What happens to Federal Student Aid When a Student Withdraws

Federal Student Aid (FSA) funds are offered to you, assuming you will attend school for the entire period the FSA is awarded. Suppose you do not complete the whole period or earn no credit for the period (as a result of receiving grades of F). In that case, you may no longer be eligible for the full FSA funds you were originally scheduled to receive.

Federal regulations require Moberly Area Community College (MACC) to recalculate the amount of FSA a student has earned if a student:

1. Officially or unofficially withdraws from all courses; or,
2. Is administratively dismissed; or,
3. Does not complete the payment period (the payment period refers to the length of the semester). The payment period for the fall and spring semesters is 16 weeks, and the summer is 8 weeks. Students may have a shorter payment period if they enroll in all module courses. “Module” refers to courses that are not scheduled for the entire length of the semester, such as an 8-week course; or,
4. Earns no credits as a result of receiving all grades of F or grades of F combined with withdrawn courses.

Federal law specifies how MACC must determine the amount of Title IV program assistance you earn if you withdraw from school. The Title IV programs administered at MACC covered by this law are Federal Pell Grants, Iraq and Afghanistan Service Grants, Federal Direct Stafford Loans, Federal Direct PLUS Loans, and Federal Supplemental Educational Opportunity Grants (FSEOG).

When you withdraw during your semester, the amount of Title IV program assistance you have earned up to that point is determined by a specific formula. If you or MACC received less assistance than the amount you earned, you may receive those additional funds. If you received more aid than you earned, the school and/or you must return the excess funds. The amount of the aid that you have earned is determined on a prorated basis. For example, if you completed 30% of your payment period or period of enrollment, you earn 30% of the assistance you were originally scheduled to receive. Once you have completed more than 60% of the semester, you earn all of the aid you were expected to receive for that period.

You may be due a post-withdrawal disbursement if you do not receive all the funds you earned. If your post-withdrawal disbursement includes loan funds, MACC must get your permission before Title IV Funds can be disbursed. You may decline some or all of the loan funds so that you don’t incur additional debt. MACC may automatically use all or a portion of your post-withdrawal disbursement of grant funds for tuition, fees, books, and room and board charges (as contracted with MACC).

There are some Title IV funds that you may be scheduled to receive that cannot be disbursed to you once you withdraw because of other eligibility requirements. For example, if you are a first-time, first-year undergraduate student and you have not completed the first 30 days of your program before you withdraw, you will not receive any Direct Loan funds that you would have received had you remained enrolled past the 30th day.

If you receive (or MACC or your parent receives on your behalf) excess Title IV program funds that must be returned, MACC 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.

You must repay MACC for the unearned funds repaid on your behalf.

If MACC is not required to return all excess funds, you must return the remaining amount. Any loan funds you must return, or your parent must return for a PLUS Loan, must be repaid per the terms of the promissory note. That is, you make scheduled payments to the holder of the loan. Any amount of unearned grant funds you must return is an overpayment. The maximum amount of a grant overpayment 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 arrange to return the unearned grant funds to MACC or the U. S. Department of Education.

When you withdraw, the requirements for Title IV program funds are separate from the MACC Tuition Refund Policy. Therefore, you may still owe funds to MACC to cover unpaid institutional charges. MACC will also charge you for any Title IV program funds that the school was required to return. MACC's refund policy is available in the Business Office, Student Affairs Office, Financial Aid Office, at any campus location, or online at www.macc.edu. You may also obtain a copy of the requirements and procedures for officially withdrawing from any offices and resources listed above.

A student will be placed on Financial Aid Suspension if they withdraw from all courses, either officially, unofficially, or administratively, earn all Fs, or finish a semester with a combination of withdrawals and Fs. Students will be notified in writing if placed on Financial Aid Suspension.

If you have questions about your Title IV program funds, call the Financial Aid Office at 660-263-4100 extension 11301. You may also contact the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on Student Aid on the Web at ***www.studentaid.gov***.

Important information you should read: These resources are available in the college catalog and online at www.macc.edu

- MACC's Tuition Refund Policy
- How to Officially Withdraw from MACC
- MACC Satisfactory Academic Progress Policy

60% Point Dates

Minimum Requirements	Term	60% Completion Date
You must attend and participate in class through these dates. The dates will be different for all classes that do not begin & end on the same dates as the regular 16-week fall and spring and 8-week summer terms. You should ask the Financial Aid Office for specific dates of any class with an alternate calendar.	Fall 2025 (16-week)	October 28, 2025
	Spring 2026 (16-week)	April 2, 2026
	Summer 2026 (8-week)	July 10, 2026

Example:

Below is one example of how the process works. Other examples, based on different scenarios, are available from the Financial Aid Office upon request.

Scenario:

Joe enrolled in four, sixteen-week, three-credit hour courses for the fall semester. Joe was charged $112 per credit hour, for a total of $1,344. The semester began on August 22 and ended on December 7; there were no breaks longer than five days, so there are 108 days in the fall semester. Joe's last date of attendance in all of his courses, according to his instructor's records, was September 30th, which was the 40th day of the semester. Joe did not withdraw within the first two weeks of the semester, therefore he is not eligible for a tuition refund according MACC's policy.

Step 1: Aid that disbursed and the aid that could have been disbursed:	
Pell Grant - disbursed:	$ 2,775.00
Federal Direct Subsidized Loan - net disbursed:	$ 1,000.00
Step 2: Calculate the Percentage of Title IV Funds Earned:	
number of days attended divided by number of days in semester 40 (÷) 108 (=)	37.04%
Step 3: Multiply the amount of Title IV Funds by the percentage earned:	
$3,775 (x) 37.04% (=)	$ 1,398.26
Step 4: Title IV Funds to be Disbursed or Returned:	
Subtract the Amount of Earned Title IV Funds from the Amount already disbursed	
$3,775.00 (-) $1,398.26 (=)	$ 2,376.74
Step 5: The amount of Earned Aid is LESS THAN the amount of Disbursed Aid therefore,	
Aid needs to be returned to the Title IV Program:	62.96%
Step 6: Determine the amount MACC returns, calculate the unearned charges:	
$1,344 (x) 62.96% (=)	$ 846.18
Step 7: Determine the amount returned to each Title IV program	
MACC returns to Federal Direct Subsidized Loan	$ 846.18
Step 8: Determine amount of Title IV Funds to be returned by student:	
From the Amount to be Returned, subtract the amount MACC is returning to the Loan	$ 1,530.56
The remaining loan must be repaid by student, according to terms of promissory note	$ 153.82
Determine the Grants to be Returned by Student: $1,530.56 (-) $153.82 (=)	$ 1,376.74
Determine the amount of Grant protection: $2,775 (x) 50% (=)	$ 1,387.50
Grant Amount to be returned by student $1,376.74 (-) $1,387.50 (=)	$ -
Step 9: Student pays MACC for the unpaid charges which resulted from the reduced Title IV Funds:	$ 846.18