

Student Financial Aid (SFA) Fact Sheet for Federal Aid Refund/Withdrawal

Return of federal financial aid:

GSC students who receive federal financial aid and do not complete their classes may be responsible to repay all or a portion of the aid received according to the federal law. The financial aid department is supplying the following information to help you understand what could happen if you withdraw or stop attending classes before the end of the enrollment period.

The Federal Law, what is it?

As part of the Higher Education Amendments of 1998, Congress passed new regulation governing what must happen to your federal financial aid if you completely withdraw from your courses during the enrollment period. **GSC must calculate how much federal aid you have earned if you withdraw or stop attending before completing 60% of the enrollment period.** Federal aid covered under this regulation includes Pell Grant, Federal SEOG, Federal Direct Subsidized and Unsubsidized Loans, Federal Perkins Loan and Federal Parent Loan for Undergraduate Students (PLUS).

How is the financial aid you earn calculated?

If you receive federal aid you must “earn” the aid received by staying enrolled in school. The amount of federal aid assistance you earn is determined on a pro-rata basis. If you withdraw or stop attending classes during the enrollment period, you may be required to return all or some of the financial aid you were awarded. *Example: If you completed 30% of the aid you originally were scheduled to receive. This means that 70% of your scheduled awards remain unearned and must be returned to the federal government.*

What is the withdrawal date?

When you reduce your enrollment to zero credit hours, you have withdrawn from GSC. Instructions for completing the withdrawal process can be done by contacting the Asst. Registrar. If you complete the official withdrawal process, the refund calculation will be based on the date your withdrawal activity is recorded in the GSC information system. If you do not officially withdraw, but it is determined that you stopped participation in all of your classes, the date of withdrawal is the date of attendance recorded by the instructor(s) or last date of documented academically related activity or the midpoint of the period for a student who leaves without notification.

Who returns the unearned funds?

GSC and the student are both responsible for returning unearned funds to the appropriate programs in a specific loan/grant order. Amounts that must be returned will first be applied to federal loans and then to grants. Loan borrowers will be permitted to repay loans based on terms of the promissory note.

The student will also be billed for any amount due to GSC resulting from GSC return of federal aid funds. *Example: GSC is required to return federal aid which was used to pay a portion of your charges for the enrollment period, you are required to pay GSC for the unpaid portion of the charges.*

How do I repay unearned funds?

If you owe any money to GSC resulting from return of federal funds, you will receive a bill from the GSC Bursar office.

For all outstanding charges owed to GSC, you must make a payment arrangement with the Bursar office 513-862-2744. Loan repayment arrangements may be made by contacting the Direct Loan Servicing Center at 1-800-848-0979.

What happens if I don't repay?

If you do not repay GSC for the charges resulting from the federal refund policy; your records will be placed on financial hold. This means that you will not be permitted to register for classes or receive transcripts, until the balance is paid. Outstanding balances due to GSC can also result in collection agency action and negative credit bureau reporting. Your unpaid loans will go into default, you will receive additional negative credit reporting, and garnishment of wages will be induced by the Dept. of Education.