

Refund and Return to Title IV Policy

For Undergraduate and Graduate Students

(As of 03-03-2015)

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WITHDRAWAL AND REFUND POLICY

Section 1: General withdrawal and refund policy guidelines

The U. S. Department of Education requires that Midland's participation in Title IV federal financial aid programs must have a fair and equitable refund policy. In the event that a student finds it necessary to withdraw or fails to complete the period of enrollment for which federal aid was intended, MU refunds unearned tuition, fees, room and board and other charges in accordance with the policies below. Sections 1 through 7 provide the basic summary of the process, while the additional sections provide more details on specific aspects of the withdrawal, refund and return of funds processes.

If the student ceases enrollment at MU prior to the end of a semester or term, depending on the date the student ceases studies, he/she may be entitled to a partial refund of those charges. The refund may be applied to an outstanding balance on the student's account. If the refund results in a credit balance on the account, the credit will be refunded to the student.

Upon notification that a student has withdrawn, the Financial Aid Office will calculate the student's earned and unearned aid. The student will be notified of any funds returned by MU to the aid programs, as well as any repayment for which the student is responsible. Calculation examples can be found at the end of this document and in the Student Handbook.

The University is also required to review the financial aid offered and/or disbursed to the student to determine the types and amounts of those funds that can be applied to his or her account as well as those funds that must be returned to their respective programs. The policies may be revised at any time to comply with changes to federal, state or Midland rules and regulations.

Withdrawal before Beginning of Term

Students, not faculty or staff, are responsible for registering, dropping or withdrawing from classes at MU in accordance with the policies and procedures outlined in the Student Handbook. This is the sole responsibility of the student. If a student does not attend classes, the courses will remain on the student's record and the student will owe all tuition and fees for the courses. If a student registers for classes and decides to attend another institution, the student must drop the MU class before the 100% refund deadline or he/she will be responsible to pay the appropriate tuition and fees. No exceptions will be made.

Special Circumstances

Students called to active duty in the Armed Forces of the United States, or leaving MU because of illness or other causes beyond their control, may receive special consideration. Each case will be considered individually. The MU President may authorize tuition, room and board refunds on a pro-rata basis or other adjustments as considered necessary in the circumstances. The decision of the President is final. Exceptions apply only to the refund of Midland charges and do not affect the outcome of the federally mandated recalculation of eligibility for recipients of federal financial aid, unless the student qualified for an approved leave of absence. The leave of absence policy is described later in this document, and if approved for the student, those provisions apply.

Voluntary Withdrawal

Students who withdraw voluntarily receive no refund of the application, matriculation, university or special fees. The first "week," as used for refund purposes, starts on the first day classes are held each semester.

Dismissal/Suspension

Students dismissed from MU for inattention to their studies or infringement of MU rules are allowed no refunds of any kind, other than those provided by the withdrawal policy applicable to them. The student's financial aid eligibility will be based on his/her last date of attendance and will be adjusted accordingly.

Incomplete Aid Processing

Any student not completing the financial aid process as of the last date of attendance may forfeit eligibility for financial assistance during that period of enrollment.

Additional Charges

Students may incur other expenses for which they will be personally responsible and for which no refund is required. These may include, but are not limited to, any fines, telephone charges, insurance fees, damages, charges for storage, shipping or incomplete checkouts. Deposits are always non-refundable.

Section 2: Return of Federal Title IV, State and/or Midland Funds

Federal law specifies how MU must determine the amount of Title IV assistance a student has earned if he/she withdraws from school. The Title IV programs that are covered by this law are: Pell Grants, FSEOG Grants, TEACH Grants, Direct Loans, PLUS Loans, and Perkins Loans. In calculating the days enrolled, all calendar days in an enrollment term are used, except any scheduled breaks of at least five days in length.

When a student withdraws during a payment period or term, the amount of assistance that is earned up to that point is determined by a specific formula. A student who received less assistance than the amount earned may be able to receive additional funds. If a student received more assistance than was earned, the excess funds must be returned by MU and/or the student.

