



## Office of Student Financial Aid

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## Withdrawing and/or Dropping Classes

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### What 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 OSFA is required by federal law to determine whether your KU refund should repay some or all of the financial aid that you received.

The date of withdrawal determines whether you receive a KU refund and the amount. It also determines how much aid you and the University are expected to repay to the aid programs. Therefore, it is not possible to tell you how much you must repay until after you have withdrawn. See examples on reverse side.

After you withdraw, you will receive a letter from the OSFA telling you which financial aid programs your KU refund repaid (if applicable). If your KU refund is not enough to repay the amount of aid the University must return to your aid programs, the University Bursar's Office will bill you for the difference. In addition, you may be required to repay the 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 aid. (See Example 2.)

### 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 aid.

### What if I withdraw or drop below six hours?

The spring disbursement of your Federal Direct 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 Direct Subsidized and Unsubsidized loans, HPSL, and Federal Perkins loans will begin once you withdraw or drop below 6 hours. Federal Direct Subsidized and Unsubsidized loan borrowers have a six-month grace period before payments are required; Federal Perkins borrowers have a nine-month grace period; HPSL borrowers have a twelve-month grace period.

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 1-800-848-0979. If you have a HPSL, or Federal Perkins loan, you should contact the Federal Perkins/NDSL office at the University of Kansas, (785) 864-3322.

If you have received a Federal Direct Subsidized or Unsubsidized loan and you drop below 6 hours within the first 21 days of class, the Direct Loan Servicing Center 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 standards. Please refer to the Financial Aid Guide or Satisfactory Academic Progress handout for additional information.

*continued on reverse*

## **Title IV Repayment Examples:**

**Example 1:** You are a student at KU. You paid \$1220 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 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 refund of \$1098. 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 aid you received.

You will receive a letter from the OSFA telling you that the University must return \$782 to the Federal Pell Grant Program and \$163 to the Federal SEOG Program on your behalf. KU will deduct \$945 from your \$1098 refund to repay your Federal Pell and Federal SEOG Grants and send you a check for the \$153 balance.

**Example 2:** You are a student at KU. You paid \$1220 in tuition and fees. On the first day of class, you received a Title IV Perkins Loan for \$1000, 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, therefore, you were not entitled to a refund. You completed only 41.2% of the semester. You and the University must repay some of your Federal aid, since you are not eligible for 58.8% of the aid you received.

You will receive a letter from the OSFA telling you that the University must return \$717 to the Federal Perkins Loan Program on your behalf. Because you are not entitled to a 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 able to enroll 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 Debt Collect Service for collection. You will not be able to receive additional Title IV Federal aid at KU or any other post secondary institution until the amount has been repaid or you make satisfactory arrangements to repay this sum with the U.S. Department of Education's Debt Collect Service.

### **Refund Distribution-Prescribed by Law and Regulation**

Refund is applied to the programs in the order they are listed:

Federal Direct Unsubsidized Loan

Federal Direct Subsidized Loan

Federal Perkins Loan

Federal Direct PLUS Loan

Federal Pell Grant

FSEOG

Other Title IV Aid Programs