

Return of Title IV Funds Issues

Return of Title IV Funds Issue 1: Federal Funds Included [Section 484B(a)(1)]

Recommendation: Exclude LEAP/SLEAP from the funds included in the Return of Funds calculation.

Rationale: It is difficult to determine whether state grants actually include LEAP funds. This change ensures that all students are treated equitably.

Current Law	Proposed Statutory Language
Section 484B(a) RETURN OF TITLE IV FUNDS.— (1) IN GENERAL.—If a recipient of assistance under this title withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the amount of grant or loan assistance (other than assistance received under part C) to be returned to the title IV programs is calculated according to paragraph (3) and returned in accordance with subsection (b).	Section 484B(a) RETURN OF TITLE IV FUNDS.— (1) IN GENERAL.—If a recipient of assistance under this title withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the amount of grant or loan assistance (other than assistance received under part C or subpart 4 of Part A) to be returned to the title IV programs is calculated according to paragraph (3) and returned in accordance with subsection (b).

Return of Title IV Funds Issue 2: Leaves of Absence [Section 484B(a)(2)(A)]

Recommendation: Clarify that multiple leaves of absence are permitted within the statutory timeframe.

Rationale: Although the Department’s most current regulations permit multiple leaves of absence, prior regulatory interpretations created a complex set of exceptions. Circumstances that would cause a student to request such a leave are often repetitive and it is certainly possible that a student may need to request a second leave. This recommendation would place the authority for multiple leaves clearly in statute.

Current Law	Proposed Statutory Language
<p>Section 484B(a)(2) LEAVE OF ABSENCE.— (A) LEAVE NOT TREATED AS WITHDRAWAL.—In the case of a student who takes a leave of absence from an institution for not more than a total of 180 days in any 12-month period, the institution may consider the student as not having withdrawn from the institution during the leave of absence, and not calculate the amount of grant and loan assistance provided under this title that is to be returned in accordance with this section if—</p> <p>(i) the institution has a formal policy regarding leaves of absence; (ii) the student followed the institution’s policy in requesting a leave of absence; and (iii) the institution approved the student’s request in accordance with the institution’s policy.</p>	<p>Section 484B(a)(2) LEAVE OF ABSENCE.— (A) LEAVE NOT TREATED AS WITHDRAWAL.—In the case of a student who takes a one or more leaves of absence from an institution for not more than a total of 180 days in any 12-month period, the institution may consider the student as not having withdrawn from the institution during the leave of absence, and not calculate the amount of grant and loan assistance provided under this title that is to be returned in accordance with this section if—</p> <p>(i) the institution has a formal policy regarding leaves of absence; (ii) the student followed the institution’s policy in requesting a leave of absence; and (iii) the institution approved the student’s request in accordance with the institution’s policy.</p>

Return of Title IV Funds Issue 3: Post-Withdrawal Disbursements [Section 484B(a)(4)(A)]

Recommendation: Restore authority for late and post-withdrawal disbursements at the discretion of financial aid administrators.

Rationale: This recommendation acknowledges that financial aid administrators are in the best position to determine a student's need for funds after the student has ceased enrollment. Either mandating or denying these late disbursements could have devastating consequences for individual students, by causing them to receive and then repay funds that they may not need or by failing to offer the needed financial support for expenses they have already incurred.

Current Law	Proposed Statutory Language
<p>Section 484B(a)(4) DIFFERENCES BETWEEN AMOUNTS EARNED AND AMOUNTS RECEIVED.— (A) IN GENERAL.—If the student has received less grant or loan assistance than the amount earned as calculated under subparagraph (A) of paragraph (3), the institution of higher education shall comply with the procedures for late disbursement specified by the Secretary in regulations.</p>	<p>Section 484B(a)(4) DIFFERENCES BETWEEN AMOUNTS EARNED AND AMOUNTS RECEIVED.— (A) IN GENERAL.—If the student has received less grant or loan assistance than the amount earned as calculated under subparagraph (A) of paragraph (3), the institution of higher education shall comply with the procedures for may determine according to its policy or on a case-by-case basis whether the student may receive any or all of— (i) a late disbursement as specified by the Secretary in regulations; or (ii) a post-withdrawal disbursement.</p>

Return of Title IV Funds Issue 4: Amount Disbursed [Section 484B(a)(4)(B)]

Recommendation: Allow schools to substitute undisbursed grant funds (for which the student was eligible) for the portion of earned funds originally derived from loans.