The amount of federal assistance that is earned is based on the following pro-rata calculation:

Days Attended in the Period, (based on the last day of class attendance) ÷ Total Days in the Period

If the amount of aid disbursed exceeds the amount of earned aid, the unearned portion of the funds must be returned to the Title IV programs first in the following order: *Unsubsidized Federal Direct Loan, Subsidized Federal Direct Loan, Federal Perkins Loan, Federal or Direct PLUS Loan, Federal Pell Grant, Federal SEOG Grant, Federal TEACH Grant.*

A student who did not receive all funds that were earned may be eligible for a post-withdrawal disbursement, depending on their aid status at the time of the withdrawal. Any post-withdrawal disbursement of funds will first be automatically credited toward any unpaid charges for tuition, fees, room and board.

If the amount to be returned exceeds the amount that MU is required to return, the student has an obligation to return the remaining amount. Any loan funds that must be returned by the student are repaid according to the terms of the promissory note. If a repayment is due to a grant program, the student is required to pay only half of the remaining unearned amount.

When students fail to earn a passing grade in any class during a period of enrollment

Midland University's general academic policy assumes that all "F" grades are earned by the student. If a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, Midland University will assume, for Title IV purposes, that the student has unofficially withdrawn, unless the institution can document that the student completed the period. Midland will first attempt to document the student's last date of attendance at an academically related activity. If documentation is unavailable, the midpoint of the period as the student's withdrawal date will be used to determine any federal refunds or repayments due back to the U.S. Department of Education.

Section 3: Midland and State Aid Credits and Returns

Midland and state aid for traditional programs is based on the % of the charges assessed. For example, if a student was charged 40% for his or her term, 40% of the student's combined Midland and state aid would be applied toward the student's charges.

Students who withdraw from a non-standard term Master’s program are not entitled to any Midland aid that may have been awarded for that term. Those funds will be refunded 100% to their respective programs.

Any additional refunds will be returned in the following order: *state funds, Midland funds (scholarships and grants from MU), outside scholarship programs, the student.*

Section 4. Process

Any student who intends to withdraw from all classes at MU shall notify the MU Advising Center. As a good practice, written notification will be requested from a student who orally notifies Midland of his or her intent to withdraw. An exit review of the student's enrollment at MU will be conducted, consisting of the reason for withdrawal, the last date the student either attended classes or completed an academic-related activity, as determined by the faculty teaching the coursework, and a review of any unusual or extenuating circumstances that prevented the student from officially withdrawing.

Section 5. General Processing Dates and Deadlines and Notifications

While there are a variety of dates and deadlines applicable to the entire refund and withdrawal process throughout the document, the following main dates are of particular note.

1. Midland will determine the withdrawal date for a student who withdraws without providing notification to Midland no later than 30 days after the end of the earlier of the-
 - a. Payment period ;
 - b. Academic year in which the student withdrew; or
 - c. Educational program from which the student withdrew
2. Within 30 days, written:
 - a. notification providing the student (or parent) the opportunity to accept all or part of a post-withdrawal disbursement of Title IV loan funds;
 - b. notification of the student’s eligibility for a direct post-withdrawal disbursement of Title IV loan funds in excess of outstanding current (educationally related)charges;
 - c. notification to the student of a grant overpayment.

Section 6. Tuition and Fees* Refund Determination for Undergraduate Students

Withdrawal Date	Refund Percent
Within the first week (calendar days 1-7)	100
Within the second week (calendar days 8-14)	60
Within the third week (calendar days 15-21)	40
Within the fourth week (calendar days 22-28)	20
After the fourth week (after calendar day 28)	0

Tuition and Fees *Refund Determination for Graduate Students (non-standard terms)

Withdrawal Date	Refund Percent
Prior to the start of the first day of the term as published in the term calendar	100
Between calendar days 1-6 of the term	75
Between calendar days 7-13 of the term	50
After calendar day 13 of the term	0

*Technology and wellness fees only.

