amount of the allowable charges (i.e., tuition and fees). Any remainder will be paid directly to the student.

The school maintains the right to decide whether or not to make a post-withdrawal disbursement in the event that the student responds after 14 days of the date that the notification was sent. If the school decides not to make this post-withdrawal disbursement, it will inform the student in writing.

RETURN OF UNEARNED FUNDS TO TITLE IV

When the total amount of the Title IV grant and/or loan assistance that was earned as of the withdrawal date is less than the amount that was disbursed to the student, the difference between the two amounts will be returned to Title IV program(s) and no further disbursement will be made.

Funds Returned by the School

If a student has received unearned funds, the school will return a portion of the unearned excess equal to the lesser of:

- The student's institutional charges multiplied by the unearned percentage of funds, or
- The entire amount of the unearned funds

The funds will be returned in the order below as prescribed by federal regulations, within 45 days from the date of determination that a student withdrew:

- Unsubsidized Federal Direct Loans
- Subsidized Federal Direct Loans
- Federal Direct PLUS Loans
- Federal Pell Grants
- Federal Supplemental Educational Opportunity Grants (FSEOG)
- Federal Iraq Afghanistan Grant

The student will be notified in writing of any funds returned by the school within 45 days of the date the school determined that the student withdrew.

Funds Returned by the Student

In the event there is remaining unearned aid, the student is responsible for returning those funds. Any amount of unearned grant funds that a student must return is called an overpayment.

Return of Loan Funds

When loan funds should be returned, they will be repaid in accordance with the terms of the promissory note over a period of time. That is, the student will make scheduled payments to the holder of the loan over a period of time.

Return of Grant Funds

When grant funds should be returned, the law provides that the student may repay 50% of a federal grant rather than 100%. The school will notify the student of the overpayment within 30 days of the date it determined that the student withdrew and requires the student to pay in full or make satisfactory repayment arrangements with the school within 45 days of the date of notification. If payment is not received, the overpayment is reported by Grace School of Theology to National Student Loan Data System (NSLDS) and the U. S. Department of Education's Borrowers Service to collect as soon as possible after 45 days. The student must make arrangements with the Department of Education to return the unearned grant funds.

Note: The student who owes an overpayment remains eligible for federal student aid from the earlier of 45 days from the date the institution sends a notification to the student of the overpayment, or 45 days from the date the institution was required to notify the student of the overpayment.

UNEARNED AID RETURNED AND REPAYMENT BY STUDENT

All unearned funds returned by the Grace to the Title IV programs will be charged back to the student's account.

TIMEFRAME FOR THE RETURN OF TITLE IV FUNDS

Grace School of Theology will abide by the following federal timelines:

- From the Date of Determination of a Withdrawal
 - Within 30 days of the date of determination of the withdrawal date, perform the Return of Title IV Funds calculation
 - For an official withdrawal, the date of determination of the withdrawal date is the same as the withdrawal date
 - For an unofficial withdrawal, the date of determination of withdrawal must be made within 30 days after the end of the payment period, i.e., semester block.
 - Within 30 days of the date of determination of the withdrawal date, notify the student if there is a post-withdrawal disbursement due to the student of loan funds or an overpayment of grant funds, if applicable.
 - Within 45 days of the date of determination of the withdrawal date, return the school owed funds to the appropriate Title IV program account.
 - Within 45 days of the date of determination of the withdrawal date, pay a student a post-withdrawal disbursement of grant funds
 - Within 180 days of the date of determination of the withdrawal date, pay a student a post-withdrawal disbursement of loan funds, if student requested funds within 14 days of notification by the school of their availability.

RETURN OF INSTITUTIONAL AID AND SCHOLARSHIPS

Institutional Aid and Scholarships are awarded based on enrollment hours. For any student who withdraws or reduces the number of hours during the course of the term, their awards will be adjusted accordingly and as a result may owe the institution. Grace School of Theology does not refund Institutional Aid or Scholarships to students.

CREDIT BALANCE POLICY

The College has 14 days from the receipt of student funds to issue any refunds due to a Title IV funds credit balance on the student's account. All checks will be sent via mail for security purposes. The student is responsible for notifying the Registrar's Office or updating his/her current mailing address on Populi.

STUDENT RESPONSIBILITIES

Reporting Student Financial Aid Changes

Your financial aid is based on the information submitted to our office for the current academic year in which you requested aid. To keep your file current and accurate, you are required to report the changes to the office of Student Financial Services. You should expect a revision of your award in most cases. Changes can include but are not limited to:

1. Additional financial assistance: scholarships, grants, loans, fee waivers, GI Bill, VA benefits and/or VA Vocational Rehabilitation, or any other monetary award not reported previously.
2. Changes in enrollment hours and/or withdrawal from the university
3. Change in course load if below full time.

Entrance and Exit Interview

All Federal Direct Loan recipients are required to complete an entrance interview prior to receiving the first disbursement of their loan proceeds. Grace School of Theology uses our Virtual Financial Aid Website to fulfill the entrance counseling. They are also required to complete an exit interview during their last term of attendance. (For further information, visit <http://www.studentloans.gov>)

Revision and Cancellation

The College reserves the right to review, revise, or terminate all or a portion of financial aid at any time due to changes in students' financial and/or academic status or failure to comply with laws and regulations, including financial verification and institutional policies. In addition, all financial aid is subject to revision based on the funds received by the College from all financial aid resources and any changes to federal laws, regulations, or policies.