Rationale: Schools determine the frequency and dates of disbursement of Title IV funds. It may be no fault of the student if disbursement of some Title IV funds was delayed until after the student withdraws. This recommendation would allow the student access to all Title IV grant funds that were awarded without regard to the timing of disbursements or to circumstances such as retroactive selection for verification.

Example: Assume that a student received a \$1000 loan disbursement and was also awarded a \$1000 Pell Grant that had not been disbursed by the time the student totally withdrew from the institution. The institutional charges were \$1,000 and the student withdrew at the 30% point in the term. According to the Return of Title IV Funds policy, the student has earned \$600. Consequently the school retains \$600 and returns to the lender \$400 of the student's loan. The student was not able to use any of the Pell Grant and has an outstanding loan balance of \$600 after leaving school. If this recommendation is adopted, the institution would be allowed to replace the \$600 loan with \$600 from the Pell Grant award. This would benefit the student in that her loan balance would be reduced to \$0, thereby preventing a possible default.

Current Law	Proposed Statutory Language
<p>Section 484B(a)(4) DIFFERENCES BETWEEN AMOUNTS EARNED AND AMOUNTS RECEIVED.—</p> <p>(A) IN GENERAL.—If the student has received less grant or loan assistance than the amount earned as calculated under subparagraph (A) of paragraph (3), the institution of higher education shall comply with the procedures for late disbursement specified by the Secretary in regulations.</p> <p>(B) RETURN.—If the student has received more grant or loan assistance than the amount earned as calculated under paragraph (3)(A), the unearned funds shall be returned by the institution or the student, or both, as may be required under paragraphs (1) and</p>	<p>Section 484B(a)(4) DIFFERENCES BETWEEN AMOUNTS EARNED AND AMOUNTS RECEIVED.—</p> <p>(A) IN GENERAL.—If the student has received less grant or loan assistance than the amount earned as calculated under subparagraph (A) of paragraph (3), the institution of higher education shall comply with the procedures for late disbursement specified by the Secretary in regulations.</p> <p>(B) GRANT FUNDS EARNED.—If the student earned Title IV grant funds that were not disbursed at the time of the student’s withdrawal, the institution may, at its discretion—</p> <p>(i) disburse such funds; or</p>

**National Association of Student Financial Aid Administrators
Higher Education Act Reauthorization Recommendations June 27, 2003**

(2) of subsection (b), to the programs under this title in the order specified in subsection (b)(3).

(ii) replace any loan funds previously disbursed with the earned Title IV grant funds.

(C) RETURN.—If the student has received more grant or loan assistance than the amount earned as calculated under paragraph (3)(A), the unearned funds shall be returned by the institution or the student, or both, as may be required under paragraphs (1) and (2) of subsection (b), to the programs under this title in the order specified in subsection (b)(3).

Return of Title IV Funds Issue 5: Institutional Charges [Section 484B(b)(1)(B)(i)]

Recommendation: Eliminate the category of books and supplies from inclusion in Institutional Charges for Return of Funds purposes.

Rationale: The financial aid community lacks clear guidance and understanding on this issue, as evidenced by the Department's five-page letter [*ED Policy Bulletin 1/7/99*] explaining when books and supplies qualify as institutional charges. This document was written under pre-1998 refund rules, applied to the Return of Funds provisions, but never further updated. Summarized, the guidance requires the cost of books, supplies, or equipment to be included in institutional charges if—in the Department’s view—the student did not have a “real and reasonable” opportunity to purchase these items from a supplier other than the school. By including these costs as an institutional charge, the institution is held responsible for returning unearned funds attributable to those charges even though the student has possession of those purchases and therefore holds the value of them and the ability to sell or return them. Under the proposed treatment, unearned Title IV aid attributable to books and supplies becomes the responsibility of the student.

