
Introduction to Volume 5

An overpayment occurs when the student receives more aid than he or she was eligible to receive. One kind of overpayment, traditionally called an overaward, results from changes in the student's aid package; a second occurs when a student withdraws. This volume covers how a school should respond when either of these types of overpayments occurs.

Here, we provide a summary of the changes and clarifications presented in greater detail in the chapters that follow. **Alone, the text herein does not provide schools with the guidance needed to satisfactorily administer the Title IV, HEA programs.** For more complete guidance, you should refer to the text in the chapters cited, the Code of Federal Regulations (CFR) and the Higher Education Assistance Act (HEA) as amended:

Throughout this volume, new information is indicated with the following symbol:



When the text represents a clarification rather than a change, it is indicated with this symbol:



When we believe that historically there might be some misunderstanding of a requirement, we indicate that with:



or



Finally, if we want to point out a bit of helpful information we indicate it with:



Major Changes

Chapter 1 — Overpayments and Overawards

- ☛ We have added a section on TEACH Grant overpayments.
- ☛ From chapter 2, we have reproduced sections on –
 - ☞ Recording student payments and reductions in the Pell Grant, ACG, National SMART Grant, and TEACH Grant Programs;
 - ☞ Accepting payments on referred overpayments;
 - ☞ Referring overpayments to Debt Resolution Services;
 - ☞ School responsibility after referral;
 - ☞ Responsibilities of Debt Resolution Services;
 - ☞ Return of Title IV funds when a school does not maintain a separate federal bank account; and
 - ☞ Accepting payments on referred overpayments;

to explain the processes for returning overpayments to the Department.

Chapter 2 — Withdrawals and the Return of Title IV Funds

- ☛ We have clarified that a school may only count as days in attendance excused absences that are followed by some class attendance.
- ☛ We remind schools that institutionally scheduled breaks of at least five consecutive days between courses/modules in the same payment period or period of enrollment must be excluded from a Return calculation.
- ☛ At the end of this chapter we have inserted a description of the process for returning funds on FFEL loans that have been purchased by the Department.

Chapter 2 — Case Studies

We made no major changes to the case studies.