

Treatment of Title IV Financial Aid When a Student Withdraws

Contact the financial aid office BEFORE you withdraw from classes. Withdrawing from classes can affect your disbursements, Satisfactory Academic Progress (SAP), and may require you to repay some or all the financial aid you received. You may reach the Allan Hancock College Financial Aid Office at (805) 922-6966, ext 3200, or at finaid@hancockcollege.edu

Federal Regulations, 34 CFR, Parts 668, 682, and 685 specifies how Allan Hancock College must determine the amount of Title IV financial aid that you earn if you withdraw from college. The Title IV financial aid programs that are covered by this law that Allan Hancock College offers are: Pell Grants, Direct Loans, and Supplemental Educational Opportunity Grants (SEOG).

Financial aid is disbursed at the start of each payment period. You earn financial aid as you complete the payment period. If you withdraw during the payment period, the amount of Title IV financial aid that you have earned up to that point is determined by a specific formula. If you received less financial aid than the amount that you earned, you may be able to receive those additional funds. If you received (or Allan Hancock College received on your behalf) more financial aid than you earned, the excess funds must be returned by the college and/or you.

The amount of financial aid that you have earned is determined on a pro rata basis. For example, if you completed 30% of your payment period, you earn 30% of the assistance you were originally scheduled to receive. Students who complete more than 60% of the semester are considered to have earned 100 % of their financial aid. Below are the 60% dates for each semester:

Summer 2026 July 9, 2026
Fall 2026 October 26, 2026
Spring 2027 April 7, 2027

If you did not receive all the financial aid that you earned, you may be due a post-withdrawal disbursement. If your post-withdrawal disbursement includes Direct Loans, Allan Hancock College must get your permission before it can disburse them. We will notify you by letter that you are eligible for a post-withdrawal disbursement of loan funds and that you have a deadline of 14 days to respond to the request to reject or accept all or just a portion of the loan amount offered. In the notification, Allan Hancock College states that we are not required to make the post-withdrawal disbursement of loan funds if you do not respond by the deadline. Allan Hancock College may automatically use all or a portion of your post-withdrawal disbursement of grant funds for tuition and fees.

There are some Title IV funds that you were scheduled to receive that cannot be disbursed to you once you withdraw because of other eligibility requirements. For example, if your loan was not originated by Allan Hancock College before you withdraw, you will not be eligible for any Direct Loan funds that could have been disbursed.

If you receive (or Allan Hancock College receives on your behalf) excess Title IV financial aid that must be returned, Allan Hancock College must return a portion of the excess equal to the lesser of:

1. your institutional charges multiplied by the unearned percentage of your funds, or

2. the entire amount of excess funds.

Allan Hancock College must return this amount even if it didn't keep this amount of your Title IV financial aid funds.

If Allan Hancock College is not required to return all the excess funds, you must return the remaining amount.

If you receive more Title IV aid than the amount earned, Allan Hancock College, you, or both must return the unearned funds in a specified order as follows:

1. Unsubsidized Direct Stafford loans
2. Subsidized Direct Stafford loans
3. Federal Pell Grants
4. Federal Supplemental Educational Opportunity Grants (FSEOG)

Any loan funds that you must return, you repay in accordance with the terms of the promissory note. That is, you make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that you must return is called an overpayment. The maximum amount of a grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You do not have to repay a grant overpayment if the original amount of the overpayment is \$50.00 or less.

The Return to Title IV Policy does not apply to Federal Work-Study, state funds, scholarships or institutional awards.

At the end of a semester when grades are final, if you receive non-passing grades, F, NP, I and/or W, Allan Hancock College will assume that you attended 50% of the semester and you will be treated as a withdrawal based on that assumption.

Within 30 days of determining that you withdrew and must repay all or part of a Title IV funds, Allan Hancock College will notify you that you must repay the overpayment. Allan Hancock College will also notify you of your ineligibility for additional Title IV funds. If you fail to repay Allan Hancock College within the specified timeframe, your overpayment will be reported to the National Student Loan Data System (NSLDS) and referred to the Department of Education Debt Resolution Services for collection.

The policies outlined within this document are separate from any refund policy that Allan Hancock College may have. Therefore, you may still owe funds to the college to cover unpaid institutional charges. For information regarding our school's Refund of Fees policy, refer to our school catalog at: <https://catalog.hancockcollege.edu/current/>

If you have questions about the Return to Title IV policy, you may call our office or the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243). TTY users may call 1-800-730-8913. Information about student aid is also available at <https://studentaid.gov/>.