To ensure that all students are treated equally without regard to the school that they attend, books and supplies should not be considered as institutional charges for purposes of the Return of Funds calculation.

Current Law	Proposed Statutory Language
<p>Section 484B(b) RETURN OF TITLE IV PROGRAM FUNDS.—(1) RESPONSIBILITY OF THE INSTITUTION.—The institution shall return, in the order specified in paragraph (3), the lesser of—</p> <p>(A) the amount of grant and loan assistance awarded under this title that has not been earned by the student, as calculated under subsection (a)(3)(C); or</p> <p>(B) an amount equal to—</p> <p>(i) the total institutional charges incurred by the student for the payment period or period of enrollment for which such assistance was awarded; multiplied by</p> <p>(ii) the percentage of grant and loan assistance awarded under</p>	<p>Section 484B(b) RETURN OF TITLE IV PROGRAM FUNDS.—(1) RESPONSIBILITY OF THE INSTITUTION.—The institution shall return, in the order specified in paragraph (3), the lesser of—</p> <p>(A) the amount of grant and loan assistance awarded under this title that has not been earned by the student, as calculated under subsection (a)(3)(C); or</p> <p>(B) an amount equal to—</p> <p>(i) the total institutional charges, excluding charges for books and supplies, incurred by the student for the payment period or period of enrollment for which such assistance was awarded; multiplied by</p> <p>(ii) the percentage of grant and loan assistance awarded under</p>

**National Association of Student Financial Aid Administrators
Higher Education Act Reauthorization Recommendations June 27, 2003**

this title that has not been earned by the student, as described in subsection (a)(3)(C)(i).	this title that has not been earned by the student, as described in subsection (a)(3)(C)(i).
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Return of Title IV Funds Issue 6: De Minimis Repayment Amounts [Section 484B(b)(1)(B)(ii)]

Recommendation: Authorize a *de minimis* repayment amount of \$100 for students and schools.

Rationale: Recognizing both the necessity of protecting the federal fiscal interest in the instance of students who withdraw after receiving Title IV program funds and the significant administrative costs of institutions, we believe that there is a minimum threshold below which neither students nor schools should be required to return calculated repayment amounts. Current regulations provide for a \$25 *de minimis* amount for the student only.

Current Law	Proposed Statutory Language
<p>Section 484B(b) RETURN OF TITLE IV PROGRAM FUNDS.—</p> <p>(1) RESPONSIBILITY OF THE INSTITUTION.—The institution shall return, in the order specified in paragraph (3), the lesser of—</p> <p>(A) the amount of grant and loan assistance awarded under this title that has not been earned by the student, as calculated under subsection (a)(3)(C); or</p> <p>(B) an amount equal to—</p> <p>(i) the total institutional charges incurred by the student for the payment period or period of enrollment for which such assistance was awarded; multiplied by</p> <p>(ii) the percentage of grant and loan assistance awarded under this title that has not been earned by the student, as described in subsection (a)(3)(C)(i).</p> <p>(2) RESPONSIBILITY OF THE STUDENT.—</p> <p>(A) IN GENERAL.—The student shall return assistance that has not been earned by the student as described in subsection (a)(3)(C)(ii) in the order specified in paragraph (3) minus the</p>	<p>Section 484B(b) RETURN OF TITLE IV PROGRAM FUNDS.—</p> <p>(1) RESPONSIBILITY OF THE INSTITUTION.—The institution shall return, in the order specified in paragraph (3), the lesser of—</p> <p>(A) the amount of grant and loan assistance awarded under this title that has not been earned by the student, as calculated under subsection (a)(3)(C); or</p> <p>(B) an amount equal to—</p> <p>(i) the total institutional charges incurred by the student for the payment period or period of enrollment for which such assistance was awarded; multiplied by</p> <p>(ii) the percentage of grant and loan assistance awarded under this title that has not been earned by the student, as described in subsection (a)(3)(C)(i), except that the institution shall not be required to return amounts of \$100 or less.</p> <p>(2) RESPONSIBILITY OF THE STUDENT.—</p> <p>(A) IN GENERAL.—The student shall return assistance that has not been earned by the student as described in subsection (a)(3)(C)(ii) in the order specified in paragraph (3) minus the</p>

