Student Alert about Repayment!

There is a federal law about repaying financial aid if you leave school.

Financial Aid is estimated based on full-time status (12 units/semester). A student’s eligibility for financial aid is calculated using their EFC (Expected Family Contribution), as determined by the FAFSA (Free Application for Federal Student Aid) and enrollment. Awards are adjusted down for less-than-full-time enrollment.

**GRANTS AND WITHDRAWAL**

If you receive a GRANT based on 6+ units, and then you are reported as a “No Show” in enough units to bring your total enrollment below 6 units, **you will owe back the difference**.

If you receive a GRANT and then WITHDRAW from all your classes, you could owe money back to the federal program and/or Butte College and a hold may be placed on your future semester financial aid. Here is how it works:

According to the day you withdraw, the Financial Aid Office will calculate the part of the grant you have “earned”.

**NOTE:** If you withdraw after you have earned 60% of your grant, you do not owe any repayment.

*Example:* You receive $1388 in Pell Grant and could have received an additional $1387 if you had finished the term. If there are 117 days in the term and you drop out on the 16th day, then you **earned 13.7% of the grant**.

- **The Financial Aid Office will calculate what you earned and did not earn:**
  - $1388 Pell Grant received + $1387 you could have received = $2775 x 13.7% = $380.18 earned.
  - $1388 Pell Grant received - $380.18 earned aid = $1,007.82 unearned amount.

- **An additional portion of the grant must be repaid** based on the number of units you were enrolled in at the time you withdrew. Example:
  - If you took 12 units at $36 each, your fees would be $543 total (including service fees). $543 x 86.3% (unearned) = $468.61. This is the amount the college has to pay back to the federal program. **You are billed this amount to repay to the college.**

- You will have to pay back the unearned amount minus 50% of the total aid that was disbursed and aid that could have been disbursed.
  - $1,007.82 unearned aid - $468.61 that the college returns = $539.21, or the initial amount of unearned aid due from the student.
  - $2775 total aid disbursed/could have been disbursed x 50% = $1,387.50.
  - $539.21-$1,387.50 = $-0; you have to pay back to the federal program. (unearned portion to be repaid)
  - $468.61 rounded to the nearest dollar = $469, the amount **you owe** Butte College, based on units enrolled.

**LOANS and WITHDRAWAL**

If you receive LOAN funds and withdraw, you will repay the money received according to the rules of the loan program. However, if the college has to pay back a portion due to your withdrawal, you will be billed similarly to the example above. In addition, **you may be ineligible for a future student loan** at Butte College or other school.

**FEDERAL WORK-STUDY AND WITHDRAWAL**

If you receive WORK-STUDY funds and withdraw, you do not owe any of that money back because they are wages. You always get to keep wages you have earned.

**WITHDRAWAL AND YOUR FUTURE AS A STUDENT**

If you have an outstanding balance, a hold will be placed on your records that will prevent you from receiving grades, transcripts or a diploma. After 45 days, (if you owe money back to the federal program) a “hold” on the national student aid database will also prevent you from receiving financial aid at any college or university you attend in the future.

If at any point, you are considering withdrawing from all of your classes, please see a counselor or advisor **as soon as possible** and discuss your academic or personal reasons for leaving (Counseling & Advising Office, 895-2378). There are many support services available to help you. Also talk to your teachers and see what advice and help they can offer.