



51 U.S. Route 1, Suite K, Scarborough, ME 04074
1010 Stillwater Ave., Bangor, ME 04401
(800) 447-1151 | www.NTINOW.edu

Return to Title IV Funds Policy

The law specifies how Northeast Technical Institute must determine the amount of Title IV program assistance that a student earned if he withdraws from school. The Title IV programs that are covered by this law, and that are available at Northeast Technical Institute, are: Federal Pell Grants, Federal Direct Student Loans (Stafford Loans and PLUS Loans).

A student officially withdrawing from Northeast Technical Institute must see the Campus Director and complete a Notification of Withdrawal form. When a student withdraws from Northeast Technical Institute, the withdrawal date used to determine the refund is the student's last date of attendance at an academically related activity.

A student that unofficially withdraws (fails to return from an approved leave of absence or fails to comply with the school's attendance policy by missing 14 consecutive days) will be withdrawn from the school and the withdrawal date used to determine the refund is the student's last date of attendance at an academically related activity.

When a student withdraws during his payment period, the amount of Title IV program assistance he has earned up to that point is determined by a specific formula. If he received (or Northeast Technical Institute or his parent received on his behalf) less assistance than the amount he earned, he may be able to receive those additional funds. If the student received more assistance than he earned, the school and/or the student must return the excess funds.

The amount of assistance that a student has earned is determined on a pro-rata basis. For example, if he completed 30% of his payment period, the student earns 30% of the assistance he was originally scheduled to receive. Once he has completed more than 60% of the payment period or period of enrollment, he earns all the assistance that he was scheduled to receive for that period.

If the student did not receive all of the funds that he earned, he may be due a post-withdrawal disbursement. If his post-withdrawal disbursement includes loan funds, Northeast Technical Institute must get his permission before it can disburse them. A student may choose to decline some or all of the loan funds so that he doesn't incur additional debt. Northeast Technical Institute may automatically use all or a portion of a student's post-withdrawal disbursement of grant funds for tuition, and other allowable costs (as contracted with the School). The School needs the student's permission to use the post-withdrawal grant disbursement for all other school charges. If the student does not give his permission, he will be offered the funds directly; however, it may be in the student's best interest to allow the school to keep the funds to reduce his debt at the school.

A post-withdrawal disbursement to the student's account to pay charges must be disbursed as soon as possible but no later than 180 days after the date the school determined is the withdrawal date. A post withdrawal disbursement made directly to the student must be disbursed as soon as possible, but no later than 45 days for grants and 180 days for loan funds.

There are some Title IV funds that a student may have been scheduled to receive that cannot be disbursed to him once he withdraws because of other eligibility requirements.



For example, a student may have been scheduled to receive a Direct Stafford Student Loan but if he has not signed a promissory note, the funds cannot be disbursed to him after he withdraws.

If a student receives (or Northeast Technical Institute or his parent receive on his behalf) excess Title IV program funds that must be returned, Northeast Technical Institute must return a portion of the excess equal to the lesser of:

1. the student's institutional charges multiplied by the unearned percentage of his funds, or
2. the entire amount of excess funds.

The School must return this amount even if it didn't keep this amount of the student's Title IV program funds. The School must return the unearned aid for which it is responsible by repaying funds to the following sources, in this order, up to the total net amount disbursed from each source:

1. Direct Unsubsidized Stafford Student Loan
2. Direct Subsidized Stafford Student Loan
3. Direct Parent PLUS Loan
4. Pell Grant

These unearned Title IV funds must be returned no later than 45 days after the date the school determined the student withdrew.

Example Calculation:

Student enrolls in 240 day program. The tuition amount is \$10,000.00.

Student attends 30 days and has first loan and grant disbursements.

- Pell - \$500.00
- Subsidized Stafford Loan - \$500.00
- Unsubsidized Stafford Loan - \$1,000.00
- Total - \$2,000.00

Student withdraws at 30 days.

Students attendance percentage for the first Payment Period (first half of the program) is calculated, $30/120=25\%$.

Percent of Title IV aid earned is calculated $25\% * \$2,000.00 = \500.00 .

School refunds \$1,500.00 of Federal Aid

- Unsubsidized Stafford Loan - \$1,000.00
- Subsidized Stafford Loan - \$500.00

Per NTI withdrawal policy, student owes 10% of tuition or \$1,000.00

\$500.00 of Pell grant is retained by school and applied to students balance.

Student owes the remaining \$500.00 to NTI.

These unearned Title IV funds must be returned no later than 45 days after the date the school determined the student withdrew.



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If Northeast Technical Institute is not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that the student must return, he (or his parent for a Direct PLUS Loan) repays in accordance with the terms of the promissory note. That is, he makes scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that a student must return is called an overpayment. The maximum amount of a grant overpayment that a student must repay is half of the grant funds he received or was scheduled to receive. The student must make arrangements with the School or the Department of Education to return the unearned grant funds. Within 30 days of the date the School determined the student withdrew, the School is required to notify the student of his obligation to repay grant funds. The student is required to repay the grant funds within 45 days of the earlier of: (1) the date the School sends the student notice of the overpayment, or (2) the date the school was required to notify the student of the overpayment (in the event of a late notification).

The requirements for the return of Title IV program funds when a student withdraws are separate from any refund policy that the School has. Therefore, a student may still owe funds to the School to cover unpaid institutional charges. The School may also charge a student for any Title IV program funds that the School was required to return. A copy of the School's refund policy is published in the Student Handbook and can also be obtained from the School's Financial Aid Office. If a student wishes to withdraw, he should speak with the Campus Director and complete a Notification of Withdrawal form.