

Financial Aid Refund Policy

Effective beginning Spring Semester 2021

Return of Title IV Funds

Luther College students who are unable to complete any courses for the semester for which they enrolled or withdrew will be evaluated for financial aid adjustments according to the Federal formula for Return of Title IV Funds. Title IV funds refer to the Federal financial aid programs authorized under the Higher Education Act of 1965 (as amended) and includes the following financial aid programs: Federal Direct Unsubsidized and Subsidized Stafford Loans, Federal Direct PLUS Loans, Iraq & Afghanistan Service Grants, Federal TEACH Grant, Federal Pell Grant and Federal SEOG. While Federal College Work-Study is considered a Title IV fund, it is not included when calculating the Return of Title IV funds.

Title IV and State Earned Financial Aid

Student financial assistance is considered “earned” at the same percentage as the days attended for the semester prior to the point of withdrawal. After the student has attended 60 percent of the semester, the student will have earned the full semester’s Title IV and state financial assistance.

Private Scholarships

Luther College will utilize the federal refund calculation to determine the amount of private scholarships a student has “earned” prior to their withdrawal unless the provider has stipulated a different calculation be used.

Institutional Earned Financial Aid

Institutional Financial Aid as well as Tuition charges are considered “earned” at the following rate during the academic year.

Date:	Institutional Aid Earned
Week One	10%
Week Two	20%
Week Three	40%
Week Four	60%
Week Five	80%
Week Six and Later	100%

Summer Sessions

Institutional Financial Aid as well as Tuition charges are considered “earned” at the following rate during the summer. Each “Day” is a Business Day.

Withdrawn by:	Institutional Aid Earned
Day One	0%
Day Two	10%
Day Three	20%
Day Four	40%
Day Five	60%
Day Six	80%
Day Seven or After	100%

Withdrawal Date

A student starts the withdrawal or leave of absence process at the Student Life Office. The withdrawal date is the date on which the student starts the withdrawal process or the date the student otherwise provides official notification to Luther College of his/her intent to withdraw. However, if Luther College can document an academic engagement different from the date the student officially withdrew, that date may be used. If a student leaves school and fails to follow the withdrawal process, Luther will first try to document the last known date of

academic engagement for the student to establish a withdrawal date. If none can be determined, then it is assumed the student withdrew at the midpoint of the period of enrollment.

Return of Funds

Luther College will return any unearned Title IV and state aid that was applied to a student's institutional charges. The student must return any unearned funds allocated to a loan program under the terms and conditions of the promissory note. If a student must return grant funds to the U.S. Department of Education, the student must make satisfactory repayment arrangements with Financial Services at Luther College.

In accordance with the Federal regulations, the student (or parent for a PLUS loan) must return unearned aid for which the student is responsible by repaying funds to the following sources in order: Direct Unsubsidized Stafford Loan, Direct Subsidized Stafford Loan, Direct PLUS, Pell Grant, Iraq & Afghanistan Service Grant, FSEOG, and TEACH Grant.

A description of the refund of institutional charges is available in the Luther College Catalog.