

# Overpayment and Returning of Financial Aid Funds

## What is a financial aid overpayment?

An overpayment occurs when a student receives more financial aid than he/she was eligible for. Generally, overpayments are the result of changes in enrollment; e.g., full-time to half-time status or a complete withdrawal from all classes. Overpayments can also occur when a student's financial information changes or additional information such as academic transcripts are submitted after a grant or loan payment is made.

### Change of Enrollment:

The college must review payments of funds to students each enrollment period to determine if students have received an overpayment. If you receive a disbursement and then drop units, you may be subject to repayment of some or all of the funds you received.

Financial aid eligible unit(s) is calculated based on census date and the individual class start date(s). Course with a start date after census date, which include short term courses, must be completed in its entirety to be eligible for disbursement.

The excessive funds received as a result of having dropped financial aid eligible unit(s) when compared to the unit load of the actual disbursement(s) made is considered unearned aid.

You May Be Required To Return All Or A Portion Of Your Financial Aid Disbursement If:

- You completed the semester with ALL non-passing grades (any combination of F's, W's and NP's).
- You dropped your classes.
- You were administratively excluded from your classes.
- You received ineligible funds due to change in your financial aid eligibility

If it becomes necessary for you to withdraw from all of your classes, please stop by the Financial Aid & Scholarship Office to discuss your situation so that you are fully aware of the consequences of this action. In the event you still need to withdraw from your courses and/or owe money to the college, state or Department of Education, repayment arrangements must be discussed with the Financial Aid & Scholarship Office.

**If it is determined that a student owes a repayment,** the student will be notified by email or written notification. A hold will be placed on the student's academic and financial aid records. The hold will prevent the student from receiving college services and will jeopardize future financial aid eligibility.

## What is the repayment process?

Students who owe a repayment are encouraged to immediately visit the Financial Aid & Scholarship Office to make arrangements. The amount can be paid in full to the Fiscal Office. The Fiscal Office will credit the funds to the appropriate account.

## Reporting to the Department of Education

**The college is also required to report grant overpayments to the National Student Loan Data System (NSLDS).** If student does not pay the overpayment in full, does not enter into repayment agreement, or fails to meet terms of the repayment agreement, the student is reported to NSLDS. NSLDS notifies all other colleges and universities that you now owe federal funds. You will be ineligible to receive further financial aid, at any college. The NSLDS notification will be removed when the amount owed is paid in full. Unpaid overpayments will be reported to the U.S. Department of Education for collection. The Department of Education has the ability to garnish your wages, withhold your tax refunds, send your account to a collection agency, and take you to court to recover the money owed.

# Multiple Reporting Record (MRR) / Potential Over award Project (POP)

## **What is Multiple Reporting Record (MRR)?**

The Department of Education generates a Multiple Reporting Record (MRR) when there is a concurrent enrollment situation.

## **What is Potential Overaward Process (POP)?**

The Department of Education identifies student potentially receiving a Pell Grant disbursement from two or more campuses within the same enrollment period.

## **Regulations**

Student may not receiving financial aid at two or more institutions for the same enrollment period or overlapping terms. Note that once you have chosen your primary institution, you must inform your secondary institution(s) (in writing) that you would like to cancel your financial aid with them for the specified term(s) (except for the California College Promise Grant (CCPG). If it is determined that you were ineligible to receive financial aid funds due to MRR or POP, the overpayment funds need to be repaid before any additional financial aid funds can be disbursed.

No student may receive more than one full Federal Pell Grant Scheduled Award. The POP process tracks the percentage of a full Pell Grant Scheduled Award a student receives at each institution attended and insures the total percentage never exceeds 100 percent for an award year. Exception are made for student who meets the additional Pell criteria.