Room and Board Refund Determinations

Room and board refunds may follow a slightly different refund schedule, as outlined on the MU Housing Contract. There are no refunds for room and board after 30 days.

Section 7: Withdrawal date definitions

The withdrawal date is critical in determining the student's charges and refunds, and may be official or unofficial, depending on the circumstances. While the following basic definitions pertain to most circumstances, complete details can be found later in this document.

- **Official.** The official withdrawal date is the date that the student began the withdrawal process prescribed by Midland, or the date the student officially notified Midland, in writing or orally, of his or her intent to withdraw.
- **Unofficial.** For an unofficial withdrawal, the withdrawal date is the last date the student either attended classes or completed an academic-related activity, as determined by the faculty teaching the coursework.

No accrediting agency requires that attendance be taken. However, class attendance or non-attendance is verified by the census date each term to determine enrollment. Faculty may choose to use various methods to document attendance and to evaluate student progress throughout the year.

The Academic Affairs Department will confirm the last date of class attendance or academic-related activity and will forward that information to the Financial Aid Office for R2T4 review consideration.

Section 8: Withdrawal Date Determination and Considerations

When a student withdraws from Midland, the student's withdrawal date is:

1. The date, as determined by Midland, that the student began the withdrawal process prescribed Midland;
2. The date, as determined by Midland, that the student otherwise provided official notification to Midland, in writing or orally, of his or her intent to withdraw;
3. If the student ceases attendance without providing official notification to Midland of his or her withdrawal or the mid-point of the payment period;
4. If Midland determines that a student did not begin the withdrawal process or otherwise provide official notification (including notice from an individual acting on the student's behalf) to Midland of his or her intent to withdraw because of illness, accident, grievous personal loss, or other such circumstances beyond the student's control, the date that Midland determines is related to that circumstance;
5. Midland may allow a student to rescind his or her official notification to withdraw by filing a written statement that he or she is continuing to participate in academically-related activities and intends to complete the payment period.
6. If the student subsequently ceases to attend Midland prior to the end of the payment period, the student's rescission is negated and the withdrawal date is the student's original date unless a later date is determined.
7. If a student both begins the withdrawal process prescribed by Midland and otherwise provides official notification of his or her intent to withdraw, the student's withdrawal date is the earlier date unless a later date is determined.
8. Midland may use as the student's withdrawal date a student's last date of attendance at an academically-related activity provided that Midland documents that the activity is academically related and documents the student's attendance at the activity.
9. Midland must document a student's withdrawal date and maintain the documentation as of the date of Midland's determination that the student withdrew.
10. "Official notification to Midland" is a notice of intent to withdraw that a student provides to an office designated by Midland.
11. Midland has designated the Advising Center as the primary office at Midland that a student may readily contact to provide official notification of withdrawal.

Section 9: Approved leave of absence.

(1) For purposes of this section (and, for a Title IV, HEA program loan borrower, for purposes of terminating the student's in-school status), Midland does not have to treat a leave of absence as a withdrawal if it is an approved leave of absence. A leave of absence is an approved leave of absence if—

- (i) Midland has a formal policy regarding leaves of absence;