**National Association of Student Financial Aid Administrators
Higher Education Act Reauthorization Recommendations June 27, 2003**

<p>amount the institution is required to return under paragraph (1).</p> <p>(B) SPECIAL RULE.—The student (or parent in the case of funds due to a loan borrowed by a parent under part B or D) shall return or repay, as appropriate, the amount determined under subparagraph (A) to—(i) a loan program under this title in accordance with the terms of the loan; and (ii) a grant program under this title, as an overpayment of such grant and shall be subject to— (I) repayment arrangements satisfactory to the institution; or (II) overpayment collection procedures prescribed by the Secretary.</p>	<p>amount the institution is required to return under paragraph (1) except that the student shall not be required to return amounts of \$100 or less.</p> <p>(B) SPECIAL RULE.—The student (or parent in the case of funds due to a loan borrowed by a parent under part B or D) shall return or repay, as appropriate, the amount determined under subparagraph (A) to—(i) a loan program under this title in accordance with the terms of the loan; and (ii) a grant program under this title, as an overpayment of such grant and shall be subject to— (I) repayment arrangements satisfactory to the institution; or (II) overpayment collection procedures prescribed by the Secretary.</p>
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Return of Title IV Funds Issue 7: Grants Repaid by Student [Section 484B(b)(2)(C)]

Recommendation: Determine the grant protection by subtracting one-half of the original grant amount the student received or was eligible to receive from the amount of grant the student is expected to repay.

Rationale: The Department's current interpretation simply divides in half the amount of grant the student must repay providing the least possible grant protection to students. We do not believe it was Congress's intent for the provision to work in this way.

Current Law	Proposed Statutory Language
Section 484B(b)(2)(C) REQUIREMENT.—Notwithstanding subparagraphs (A) and (B), a student shall not be required to return 50 percent of the grant assistance received by the student under this title, for a payment period or period of enrollment, that is the responsibility of the student to repay under this section.	Section 484B(b)(2)(C) REQUIREMENT.— (i) Notwithstanding subparagraphs (A) and (B), a student shall not be required to return an amount equal to 50 percent of the total grant assistance that the student received or was eligible to receive by the student under this title, for a payment period or period of enrollment, that is the responsibility of the student to repay under this section. (ii) Such 50 percent amount shall be subtracted from the amount of grant assistance that is the responsibility of the student to repay.

Return of Title IV Funds Issue 8: Time Frame [Section 484B(b)(4)]

Recommendation: Allow the school 60 days after the date of the school's determination that the student withdrew to: return Title IV funds, notify student of grant overpayment requirements, and notify student of eligibility for post withdrawal disbursement.

Rationale: This recommendation acknowledges that schools are often unable to meet the 30-day regulatory requirement for various reasons. The 30-day period does not discount weekends or school holidays thus reducing the 30-day period to far fewer working days. Withdrawals that occur within the add/drop period are particularly difficult to monitor at some schools because of the volume of students and because they are able to drop and add courses via an automated system. Students may drop all of their classes on one day and then reregister the next during this period with no penalty. Because of the lateness of some official census dates, schools run the risk of not being in compliance with the 30-day rule. This period needs to be extended to allow schools to fully comply with the Return of Funds requirements.

Current Law	Proposed Statutory Language
No comparable section.	Sec. 484B(b)(4) Timeframe.—The institution shall return Title IV funds as required under (b)(1) of this section, notify the student of grant overpayment requirements, and notify the student of eligibility for post-withdrawal disbursements no later than 60 days after the date of the institution’s determination that the student withdrew.

