The law specifies how Texas State University must determine the amount of Title IV program assistance that you earn if you withdraw from school. The Title IV programs covered by this law are: Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (SEOG), Iraq and Afghanistan Service Grant, TEACH Grant, Direct Loans, and Direct Parent (PLUS) Loans.

Though your financial aid is moved to your student account with Student Business Services when ready at the start of each term, you earn the funds as you complete the term. If you withdraw during the term, the amount of Title IV program assistance that you have earned up to that point is determined by a specific formula. If you received less assistance than the amount that you earned, you may be able to receive those additional funds. If you received more assistance than you earned, the excess funds must be returned by the school and/or you.

The amount of assistance that you have earned is based on the period of the term you have completed. For example, if you completed 30% of the term, you have earned 30% of the assistance you were originally scheduled to receive. Once you have completed more than 60% of the term, you have earned all the assistance for that term.

If you received (or your parent received on your behalf) excess Title IV program funds that must be returned, Texas State must return a portion of the excess equal to the lesser of:

1. Your institutional charges multiplied by the unearned percentage of your funds, or
2. The entire amount of excess funds

Texas State will remove the required amount of assistance from your student account with Student Business Services and return to the federal government.

If Texas State is not required to return all the excess funds, you are responsible for the remaining amount.

- Any loan funds that you must return, you (or your parent for a PLUS loan) repay in accordance with the terms of the promissory note.
- Any grant funds that you must return is called a federal overpayment. The maximum amount of grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You do not have to repay a grant overpayment if the original amount of the overpayment is below $51. Texas State will return any grant overpayment amount on your behalf and remove the assistance from your account with Student Business Services. You will owe Texas State instead of the federal government.

If you did not receive all of the funds you earned, you may be due a post-withdrawal disbursement. If your post-withdrawal disbursement includes loan funds, Texas State must get your permission before we can disburse the loan funds to you. We will contact you to obtain your permission if you are in this situation. You may choose to decline some or all of the loan funds so that you don’t incur additional debt.

The requirements for the return of Title IV program funds when you withdraw are separate from the Texas State refund policies (www.sbs.txstate.edu/students/refunds.html). Therefore, you may still owe funds to Texas State to cover unpaid institutional charges. Texas State will charge you for any Title IV program funds that were required to return or returned on your behalf.

The procedures for officially withdrawing from Texas State can be found on the University Registrar’s website at www.registrar.txstate.edu/registration/dropping-or-withdrawing.html.