- (ii) The student followed Midland's policy in requesting the leave of absence;
 - (iii) Midland determines that there is a reasonable expectation that the student will return to the school;
 - (iv) Midland approved the student's request in accordance with Midland's policy;
 - (v) The leave of absence does not involve additional charges by Midland;
 - (vi) The number of days in the approved leave of absence, when added to the number of days in all other approved leaves of absence, does not exceed 180 days in any 12-month period;
 - (vii) Upon the student's return from the leave of absence, the student is permitted to complete the coursework he or she began prior to the leave of absence; and
 - (viii) If the student is a Title IV, HEA program loan recipient, Midland explains to the student, prior to granting the leave of absence, the effects that the student's failure to return from a leave of absence may have on the student's loan repayment terms, including the exhaustion of some or all of the student's grace period.
- (2) If a student does not resume attendance at Midland at or before the end of a leave of absence that meets the requirements of this section, Midland must treat the student as a withdrawal in accordance with the requirements of this section.
- (3) For purposes of this paragraph—
- (i) The number of days in a leave of absence is counted beginning with the first day of the student's initial leave of absence in a 12-month period.
 - (ii) A "12-month period" begins on the first day of the student's initial leave of absence.
 - (iii) Midland's leave of absence policy is a "formal policy" if the policy—
 - (A) Is in writing and publicized to students; and
 - (B) Requires students to provide a written, signed, and dated request that includes the reason for the request, for a leave of absence prior to the leave of absence. However, if unforeseen circumstances prevent a student from providing a prior written request, Midland may grant the student's request for a leave of absence, if Midland documents its decision and collects the written request at a later date.

Section 10: Treatment of Title IV funds when a student withdraws. When a recipient of Title IV grant or loan assistance withdraws from Midland University during a payment period in which the recipient began attendance, Midland must determine the amount of title IV grant or loan assistance the student earned as of the student's withdrawal date.

A student is considered to have withdrawn from a payment period if-

1. In the case of a program that is measured in credit hours, the student does not complete all the days in the payment period that the student was scheduled to complete;
2. For a student in a nonterm or nonstandard-term program, the student is not scheduled to begin another course within a payment period for more than 45 calendar days after the end of the module the student ceased attending;
3. For a payment period in which courses in the program are offered in modules—
 - a. A student is not considered to have withdrawn if Midland obtains written confirmation from the student at the time that would have been a withdrawal of the date that he or she will attend a module that begins later in the same payment period ; and
 - b. For nonterm and nonstandard-term programs, that module begins no later than 45 calendar days after the end of the module the student ceased attending.
 - c. If Midland has obtained the written confirmation of future attendance in accordance with a. of this section
 - d. A student may change the date of return to a module that begins later in the same payment period , provided that the student does so in writing prior to the return date that he or she had previously confirmed; and
 - e. For nonterm and nonstandard-term programs, the later module that he or she will attend begins no later than 45 calendar days after the end of module the student ceased attending.
4. If Midland obtains written confirmation of future attendance in accordance with paragraph (3) (a) but the student does not return as scheduled—
 - a. The student is considered to have withdrawn from the payment period; and
 - b. The student's withdrawal date and the total number of calendar days in the payment period would be the withdrawal date and total number of calendar days that would have applied if the student had not provided written confirmation of a future date of attendance
5. If a student withdraws from a term-based credit-hour program offered in modules during a payment period and reenters the same program prior to the end of the period, subject to conditions established by

the Secretary, the student is eligible to receive any Title IV, HEA program funds for which he or she was eligible prior to withdrawal, including funds that were returned by Midland or student under the provisions of this section, provided the student's enrollment status continues to support the full amount of those funds.

6. Title IV grant or loan assistance includes only assistance from the Federal Perkins Loan, Direct Loan, FFEL, Federal Pell Grant, Academic Competitiveness Grant, National SMART Grant, TEACH Grant, and FSEOG programs, not including the non-Federal share of FSEOG awards if Midland meets its FSEOG matching share by the individual recipient method or the aggregate method.
7. If the total amount of Title IV grant or loan assistance, or both, that the student earned is less than the amount of Title IV grant or loan assistance that was disbursed to the student or on behalf of the student in the case of a PLUS loan, as of the date of Midland's determination that the student withdrew—
 - a. The difference between these amounts must be returned to the title IV programs in the specified order and
 - b. No additional disbursements may be made to the student for the payment period.

