Consumer Information for UMF Students regarding Withdrawal and Return to Title IV Funds (R2T4)

Federal student aid law specifies how your school must determine the amount of Title IV program assistance that you earn if you withdraw from school. The Federal Title IV student financial aid programs covered by the law at UMF include Federal Pell Grants, Iraq and Afghanistan Service Grants, Direct Loans, Direct PLUS Loans, Federal Supplemental Educational Opportunity Grants (FSEOGs), and Federal Perkins Loans.

Though your aid is posted to your account at the start of each term at UMF that comprises a payment period (i.e. Fall, Spring, Summer), you earn the funds that have been allocated to you for each term as you complete each term. If you withdraw completely from the University during a 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 or if UMF and/or your parent received on your behalf 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 Title IV funds must be returned by the school and/or you.

The amount of assistance that you have earned is determined on a pro rata basis. For example, if you complete 30% of your payment period on enrollment, you earn 30% of the assistance you were originally schedule to receive. Once you have completed more than 60% of the payment period of enrollment, you earn all the assistance that you were scheduled to receive for that period.

If you did not receive all of the funds that you earned, you may be due a post-withdrawal disbursement. If your post-withdrawal disbursement includes loans funds, UMF must get your permission before UMF can disburse them. You may choose to decline some or all of the loan funds so that you do not incur additional debt. Your school may automatically use all or a portion of your post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges (as contracted with the UMF). UMF needs your permission to use the post-withdrawal grant disbursement for all other school charges (e.g., health fees, health insurance, or other charges). If you do not give your permission, you will be offered the funds. However, it may be in your best interest to allow UMF to keep funds to reduce your debt at the school.

There are some Title IV funds that you may have expected to receive that cannot be disbursed to you once you withdraw because of other eligibility requirements. For example, if you were offered a Federal Direct Student Loan and you had not accepted the offer until after you withdrew from UMF, then those funds cannot be disbursed to you.

If you receive - or UMF and/or your parent receives on your behalf - excess Title IV programs funds that must be returned, UMF must return a portion of the excess equal to lesser of:
1. Your institutional charges multiplied by the unearned percentage of your funds, or

2. the entire amount of excess funds.

UMF must return this amount even if it did not keep this amount of your Title IV program funds.

If UMF is not required to return all of the excess funds, you must return the remaining amount.

Any loans funds that you must return, you (or your parent for Direct PLUS Loan funds) repay in accordance with the terms of the promissory note. That is, you make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that you must return is called an overpayment. The maximum amount of a 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 $50 or less. You must make arrangements with UMF or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when you withdraw are separate from any refund policy that UMF may have. Therefore, you may still owe funds to UMF to cover unpaid institutional charges. UMF may also charge you for any Title IV program funds that it was required to return. You can find a copy of UMF’s published refund policy in the UMF online catalog [http://catalog.umf.maine.edu/] and included in the first statement of account (hard copy) that is mailed to students prior to each new academic year. If you need any assistance locating a copy of UMF’s refund policy, please ask for one at the UMF Merrill Center for Student Services, 224 Main Street, Farmington, ME 04938. You can request information there on the requirements and procedure for officially withdrawing from UMF or find it published in the UMF online catalog.

If you have any questions about your Title IV program funds, you can call the Federal Student Aid Information Center at 1-800-4-FEDID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on Student Aid in the Web at www.studentaid.ed.gov.