

How withdrawing from classes affects your financial aid

If you are receiving federal financial aid (grants and/or loans), there are important things that need to be considered if you decide that you are going to withdraw from or stop attending your classes. We strongly encourage any student who is considering withdrawing or stopping attendance to first meet with a representative of the Financial Aid Office.

Withdrawing from some but not all of your classes

When you withdraw from or stop attending some but not all of your classes, your financial aid could be impacted. Your financial aid is based on your enrollment status – full time versus part time. Amounts of aid and eligibility for certain financial aid programs are based on the amount of credits you take each semester. In addition, the timing of your withdrawal may affect what if any reduction of tuition and fee charges you receive from the Business Office. You are strongly encouraged to meet with a Financial Aid Office representative prior to reducing your number of credits, so that you will have a clear picture of what financial impact may result.

Dropping below half time enrollment (6 credits per semester)

When you are no longer enrolled for at least 6 credit hours a semester, several things will happen:

- You are not eligible for an automatic deferment of any prior federal student loans; your lender will be notified and you will be contacted about when to expect to begin making your student loan payments.
- You will be contacted by the CMCC Financial Aid Office to complete required student loan exit counseling.
- You are not eligible to borrow federal student loans for the semester.
- You are not eligible for the State of Maine Grant or College scholarships, and your eligibility for the Federal Pell Grant is significantly reduced or in some cases is reduced to zero.

Effect on federal student loans

When you withdraw from all of your CMCC classes, the National Student Clearinghouse is electronically notified. If you currently have federal student loans that are in deferment or forbearance status, your lender will receive notification through the Clearinghouse that you are no longer enrolled. You will then be contacted by your lender to inform you of your repayment obligations. Once you cease to be enrolled at least half time (6 or more credits), you enter your 6-month grace period on your loans. After the grace period ends, your first loan payment is due.

When the Financial Aid Office receives notification that you have stopped attending CMCC, and we determine that you previously borrowed federal student loans, we will contact you to have you complete Student Loan Exit Counseling. This online counseling session will provide you with valuable information pertaining to the successful repayment of your student loans.

Withdrawing from all classes

If you withdraw from or just stop attending all of your classes, the Financial Aid Office is required to perform a recalculation of your federal financial aid to determine what percentage of your financial aid must be returned to the federal government. This occurs whether you officially withdrew or if you stopped attending and we did not learn of your lack of continued attendance until the end of the semester when grades are reported.

This recalculation is required when a student stops attending all of their classes before the 60% point in the semester. The calculation determines how much of the student's financial aid is considered to have been 'earned' by the student. If the student has withdrawn prior to the 60% point in the semester, the student is not considered to have 'earned' all of their financial aid and adjustments are made in accordance with federal student aid regulations. Additionally, students who are State of Maine Grant recipients and who do not complete the semester will lose their State of Maine Grant for that semester. Students who have received scholarships from CMCC may also lose those scholarships for the semester.

It is important to note that any adjustments that are made to a student's financial aid as a result of withdrawing from the College will not necessarily mirror any changes to the student's tuition and fee charges. In some cases, the student may not see a reduction of their tuition and fee charges but will still have their financial aid reduced, resulting in their owing money back to the College. Students are strongly encouraged to familiarize themselves with the College's refund policy, which can be found in the College Catalog. If you find that you owe a balance back to the College after your financial aid has been recalculated, it is your responsibility to work with the Business Office to satisfy that balance before you will be allowed to return to the College for a future semester.

Below are examples of financial aid recalculations due to withdrawing from all classes:

Example 1: The student withdraws from all classes prior to the 60% point in the semester

The fall semester starts 8/31/2015 and ends 12/19/2015, 105 days. Caroline stops attending all fall classes with a last date of attendance of 10/5/2015. Caroline completed 36 days out of 105. Her financial aid would be adjusted as follows:

- 36 days / 105 days = 34.3% of the semester completed
- She had received a disbursement of \$1,444 in Federal Pell Grant funds. Therefore, she was eligible to keep 34.3% of the \$1,444.
- $34.3\% \times \$1,444 = \495.29
- Since the funds had already been disbursed we are required to return Federal Pell Grant funds to the U.S. Department of Education (ED) as follows: $\$1,444 - \$495.29 = \$948.71$
- This return of funds could result in the student owing the College the amount we returned on the student's behalf, especially if the student has received a refund check and the balance is now '0.'

Example 2: The student withdraws from all classes after the 60% point in the semester

The fall semester starts 8/31/2015 and ends 12/19/2015, 105 days. Caroline stops attending all fall classes with a last date of attendance of 11/16/15. Caroline completed 78 days out of 105. The Financial Aid Office would review her aid as follows:

- $78 \text{ days} / 105 \text{ days} = 74.3\%$ of the semester completed
- She had received a disbursement of \$1,444 in Federal Pell Grant funds.
- There would be no adjustment of aid because the Department of Education (ED) says that a student who has completed at least 60% of the semester has earned 100% of any aid disbursed.

Example 3: At the end of the semester the student's instructors report all 'L' grades with a last date of attendance:

The fall semester starts 8/31/2015 and ends 12/19/2015, 105 days. Caroline stops attending all classes without notice. All of her instructors report she left the class without notice, assign her an 'L' grade for each class, and provide her last dates of attendance. The latest date was 9/8/2015. Caroline completed 9 days out of 105. Her financial aid would be adjusted as follows:

- $9 \text{ days} / 105 \text{ days} = 8.6\%$
- She received a \$2,888 Federal Pell Grant, \$1,732 Federal Direct Subsidized Loan and \$990 Federal Direct Unsubsidized Loan, for a total of \$5,610. These funds were disbursed and she received a refund check.
- $9.8\% \times \$5,610 = \549.78
- She only earned \$549.78. Therefore, the school must return \$5,060. This will mean that she owes the College this amount because she received a refund check from the College.