Section 11: Post-withdrawal disbursements

If the total amount of Title IV grant or loan assistance, or both, that the student earned is greater than the total amount of Title IV grant or loan assistance, or both, that was disbursed to the student or on behalf of the student in the case of a PLUS loan, as of the date of the Midland's determination that the student withdrew, the difference between these amounts must be treated as a post-withdrawal disbursement in accordance with federal regulations. If this is the case, the following considerations apply:

1. A post-withdrawal disbursement must be made from available grant funds before available loan funds.
2. If outstanding charges exist on the student's account, Midland may credit the student's account up to the amount of outstanding charges with all or a portion of any—
 - a. Grant funds that make up the post-withdrawal disbursement and
 - b. Loan funds that make up the post-withdrawal disbursement only after obtaining confirmation from the student or parent in the case of a parent PLUS loan, that they still wish to have the loan funds disbursed by responding in writing or electronic means to Midland within 14 days after the notification has been sent.
3. Midland will disburse directly to a student any amount of a post-withdrawal disbursement of grant funds that is not credited to the student's account. Midland will make the disbursement as soon as possible, but no later than 45 days after the date of the Midland's determination that the student withdrew.
4. Midland will offer to disburse directly to a student, or parent in the case of a parent PLUS loan, any amount of a post-withdrawal disbursement of loan funds that is not credited to the student's account.
 - a. The Midland will make a direct disbursement of any loan funds that make up the post-withdrawal disbursement only after obtaining the student's, or parent's in the case of a parent PLUS loan, confirmation that the student or parent still wishes to have the loan funds disbursed.
 - b. Midland will provide within 30 days of the date of the Midland's determination that the student withdrew, a written notification to the student, or parent in the case of parent PLUS loan, that
 - i. Requests confirmation of any post-withdrawal disbursement of loan funds that the Midland wishes to credit to the student's account, identifying the type and amount of those loan funds and explaining that a student, or parent in the case of a parent PLUS loan, may accept or decline some or all of those funds;
 - ii. Requests confirmation of any post-withdrawal disbursement of loan funds that the student, or parent in the case of a parent PLUS loan, can receive as a direct disbursement, identifying the type and amount of these Title IV funds and explaining that the student, or parent in the case of a parent PLUS loan, may accept or decline some or all of those funds;
 - iii. Explains that a student, or parent in the case of a parent PLUS loan, who does not confirm that a post-withdrawal disbursement of loan funds may be credited to the student's account may not receive any of those loan funds as a direct disbursement unless Midland concurs;
 - iv. Explains the obligation of the student, or parent in the case of a parent PLUS loan, to repay any loan funds he or she chooses to have disbursed; and
 - v. Advises the student, or parent in the case of a parent PLUS loan, that no post-withdrawal disbursement of loan funds will be made, unless Midland chooses to make a post-

withdrawal disbursement based on a late response, if the student or parent in the case of a parent PLUS loan, does not respond within 14 days of the date that the Midland sent the notification, or a later deadline set by the Midland.

Midland has established the same 14 day deadline for a student, or parent in the case of a parent PLUS loan, to accept a post-withdrawal disbursement for both a confirmation of a direct disbursement of the post-withdrawal disbursement of loan funds and a confirmation of a post-withdrawal disbursement of loan funds to be credited to the student's account.

If the student, or parent in the case of a parent PLUS loan, submits a timely response that confirms that they wish to receive all or a portion of a direct disbursement of the post-withdrawal disbursement of loan funds, or confirms that a post-withdrawal disbursement of loan funds may be credited to the student's account, the Midland will disburse the funds in the manner specified by the student, or parent in the case of a parent PLUS loan, as soon as possible, but no later than 180 days after the date of Midland's determination that the student withdrew.

If a student, or parent in the case of a parent PLUS loan, submits a late response to the Midland's notice requesting confirmation, the Midland may make the post-withdrawal disbursement of loan funds as instructed by the student, or parent in the case of a parent PLUS loan (provided Midland disburses all the funds accepted by the student, or parent in the case of a parent PLUS loan), or decline to do so.

