



Refunds/Repayments - When?

- ❖ If student:
 - officially withdraws
 - drops out
 - is expelled
 - takes an unapproved leave of absence
 - fails to return from an approved leave of absence



Definitions

- ❖ Refund-return of unearned aid **credited** to a student's account to cover **institutional** charges
- ❖ Repayment-return of unearned aid **paid in cash** to the student to cover **noninstitutional** charges



Pro Rata Refund - When?

- ❖ First-time student
- ❖ Withdraws on/before 60% point in period of enrollment



Refund/Repayment Distribution

- ❖ Allocations back to programs must never exceed original amounts from programs.



Repayment - School Responsibilities

- ❖ Notifying and billing student
- ❖ Collecting repayment
- ❖ Reporting to NSLDS
- ❖ Reporting any collection problems to ED



Collection Guidelines

To refer collection to ED, see:

Verification Guide Chapter 5



Session 9

Overview of Refunds and Repayments