

Appendix C

Resources

Resources

FSA Download

<http://www.fsadownload.ed.gov>

2006-2007 School Electronic Process Guide

Information for Financial Aid Professionals (IFAP)

<http://www.ifap.ed.gov>

34 CFR 668.22

34 CFR 668.58

34 CFR 668.164

Higher Education Rehabilitation Act (HERA) of 2005, Pub. L. 109-171

HERA Final Regulations Federal Register: November 1, 2006 (Volume 71, Number 211)

Return of Title IV Aid Worksheets

Treatment of Title IV Funds When a Student Withdraws From a Credit Hour Program

Treatment of Title IV Funds When a Student Withdraws From a Clock-Hour Program

2006-2007 Federal Student Aid Handbook

Volume 5 — Overawards, Overpayments, and Withdrawal Calculations

Chapter 1 – Overpayments and Overawards

Chapter 2 — Withdrawals and the Return of Title IV Funds

Electronic Announcements, Bulletins, Letters

DCL GEN-00-24: Return of Title IV Aid--Volume #1

DCL GEN-04-03: Return of Title IV Aid

DCL GEN-04-12: Return of Title IV Aid (This updates information provided in GEN-04-03.)

DCL GEN-05-07: Requesting Approval to Make a Late Disbursement Beyond the 120-Day Period

HERA Resources

<http://www.ifap.ed.gov/IFAPWebApp/currentHERAPag.jsp?p1=c>

All of Federal Student Aid's published information that relates to the Enactment of the Higher Education Reconciliation Act of 2005 ("the HERA"), Pub. L. 109-171 is available at this site.

HERA Considerations

For a post-withdrawal disbursement – reference Federal Register Volume 71, No. 153, published August 9, 2006:

- Automatic crediting of grant funds: Schools may automatically credit student accounts with grant funds to cover tuition, fees, and room and board. This may occur without notification or approval processes.
- Post-withdrawal disbursement: Remaining grant and loan funds that can be offered as a post-withdrawal disbursement go through a notification and approval process prior to crediting the student account with these remaining grant and loan funds.
- Notification: If a student is due to receive a post-withdrawal disbursement, then the school must notify the student in writing that the disbursement is available and must receive the student's (or parent's) confirmation **BEFORE** crediting a student's account.
 - The school must send notification as soon as possible, but no later than 30 calendar days after the date the school determines the student withdrew, including:
 - Notice of any post-withdrawal disbursement (PWD) of loan funds the institution wishes to credit to the student's account
 - Request for confirmation of post-withdrawal disbursement of loan funds that the institution wishes to credit to the student's account
 - Type and amount of loan funds
 - Clear explanation that student (or parent) may accept or decline all or a portion of the funds
 - Clear explanation that student (or parent) who does not confirm that a PWD of loan funds may be credited to a student's account may **NOT** receive any of those funds as a direct disbursement **UNLESS** the institution agrees
 - Clear explanation/reminder about the student's obligation to repay loans
 - Deadline for student/parent confirmation of post-withdrawal disbursement actions (see Confirmation), advising that a late response to the notice is honored only by the institution's discretion

- Confirmation (by student/parent): Generally, the student (or parent[s]) then has 14 calendar days from the date the school sent the notification to accept or decline any or all portions of a post-withdrawal disbursement.
 - Note that a school may establish a deadline later than 14 calendar days as long as the later deadline applies to both:
 - Confirmation of loan disbursements to student's account, and
 - Direct disbursements of a post-withdrawal disbursement
 - Late confirmation (past the 14 days or at later deadline set by the school) may be honored at the school's discretion. If the school decides not to honor a late confirmation, the school needs to notify the student/parent in writing that no disbursements will be made.
- If a student submits a timely response accepting all or a portion of a post-withdrawal disbursement, per the student's or parent's instructions, then:
 - If the student owes money to the school, the school pays itself first
 - If the student wants the funds disbursed directly to them and doesn't want the funds to pay the school what the student owes, the school does not have to disburse
 - The school must disburse funds within 120 days of the date of the institution's determination that the student withdrew

For 45 days to return unearned Title IV funds:

- Schools now have 45 days (up from 30) to return unearned Title IV funds.

For Grant Overpayment Protection

- Under the Higher Education Reconciliation Act (HERA), the amount of a grant overpayment due from a student is limited to the amount by which the original grant overpayment amount exceeds half of the total Title IV grant funds received by the student.
 - Note that grant funds received is the sum of Title IV grants disbursed plus Title IV grants that could have been disbursed (Step 1, Box F in the R2T4 Web application and the paper worksheet)
- A student does not have to repay a grant overpayment of \$50 or less per program.

Access to R2T4 on the Web

<http://www.fafsa.ed.gov/FAA/faa.htm>

You will need your User ID and PIN to access this site.

FAA Access Demo Site

<http://fafsademo.test.ed.gov>

User ID: eddemo

Password: fafsatest