If a student, or parent in the case of a parent PLUS loan, submits a late response to Midland and Midland does not choose to make the post-withdrawal disbursement of loan funds, Midland will inform the student, or parent in the case of a parent PLUS loan, in writing of the outcome of the post-withdrawal disbursement request.

If the student, or parent in the case of a parent PLUS loan, does not respond to Midland's notice, no portion of the post-withdrawal disbursement of loan funds that Midland wishes to credit to the student's account, nor any portion of loan funds that would be disbursed directly to the student, or parent in the case of a parent PLUS loan, may be disbursed.

Midland will document in the student's file the result of any notification made of the student's right to cancel all or a portion of loan funds or of the student's right to accept or decline loan funds, and the final determination made concerning the disbursement.

Section 12: Other definitions and explanations

Calculation of the amount of Title IV assistance earned by the student—

The amount of Title IV grant or loan assistance that is earned by the student is calculated by—

1. Determining the percentage of Title IV grant or loan assistance that has been earned by the student and
2. Applying this percentage to the total amount of Title IV grant or loan assistance that was disbursed (and that could have been disbursed) to the student, or on the student's behalf, for the payment period as of the student's withdrawal date.

Percentage earned.

1. The percentage of Title IV grant or loan assistance that has been earned by the student is—Equal to the percentage of the payment period that the student completed (as determined in accordance with paragraph (f) of this section) as of the student's withdrawal date, if this date occurs on or before—
 - a. Completion of 60 percent of the payment period for a program that is measured in credit hours (For example, if a student completed 30% of the term, he/she earned 30% of the assistance that was awarded) ; or
 - b. 100 percent, if the student's withdrawal date occurs after completion of 60 percent of the payment period for a program that is measured in credit hours;

Percentage unearned. The percentage of Title IV grant or loan assistance that has not been earned by the student is calculated by determining the complement of the percentage of title IV grant or loan assistance earned by the student as described above.

Total amount of unearned Title IV assistance to be returned. The unearned amount of Title IV assistance to be returned is calculated by subtracting the amount of Title IV assistance earned by the student as calculated from the amount of Title IV aid that was disbursed to the student as of the date of Midland's determination that the student withdrew.

Use of payment period. The treatment of Title IV grant or loan funds if a student withdraws must be determined on a payment period basis for a student who attended a standard term-based (semester, trimester, or quarter) educational program. Midland uses the payment period method for all standard, non-term or nonstandard term-based educational programs.

Midland consistently uses the payment period for all purposes of this section for each of the following categories of students who withdraw from the same non-term based or nonstandard term-based educational program:

1. Students who have attended an educational program at Midland from the beginning of the payment period.
2. Students who re-enter Midland during a payment period.
3. Students who transfer into Midland during a payment period.
4. For a program that measures progress in credit hours and uses nonstandard terms that are not substantially equal in length, Midland must—
 - a. use the payment period during which the student withdrew that ends later; and
 - b. If in the payment period that ends later there are funds that have been or could have been disbursed from overlapping payment periods, Midland must include in the return calculation any funds that can be attributed to the payment period that ends later; and
5. For students in the category who are disbursed or could have been disbursed aid using only the payment period definition use the payment period definition for which Title IV, HEA program funds were disbursed for a student's calculation under this section.

Percentage of payment period completed. The percentage of the payment period completed is determined—

1. by dividing the total number of calendar days in the payment period or into the number of calendar days completed in that period as of the student's withdrawal date; and
2. The schedule must have been established in accordance with requirements of the accrediting agency and the State licensing agency, if such standards exist.
3. The total number of calendar days in a payment period includes all days within the period that the student was scheduled to complete, except that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in a payment period and the number of calendar days completed in that period.
4. The total number of calendar days in a payment period does not include
 - a. Days in which the student was on an approved leave of absence; or
 - b. For a payment period in which any courses in the program are offered in modules, any scheduled breaks of at least five consecutive days when the student is not scheduled to attend a module or other course offered during that period of time.

