

---

# 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 a student withdraws.*

---

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:



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



Finally, if we want you to take special note, we indicate it with:



## Major Changes

### Chapter 1—Withdrawals and the Return of Title IV Funds

- ◆ We explain that a school may not include as aid that could have been disbursed Pell Grant funds that if disbursed would, in combination with other Pell funds previously received by the student, cause the student to exceed his or her Pell Grant maximum lifetime eligibility. Likewise, a school may not include as aid that could have been disbursed Direct Subsidized Loan funds that would, in combination with other Direct Subsidized Loan funds previously received by the student, cause the student to exceed his or her 150% maximum eligibility period for Direct Subsidized Loans.
- ◆ We remind schools that when a student who failed hours in the payment period withdraws from a non-term credit hour program offered in modules the payment period must be extended when performing the required Return calculation.
- ◆ We explain the actions a school must take when performing a Return calculation when a student who was enrolled in a module within a term and courses that spanned the term withdraws from the module and the school later determines that the student failed to begin the term-long courses.
- ◆ We advise schools that if they temporarily close due to weather, natural disaster, or other event outside the control of the institution they should promptly contact its School Participation Team to discuss its situation.
- ◆ We alert schools to the Department's discontinuing paper check processing for Direct Loan refunds of cash beginning January 1, 2015.