HOW WITHDRAWING AFFECTS FINANCIAL AID & STUDENT LOANS

There are a number of things students should consider before withdrawing from either a module or program, for such action could cause both academic as well as financial consequences.

Students considering withdrawal from the program should be aware that Returns of Title IV financial aid funds are calculated according to applicable federal laws.

Federal regulations state that financial aid is earned by attending class. You have not earned 100% of your financial aid until you have attended 60% of the payment period. If you withdraw before this date, a portion of your financial aid has not been earned and the unearned portion must be returned. This may result in a balance on a students’ account, with the balance being the student’s responsibility.

The unearned portion is equal to the percentage of the payment period remaining on the date of withdrawal. Your financial aid and loan eligibility will be recalculated based on your actual period of attendance; therefore, you may be required to repay a substantial portion of your financial aid.

If you stop attending class, you will be treated as an unofficial withdrawal. This means that the last date of attendance will be used. This may result in you owing funds back to the school.

FEDERAL REFUND POLICIES FOR RECIPIENTS OF TITLE IV FEDERAL FINANCIAL AID:

Mandatory class attendance is REQUIRED when receiving federal financial aid. If you withdraw or stop attending all of your classes before completing 60% of the payment period, you may be required to repay a portion or ALL of the federal aid that you have received, excluding Federal Work Study earnings. If you withdraw and never attend the class(es), you may be required to pay a portion or ALL of the federal aid that you have received, excluding Federal Work Study earnings.

The amount of federal aid that you must repay is determined by the Federal Formula for Return of Title IV funds (Section 484B of the Higher Education Act, the full text of which is available at http://www2.ed.gov/policy/highered/leg/hea98/sec485.html). This law also specifies the order in which funds are to be returned to the financial aid programs from which they were awarded, starting with loan programs.

You may be required to make a repayment when financial aid funds have been disbursed from financial aid funds, in excess of the amount of aid that you earned (based on the date of your total withdrawal). The amount of Title IV aid earned is determined by multiplying the total Title IV aid (other than FWS) for which you qualified by the percentage of time that you were enrolled.

- If less aid was disbursed than was earned, you may receive a late disbursement for the difference
- If more aid was disbursed than was earned, the amount of Title IV aid that you must return (i.e. not earned) is determined by subtracting the earned amount from the amount actually disbursed

The responsibility for returning unearned Title IV aid is shared between the institution and you. It is allocated according to the portion of disbursed aid that was used to cover institutional charges, and the portion that was disbursed directly to you once those charges were covered. The institution will
distribute the unearned aid back to the Title IV programs, as specified by law. You will be billed for the amount that you owe to the Title IV programs, as well as any amount due to the institution as a result of Title IV funds that were returned that would have been used to cover institutional charges.

**STUDENT RESPONSIBILITIES**

It is the student’s responsibility to notify the Financial Aid Office if he or she is a financial aid recipient and withdraws from all classes at any point program. It is to a student’s benefit to notify the Registrar and the Financial Aid Office immediately when he or she stops attending classes with the intent to withdraw.

If students or parents received funds under federal or school loan programs, it is their responsibility to notify the lender or holder of loans that they are no longer enrolled on at least a half-time basis. Student borrowers of federal or school loans must also satisfy exit loan counseling requirements.

**CANCELLATION OF CHARGES**

In addition to the school refund policy; students who are recipients of Title IV federal financial aid are also covered by federal refund policies. The federal refund policy provides for a prorated cancellation of institution costs proportional to the duration of student enrollment only in cases where the student cancels from all classes.

**TITLE IV FEDERAL FINANCIAL AID**

Students are considered recipients of Title IV federal financial aid if they have used funds from one or more of the following programs to meet educational expenses for the semester in question: Federal Stafford Loan (Subsidized and Unsubsidized), Federal PLUS Loan, Federal Perkins Loan, Federal Pell Grant, Federal Supplemental Equal Opportunity Grant (FSEOG), and Federal Work Study.

**INSTITUTIONAL COSTS**

Institutional costs include charges for tuition and mandatory fees as well as for room and/or board. Institutional costs do not include optional expenses that may be charged to a student account, such as supplies from the bookstore, bus and gas cards or other similar charges.

**REFUNDS AND REPAYMENT**

If the school cancels charges for tuition and fees and other institutional costs under either the school refund policy or one of the federal refund policies, and students used Title IV federal financial aid funds to help cover those costs, the financial aid office will calculate the amount of the refund to the financial aid programs.