Return of unearned aid, responsibility of Midland. Midland will return, in the order specified in paragraph (i) of this section, the lesser of—

1. The total amount of unearned Title IV assistance to be returned; or
2. An amount equal to the total Midland charges incurred by the student for the payment period multiplied by the percentage of Title IV grant or loan assistance that has not been earned by the student.
3. For purposes of this section, “Midland charges” are tuition, fees, room and board (if the student contracts with Midland for the room and board) and other educationally-related expenses assessed by Midland.

Return of unearned aid, responsibility of the student. After Midland has allocated the unearned funds for which it is responsible, the student must return assistance for which the student is responsible in the order specified in paragraph (i) of this section.

(2)The amount of assistance the student is responsible for returning is calculated by subtracting the amount of unearned aid Midland is required to return from the total amount of unearned Title IV assistance to be returned.

(3)The student (or parent in the case of funds due to a parent PLUS Loan) must return or repay, as appropriate, the amount determined to—

(i) Any Title IV loan program in accordance with the terms of the loan; and

(ii)Any Title IV grant program as an overpayment of the grant; however, a student is not required to return the following—

(A) The portion of a grant overpayment amount that is equal to or less than 50 percent of the total grant assistance that was disbursed (and that could have been disbursed, as defined in paragraph (1)(1) of this section) to the student for the payment period .

(B) With respect to any grant program, a grant overpayment amount, as determined after application of paragraph (3) (ii) (A) of this section, of 50 dollars or less that is not a remaining balance.

(4)(i) A student who owes an overpayment under this section remains eligible for title IV, HEA program funds through and beyond the earlier of 45 days from the date Midland sends a notification to the student of the overpayment, or 45 days from the date Midland was required to notify the student of the overpayment if, during those 45 days the student—

(A) Repays the overpayment in full to Midland;

(B) Enters into a repayment agreement with Midland in accordance with repayment arrangements satisfactory to Midland; or

(C) Signs a repayment agreement with the Secretary, which will include terms that permit a student to repay the overpayment while maintaining his or her eligibility for Title IV, HEA program funds.

(ii) Within 30 days of the date of Midland's determination that the student withdrew, Midland must send a notice to any student who owes a Title IV, HEA grant overpayment as a result of the student's withdrawal from Midland in order to recover the overpayment.

(iii) If Midland chooses to enter into a repayment agreement with a student who owes an overpayment of Title IV, HEA grant funds, it must—

(A) Provide the student with terms that permit the student to repay the overpayment while maintaining his or her eligibility for Title IV, HEA program funds; and

(B) Require repayment of the full amount of the overpayment within two years of the date of Midland's determination that the student withdrew.

(iv) Midland must refer to the Secretary, in accordance with procedures required by the Secretary, an overpayment of Title IV, HEA grant funds owed by a student as a result of the student's withdrawal from Midland if—

(A) The student does not repay the overpayment in full to Midland, or enter a repayment agreement with Midland or within the earlier of 45 days from the date Midland sends a notification to the student of the overpayment, or 45 days from the date Midland was required to notify the student of the overpayment;

(B) At any time the student fails to meet the terms of the repayment agreement with Midland entered; or

(C) The student chooses to enter into a repayment agreement with the Secretary.

A student who owes an overpayment is ineligible for Title IV, HEA program funds—

(A) If the student does not meet the requirements in paragraph (4) (i) of this section, on the day following the 45-day period in that paragraph; or

(B) As of the date the student fails to meet the terms of the repayment agreement with Midland or the Secretary entered into in accordance with paragraph(4)(i) of this section.

(vi) A student who is ineligible under paragraph (4) (v) of this section regains eligibility if the student and the Secretary enter into a repayment agreement.

