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## WITHDRAWING AND/OR DROPPING CLASSES

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### WHAT HAPPENS TO MY FINANCIAL AID IF I WITHDRAW (DROP ALL OF MY CLASSES)?

If you withdraw, you and the University may be expected to repay some or all of the financial aid you have received for the semester.

If you withdraw within a KU Adjustment/Refund period, the Office of Student Financial Aid (OSFA) is required by federal law to determine if your KU refund must repay some or all of the financial aid you received.

The date on which you withdraw determines whether you receive a KU refund as well as the amount of the refund. It also determines how much financial aid you and the University are expected to repay to the financial aid programs. **Therefore, it is not possible to accurately predict how much you must repay until after you have withdrawn.** See the reverse side of this publication for example repayment calculations.

After you withdraw, you will receive a letter from the OSFA explaining which financial aid programs your KU refund repaid (if applicable). If your KU refund is not enough to repay the amount of financial aid the University must return to your financial aid programs, the University Bursar's Office will bill you for the remainder. In addition, you may be required to repay the financial aid programs directly using your own funds. If you fail to repay this aid or fail to make satisfactory arrangements to repay this aid within 45 days, you may lose your eligibility to receive future federal and state financial aid (See Example Two on the reverse side of this publication).

### WHAT IF I DROP HOURS, BUT REMAIN ENROLLED IN AT LEAST SIX HOURS?

In most instances, you are not expected to repay financial aid awards you received for the semester as long as you remain enrolled in at least 6 hours. However, dropping hours may affect your future eligibility for financial aid. Dropping too many hours over the course of several semesters could negatively affect your Satisfactory Academic Progress (SAP) status and yield you ineligible for financial aid. For more information about SAP, visit [www.financialaid.ku.edu/eligibility/sap.shtml](http://www.financialaid.ku.edu/eligibility/sap.shtml).

### WHAT IF I WITHDRAW OR DROP BELOW SIX HOURS?

The spring disbursement of your Federal Subsidized, Unsubsidized, and/or PLUS loan(s) may be cancelled if you withdraw or drop below six hours in the fall. You must contact the OSFA if your spring disbursement was cancelled and you want a loan for the spring semester.

Additionally, the grace period on your Federal Stafford Subsidized/Unsubsidized loans, Health Professions Student Loans (HPSL)/Loans for Disadvantaged Students (LDS), and Federal Perkins loans will begin once you withdraw or drop below 6 hours. Federal Subsidized and Unsubsidized loan borrowers have a six-month grace period before payments are required. Federal Perkins borrowers have a nine-month grace period before payments are required and HPSL/LDS borrowers have a twelve-month grace period before payments are required.

If you withdraw or drop below 6 hours and you have a Federal Direct Subsidized or Unsubsidized loan, you should contact the Direct Loan Servicing Center at (800) 848-0979. If you have HPSL/LDS, or Federal Perkins loans, you should contact the Federal Perkins/NDSL office at the University of Kansas at (785) 864-3322.

If you have received a Federal Stafford Subsidized or Unsubsidized loan and you drop below 6 hours within the first 21 days of class, the Direct Loan Servicing Center or your FFEL lender has the right to demand payment of your loan in full.

### WHAT ABOUT FUTURE FINANCIAL AID?

Dropping any number of hours or withdrawing completely can affect your future eligibility for financial aid because you may not meet Satisfactory Academic Progress (SAP) standards. For more information about SAP, visit [www.financialaid.ku.edu/eligibility/sap.shtml](http://www.financialaid.ku.edu/eligibility/sap.shtml).

## **TITLE IV REPAYMENT EXAMPLES:**

### **EXAMPLE ONE:**

You are a student at KU. You paid \$1,220 in tuition and fees. On the first day of class, you received a Title IV Federal Pell Grant for \$782 and a Title IV Federal Supplemental Educational Opportunity Grant (SEOG) for \$263.

You withdrew from all of your classes on the 11th day of class, which was during the 90% KU Adjustment /Refund period. You were entitled to a KU refund of \$1,098. You completed only 9.6% of the semester. The University must repay some of your Federal Pell Grant, since you are not eligible for 90.4% of the financial aid you received.

You will receive a letter from the OSFA informing you that the University must return \$782 to the Federal Pell Grant Program and \$163 to the Federal SEOG Program on your behalf for a total of \$945. KU will deduct \$945 from your \$1,098 refund to repay your Federal Pell and Federal SEOG Grants and send you a check for the \$153 balance.

### **EXAMPLE TWO:**

You are a student at KU. You paid \$1,220 in tuition and fees. On the first day of class, you received a Title IV Perkins Loan for \$1,000, a Title IV Federal Pell Grant for \$782, and a Title IV Federal SEOG for \$263.

You withdrew from all of your classes on the 47th day of class (during the ninth week), which was after the KU Adjustment/Refund period. Consequently, you were not entitled to a KU refund. You completed 41.2% of the semester. You and the University must repay some of your Federal financial aid since you are not eligible for 58.8% of the financial aid you received.

You will receive a letter from the OSFA informing you that the University must return \$717 to the Federal Perkins Loan Program on your behalf. Because you are not entitled to a KU refund, you will receive a bill from the University of Kansas Bursar's Office for \$717. This charge is now your debt to the University and not to the Federal Perkins Loan program. You will not be permitted to enroll in any classes at the University until you have paid this bill. Furthermore, if this debt is not paid in full, your debt will be forwarded to University Collections.

You will be expected to repay the balance of your Federal Perkins Loan according to the terms of your loan.

Additionally, you are required to repay \$242.50 to the Federal Pell Grant Program. You must repay the Federal Pell Grant amount directly to the OSFA within thirty days of the date of notification. If this payment is not received within thirty days, your Federal Pell Grant repayment will be referred to the U.S. Department of Education's Borrower Services for collection. You will not be permitted to receive additional Title IV Federal financial aid at KU or any other postsecondary institution until the amount has been repaid or you make satisfactory arrangements to repay this balance with the U.S. Department of Education's Borrower Services.

### **REFUND DISTRIBUTION – PRESCRIBED BY FEDERAL LAW AND REGULATIONS:**

(Refund is applied to the programs in the order they are listed)

Federal Stafford Unsubsidized Loan

Federal Stafford Subsidized Loan

Federal Perkins Loan

Federal Direct PLUS Loan

Federal Direct Graduate PLUS Loan

Federal Pell Grant

FSEOG

Other Title IV Aid Programs

*The OSFA is providing the above information as a courtesy. Outside of maintaining the OSFA website, the OSFA does not promote, validate, or maintain the websites listed. URL addresses and website contents frequently change. The URL addresses listed were accessible as of December 2008. A website appearing here does not necessarily imply that the University of Kansas or the OSFA agree with the material contained on or linked to the websites.*

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