Return of Title IV Funds Issue 9: Withdrawal Date [Section 484B(c)(1)(A)]

Recommendation: Affirm the institutional determination of the withdrawal date and clarify which institutions are required to take attendance and clarify who is required to take attendance.

Rationale: The statute clearly states that the date of withdrawal is the date the institution indicates that the student withdrew, in accordance with institutional policies. As the Department has imposed a more restrictive definition, a change is needed to reinforce the current statute. For example, student-certification and residence hall presence are not permitted as indicators of continued enrollment under the Department's current interpretation. This recommendation will clarify attendance-taking requirements, affected institutions, and other issues related to the determination of withdrawal date. Determination of withdrawal dates should be determined by institutional policy and not by regulation. Clause (ii) has caused the Department to view these actions in a chronological fashion and we believe that any circumstances intended to be covered by (ii) can adequately be addressed by the institution's own policy under (i).

The current regulatory definition subjects an institution to attendance requirements of any outside agency, even when those requirements are for only some of the institution's students or are incompatible with attendance-taking for Title IV purposes. We believe that only the requirements of entities that directly control an institution's eligibility to participate in the Title IV programs should impact the definition of withdrawal date.

Under current regulation, a student establishes a withdrawal date by beginning the withdrawal process. The regulation dictates institutional policy when a student then changes his or her mind and wishes to remain enrolled (i.e., rescinds the withdrawal request). If the student subsequently decides to withdraw after all, the regulation declares the student's rescission itself rescinded, and requires that the withdrawal date triggered the first time be used unless the institution can document a later date of attendance. This overly prescriptive regulation has the effect of imposing on institutions that are not required to take attendance requirements otherwise applicable only to institutions that are required to take attendance.

The Department of Education's most recent interpretation holds that any institution that is required to take attendance for *more than one day*, even when the requirement is a census for state funding purposes, must use its attendance records for that period to determine a student's withdrawal date. Many census determinations are inappropriate for determining withdrawal dates. In fact, earlier Department comments on this topic acknowledged that census records "may not be appropriate for determining a student's withdrawal date." [*Preamble, 11/1/99 General Provisions, Final Rule.*]

**National Association of Student Financial Aid Administrators
Higher Education Act Reauthorization Recommendations June 27, 2003**

Current Law	Proposed Statutory Language
<p>Section 484B(c) WITHDRAWAL DATE.— 1) IN GENERAL.—In this section, the term “day the student withdrew” — (A) is the date that the institution determines— (i) the student began the withdrawal process prescribed by the institution; (ii) the student otherwise provided official notification to the institution of the intent to withdraw; or (iii) in the case of a student who does not begin the withdrawal process or otherwise notify the institution of the intent to withdraw, the date that is the mid-point of the payment period for which assistance under this title was disbursed or a later date documented by the institution; or (B) for institutions required to take attendance, is determined by the institution from such attendance records.</p>	<p>Section 484B(c) WITHDRAWAL DATE.— 1) IN GENERAL.—In this section, the term “day the student withdrew” — (A) is the most recent date that the institution determines according to its policy— (i) the student began the withdrawal process prescribed by the institution; (ii) the student otherwise provided official notification to the institution of the intent to withdraw; or (iii) (ii) in the case of a student who does not begin the withdrawal process or otherwise notify the institution of the intent to withdraw, the date that is the mid-point of the payment period for which assistance under this title was disbursed or a later date documented by the institution; or (B) for institutions required to take attendance, is determined by the institution from such attendance records. (C) For purposes of establishing a withdrawal date, an institution is required to take attendance if its accrediting agency or state governing agency requires the institution to take attendance throughout the first 50% of the payment period or period of enrollment.</p>

Return of Title IV Funds Issue 10: Extraordinary Circumstances [Section 484B(c)(2)(A)]

Recommendation: Allow financial aid administrators to override the Return of Funds requirements in the event the withdrawal resulted from documented extraordinary circumstances.