(5) The Secretary may waive grant overpayment amounts that students are required to return under this section if the withdrawals on which the returns are based are withdrawals by students—

(i) Who were residing in, employed in, or attending Midland of higher education that is located in an area in which the President has declared that a major disaster exists, in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170);

(ii) Whose attendance was interrupted because of the impact of the disaster on the student or Midland; and

(iii) Whose withdrawal occurred within the award year during which the designation occurred or during the next succeeding award year.

(i) **Order of return of Title IV funds—(1) Loans.** Unearned funds returned by Midland or the student, as appropriate, in accordance with paragraph (g) or (h) of this section respectively, must be credited to outstanding balances on Title IV loans made to the student or on behalf of the student for the payment period for which a return of funds is required. Those funds must be credited to outstanding balances for the payment period for which a return of funds is required in the following order: (i) Unsubsidized Federal Stafford loans; (ii) Subsidized Federal Stafford loans; (iii) Unsubsidized Federal Direct Stafford loans; (iv) Subsidized Federal Direct Stafford loans; (v) Federal Perkins loans; (vi) Federal PLUS loans received on behalf of the student; (vii) Federal Direct PLUS received on behalf of the student.

(2) **Remaining funds.** If unearned funds remain to be returned after repayment of all outstanding loan amounts, the remaining excess must be credited to any amount awarded for the payment period for which a return of funds is required in the following order: (i) Federal Pell Grants; (iv) FSEOG Program aid; (v) TEACH Grants.

(j) **Timeframe for the return of Title IV funds.** (1) Midland will return the amount of Title IV funds for which it is responsible under paragraph (g) of this section as soon as possible but no later than 45 days after the date of Midland's determination that the student withdrew as defined in paragraph (1)(3) of this section. The timeframe for returning funds is further described in §668.173(b).

Examples:

Example 1. Willis Warrior began his classes August 23, 2011, and notified the Advising Center that he intended to withdraw on October 14, 2011. Willis's aid for fall consisted of a Federal Pell Grant of \$2775, a Midland Grant of \$4500, a Nebraska Opportunity Grant of \$750, a Federal Perkins Loan of \$1000, a Federal Direct Subsidized Loan of \$1750 (\$1742 estimated net disbursement after fees) and a Federal Direct Unsubsidized Loan of \$3000 (\$2985 estimated net after fees). Based on the refund calculation, Willis was charged for 100% of his tuition, room, and board, or \$15,308. By dividing the days attended by the total days in the enrollment period, we find that Willis earned 58.2% of his federal Midland aid and 100% of his Midland and state aid. Willis's Federal Unsubsidized Direct Loan of \$2985 and \$1419 of his Federal Direct Subsidized Loan was repaid back to the U.S. Department of Education. Had Willis completed the entire semester, his remaining portion of his educational costs would have been \$1695. However, after withdrawing, he would owe the University a total of \$5960 because of the adjustments to his awards.

Example 2. Wendy Warrior began classes on January 31, 2012, and notified the Advising Center that she was withdrawing on March 6, 2012. Wendy's spring semester aid included a Federal Pell Grant of \$2775, a Federal SEOG Grant of \$500, a Federal Direct Subsidized Stafford Loan of \$1750 (estimated net disbursement \$1742), a Federal Unsubsidized Stafford Loan of \$3000 (estimated net disbursement \$2985), a Federal Perkins Loan of \$750, a Nebraska Opportunity Grant of \$1250 and Midland University scholarships totaling \$3,000. Based on the refund calculation, Wendy was charged 100% of her tuition and fees, or \$12,375. By dividing the days attended by the total days in the enrollment period, we find that Wendy earned 34.0% of her federal and 100% of her Midland and state aid. Wendy's Federal Unsubsidized and Subsidized Direct Unsubsidized Loan funds, as well as her Perkins Loan, were returned to the U.S. Department of Education. \$299 of her Federal Pell Grant was also returned to the U.S. Department of Education. Had Wendy completed the semester, her portion of her university costs would have been \$0, and she would have had a credit balance refund of \$627. However, after her withdrawal, Wendy would owe a total of \$5649.