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# Introduction to Volume 5

*An overpayment occurs when the student receives more aid than he or she was eligible to receive. One kind of overpayment, traditionally called an overaward, results from changes in the student's aid package; a second occurs when a student withdraws. This volume covers how a school should respond when either of these types of overpayments occurs.*

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Here, we provide a summary of the changes and clarifications presented in greater detail in the chapters that follow. **Alone, the text herein does not provide schools with the guidance needed to satisfactorily administer the Title IV, HEA programs.** For more complete guidance, you should refer to the text in the chapters cited, the Code of Federal Regulations (CFR) and the Higher Education Assistance Act (HEA) as amended:

Throughout this volume, new information is indicated with the following symbol:



When the text represents a clarification rather than a change, it is indicated with this symbol:



When we believe that historically there might be some misunderstanding of a requirement, we indicate that with:



Finally, if we want to point out a bit of helpful information we indicate it with:



## **Major Changes**

### **Chapter 1 — Overpayments and Overawards**

- We have clarified when an overaward exists.
- We explain when an Iraq and Afghanistan Service Grant overawards exists that must be corrected.
- We clarify the difference between TEACH Grant overawards when a student is, and is not, receiving need-based aid.
- We remind schools that they must treat a TEACH Grant as EFA if it is not used to finance the EFC for a student who has an overpayment.
- We have added instructions on Amending a FISAP after it has been accepted by ED.

### **Chapter 2 — Withdrawals and the Return of Title IV Funds**

- We explain that since this volume was last published, the Department has made substantial changes to the regulations that govern the Return of Title IV Aid and published a Dear Colleague letter explaining those changes.
- We notify schools of the effective date of the new regulations.
- We have revised the treatment of when a student is considered withdrawn.
- We remind schools that if a student who failed to begin all the classes on which their aid was based withdraws, the school must recalculate the student's eligibility before performing a Return calculation.
- We explain the Date of Determination when a student who was enrolled in a series of modules fails to return as scheduled.
- We clarify the conditions under which a student who transfers from one program to another at the same school to remain in the same payment period.
- We explain that a school may not make a first disbursement of a Direct Loan to a student enrolled in a modular program who has withdrawn before beginning attendance in enough courses to establish a half-time enrollment status.
- We provide a detailed treatment of schools the Department considers are required to take attendance.
- We have revised the treatment of academic attendance and attendance at an academically related activity.
- We remind schools that they must retain documentation of a student's withdrawal date.

- We have added a treatment of withdrawals from programs offered in modules.
- We explain how schools can determine if a program is offered in modules and whether a student enrolled in a program offered in modules has withdrawn.
- We explain the treatment of a student who withdraws from a series of modules and then returns within the payment period or period of enrollment.
- We have added instructions for adjusting Direct Loans when a student renters or transfers.
- We remind schools that they must obtain written confirmation of future attendance from a student who fails to begin a module within a term as scheduled for that student not to be considered a withdrawal.
- We explain how to determine the withdrawal date, numerator and denominator of the Return calculation for a student who withdraws from a program offered in modules.
- We discuss determining the percentage of the period completed for a student who withdraws from a program offered in modules.
- We discuss the aid to include the Return calculation for a student who withdraws from a program offered in modules.
- We have added instructions on Amending a FISAP after it has been accepted by ED.
- We have added instructions on Returning funds after 240 days.
- We have added a discussion on making downward adjustments of FSA grant and loan funds.

### **Case Studies in the Return of Title IV Funds**

- We have added two case studies that address students who withdraw from programs offered in modules.