Rationale: This recommendation acknowledges that certain students experience unavoidable circumstances that force them to withdraw from college. For example, a student might experience a temporarily incapacitating illness, or the tragic death of an immediate family member. A member of the military reserves might be called to immediate active duty. Currently, a Pell Grant repayment might still be required despite the fact that the student had every intention and expectation of completing the enrollment period. In all likelihood, the student will return to school, thus justifying the investment of public funds. The Department’s interpretation of current statutory language requires the institution to determine a withdrawal date that is related to the circumstance that caused the withdrawal.

Current Law	Proposed Statutory Language
Section 484B(c)(2) SPECIAL RULE.—Notwithstanding paragraph (1), if the institution determines that a student did not begin the withdrawal process, or otherwise notify the institution of the intent to withdraw, due to illness, accident, grievous personal loss, or other such circumstances beyond the student’s control, the institution may determine the appropriate withdrawal date.	Section 484B(c)(2) SPECIAL RULE.—Notwithstanding paragraph (1), if the institution determines according to its policy that a student did not begin the withdrawal process, or otherwise notify the institution of the intent to withdraw, due to illness, accident, grievous personal loss, or other such circumstances beyond the student’s control, the institution— (A) may determine the appropriate withdrawal date; or (B) may determine that the requirements of this section do not apply to the student.

Return of Title IV Funds Issue 11: Percentage of Payment Period or Period of Enrollment Completed [Section 484B(c)(3) & (d)]

Recommendation: Consider that a student has earned 100% of his or her Title IV aid if the withdrawal occurs on or after the 50% point in the payment or enrollment period. If the student withdraws before the 50% point in the payment or enrollment period, the denominator of the fraction shall be 50% of the number of days or the number of clock hours in the payment or enrollment period. Use the total number of calendar days inclusive of breaks.

Rationale: This recommendation acknowledges that by the mid-point of the term students have participated in a significant way in the course of study. These students have incurred full liability for their tuition, fees, and room and board.

Currently, grants and loans are adjusted to account for withdrawal through the 60% point in the term. Students who withdraw on or before the 60% point in the term incur very large liabilities with the school since at least 40% of their Title IV aid must be returned.

We believe that students who attend at least 50% of the term earn 100% of their Title IV aid. In addition, using 50% of the number of days or clock hours in the payment period or period of enrollment as the denominator for the fraction determining the earned percentage recognizes the fact that the student's expenses for the semester are not linear, but primarily incurred during the first month of the term. This recommendation will also eliminate the cliff effect experienced when a student withdraws near the 60% point in the term. If the student withdraws at the 59% point, 41% of Title IV aid must be returned, but if the student withdraws at the 61% point, no Title IV aid is to be returned. Under this recommendation, if the student withdraws at the 49% point, 2% of the Title IV aid must be returned, and if the student withdraws at the 50% point, no Title IV aid is to be returned. Thus, the cliff effect is eliminated. Students who unofficially withdraw also earn 100% of their Title IV aid.

In addition this recommendation would eliminate the Department's current interpretation that break periods longer than five days be excluded from the formula. This interpretation unnecessarily complicates the calculation.

Current Law	Proposed Statutory Language
Section 484B(c)(3) CALCULATION OF AMOUNT OF TITLE IV ASSISTANCE EARNED.— (A) IN GENERAL.—The amount of grant or loan assistance	Section 484B(c)(3) CALCULATION OF AMOUNT OF TITLE IV ASSISTANCE EARNED.— (A) IN GENERAL.—The amount of grant or loan assistance

**National Association of Student Financial Aid Administrators
Higher Education Act Reauthorization Recommendations June 27, 2003**