The amount refunded to financial aid programs will be reduced by any unpaid institutional costs remaining on the student account for students who completely withdraw before or on the 60 percent point in time for the payment period. If students have a large billing balance at the time of withdrawal, it is possible that no refunds will be made to the financial aid programs and they may continue to owe the school for unpaid institutional and non-institutional costs. It is also possible that once the refund payments have been made, you will owe the school for unpaid non-institutional costs and/or other similar charges.

Students who receive Title IV federal financial aid and received a cash disbursement of financial aid
funds (excluding Federal Stafford and PLUS loan proceeds) may be personally responsible for repayment of those financial aid funds if they withdraw completely on or before the 60 percent (new students). If students and/or their parents made payments to their account in addition to the financial aid funds, it is possible they and/or their parents will receive a refund after the financial aid programs have been duly refunded and if no outstanding charges remain on the student account.

**REFUND AND DISTRIBUTION POLICY**

Computer Systems Institute adheres to the refund policy published in this catalog, which adheres to the guidelines prescribed by the State of Illinois and other states as noted in the enrollment agreement or addenda and by the federal government.

If a student withdraws from CSI and a refund is due, the following return of funds and refund distribution policy will be observed. Amounts of refunds will be allocated in the following manner:

**Financial aid in excess of the amount “earned” is reduced in the following priority:**

1. Federal Direct Unsubsidized Loan
2. Federal Direct Subsidized Loan
3. Federal Perkins Loan
4. Federal Direct Graduate PLUS Loan
5. Federal Direct Parent PLUS Loan
6. Federal Pell Grant
7. Federal National SMART Grant
8. Federal Academic Competitiveness Grant (ACG)
9. Federal Supplemental Educational Opportunity Grant (SEOG)
10. State of Illinois programs
11. Institutional and departmental funds
12. Private financial resources

Calculations are done on a case-by-case basis after the withdrawal date is established

**FEDERAL CALCULATION INFORMATION**

Title IV funds are earned in proportion to the percentage of the payment period that is completed, with 100% of the funds awarded after 60% of the payment period is completed. For instance, if the payment period lasts 100 days, 100% of the Title IV funds are earned after 60 days is completed. If a student withdraws after 60% of the payment period is completed, Title IV funds are not required to be returned. When a student withdraws prior to completion of 60% of the payment period, CSI must determine if the Title IV funds the student has received exceed the amount earned. This calculation is based on the number of days completed in the payment period as of the student’s withdrawal date. If the amount received by the student exceeds the amount earned, CSI must return the excess funds to the Title IV programs in the sequence mandated by the U.S. Department of Education.

Normal refund calculations will be applied after the Title IV return calculation has been made. If you have any questions about this policy, please visit the Financial Aid Department for complete examples.

The requirements for Title IV program funds when you withdraw are separate from the institutional refund policy. Therefore, you may still owe funds to the school to cover unpaid institutional charges. We may also charge you for any Title IV program funds that we are required to return.
**Federal Work-Study**

Earnings under the Federal Work-Study Program are not subject to refund or repayment.

**Textbook and Equipment Return/Refund Policy**

Book adjustments will be made on those books not picked from the bookstore within 30 days following the date of the student’s cancellation, termination, or withdrawal. Uniforms that have been worn cannot be returned because of health and sanitary reasons. CSI may retain the cost of the items that has been paid by the student. The student may then retain the equipment without further financial obligation to CSI.

**Tuition Refunds or Credits for Members of the Armed Forces**

Computer Systems Institute shall provide:

- A full refund* to students who are affected individuals for that portion of a module such student was attending but unable to complete because he or she was called up for active duty or active service;
- If an affected individual withdraws from a program of study as a result of such active duty or active service, Computer Systems Institute will make every effort to minimize deferral of enrollment or reapplication requirements and will provide the greatest flexibility possible with administrative deadlines related to those applications.
- If a balance exists on the affected individual after all federal and state calculations, Computer Systems Institute will make a tuition adjustment to ensure that there is no financial obligation to the school.
- If the affected individual is a Title IV recipient and goes on a leave of absence due to active duty or active service and the leave of absence extends beyond 180 days, federal and state calculations will be completed the day after the 180 day and the calculation will be treated as a withdrawal to ensure that Federal funds are sent back in accordance with Department of Education regulations.
- Department of Veteran Affairs will be notified of any status changes (including withdrawals from courses, programs and leave of absences) and benefits may be affected due to status changes. Please contact the Department of Veteran Affairs for benefits information.

*Definition of a full refund*

For purposes of this section, a full refund includes a refund of required tuition and fees, or a tuition adjustment credit to the student’s ledger card or a comparable amount against future tuition and fees.

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