<p>under this title that is earned by the recipient for purposes of this section is calculated by—</p> <p>(i) determining the percentage of grant and loan assistance under this title that has been earned by the student, as described in subparagraph (B); and</p> <p>(ii) applying such percentage to the total amount of such grant and loan assistance that was disbursed (and that could have been disbursed) to the student, or on the student’s behalf, for the payment period or period of enrollment for which the assistance was awarded, as of the day the student withdrew.</p> <p>(B) PERCENTAGE EARNED.—For purposes of subparagraph (A)(i), the percentage of grant or loan assistance under this title that has been earned by the student is—</p> <p>(i) equal to the percentage of the payment period or period of enrollment for which assistance was awarded that was completed (as determined in accordance with subsection (d)) as of the day the student withdrew, provided that such date occurs on or before the completion of 60 percent of the payment period or period of enrollment; or</p> <p>(ii) 100 percent, if the day the student withdrew occurs after the student has completed 60 percent of the payment period or period of enrollment.</p> <p>Section 484B(d) PERCENTAGE OF THE PAYMENT PERIOD OR PERIOD OF ENROLLMENT COMPLETED.—For purposes of subsection (a)(3)(B)(i), the percentage of the payment period or period of enrollment for which assistance was awarded that was completed, is determined—</p> <p>(1) in the case of a program that is measured in credit hours, by</p>	<p>under this title that is earned by the recipient for purposes of this section is calculated by—</p> <p>(i) determining the percentage of grant and loan assistance under this title that has been earned by the student, as described in subparagraph (B); and</p> <p>(ii) applying such percentage to the total amount of such grant and loan assistance that was disbursed (and that could have been disbursed) to the student, or on the student’s behalf, for the payment period or period of enrollment for which the assistance was awarded, as of the day the student withdrew.</p> <p>(B) PERCENTAGE EARNED.—For purposes of subparagraph (A)(i), the percentage of grant or loan assistance under this title that has been earned by the student is—</p> <p>(i) equal to the percentage of the first half of the payment period or period of enrollment for which assistance was awarded that was completed (as determined in accordance with subsection (d)) as of the day the student withdrew, provided that such date occurs on or before the completion of 60 50 percent of the payment period or period of enrollment; or</p> <p>(ii) 100 percent, if the day the student withdrew occurs on or after the student has completed 60 50 percent of the payment period or period of enrollment.</p> <p>Section 484B(d) PERCENTAGE OF THE PAYMENT PERIOD OR PERIOD OF ENROLLMENT COMPLETED.—For purposes of subsection (a)(3)(B)(i), the percentage of the payment period or period of enrollment for which assistance was awarded that was completed, is determined—</p> <p>(1) in the case of a program that is measured in credit hours, by</p>
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**National Association of Student Financial Aid Administrators
Higher Education Act Reauthorization Recommendations June 27, 2003**

dividing the total number of calendar days comprising the payment period or period of enrollment for which assistance is awarded into the number of calendar days completed in that period as of the day the student withdrew; and
(2) in the case of a program that is measured in clock hours, by dividing the total number of clock hours comprising the payment period or period of enrollment for which assistance is awarded into the number of clock hours—
(A) completed by the student in that period as of the day the student withdrew; or
(B) scheduled to be completed as of the day the student withdrew, if the clock hours completed in the period are not less than a percentage, to be determined by the Secretary in regulations, of the hours that were scheduled to be completed by the student in the period.

dividing the total number of calendar days comprising **the first half of** the payment period or period of enrollment for which assistance is awarded into the number of calendar days completed ~~in~~ **during** that period as of the day the student withdrew; and
(2) in the case of a program that is measured in clock hours, by dividing the total number of clock hours comprising **50% of** the payment period or period of enrollment for which assistance is awarded into the number of clock hours—
(A) completed by the student in that period as of the day the student withdrew; or
(B) scheduled to be completed as of the day the student withdrew, if the clock hours completed in the period are not less than a percentage, to be determined by the Secretary in regulations, of the hours that were scheduled to be completed by the student in the period.
(3) For purposes of paragraph (d)(1), the total number of calendar days is inclusive of scheduled breaks in the academic calendar that occur within a payment period.