

Late Disbursement of Aid

There are times when federal financial aid is not disbursed until after the academic year/loan period (AY/LP) for which the funds were intended has ended. In these cases, federal financial aid earned prior to completing an AY/LP may be disbursed through a late disbursement. In general, a student or parent, who is otherwise eligible, becomes ineligible to receive federal financial aid funds on the date that:

- For Direct Loans, the student is no longer enrolled at the school as at least a half-time student for the period of enrollment (i.e. loan period) for which the loan was intended
- For federal student aid grants, the student is no longer enrolled at the school for the award year

However, if certain conditions are met, students must be considered for a late disbursement of those funds. You must be considered for a late disbursement – or your parent, in the case of a PLUS loan – if:

- The Department processed a SAR/ISIR with an official SAI before you completed the prior AY/LP; and
- For Direct Loan awards, a Direct Loan was originated for you before you completed the prior LP; and
- For Federal Supplemental Educational Opportunity Grant (FSEOG) awards, the grant was awarded to you before you completed the prior AY/LP.

A late disbursement will be offered to you — or your parent, in the case of a PLUS loan — under these circumstances:

- You are currently enrolled at the school
- You completed a previous academic year/loan period
- You have begun a subsequent AY/LP
- You were eligible to receive federal financial aid loan funds but did not receive them prior to completing the prior AY/LP.

Late disbursements are prohibited if:

- It is a second or subsequent disbursement of loan funds, unless you have graduated or successfully completed the loan period.
- You are a first-year, first-time borrower and withdraw prior to completing 30 days of your degree program.
- It is a disbursement of any type of federal financial aid funds and you did not have a valid FAFSA on file prior to the processing deadline.

In addition to the above, the school may not make a late disbursement later than 180 days after the date you became ineligible (i.e. the last day of the loan period – for loans, or last day of the award year – for grants). If you are found to be eligible for a late disbursement of loan funds, the

school will contact you prior to making any disbursements. This gives you the opportunity to accept or decline loans and to choose how funds will be applied. If you are eligible, you will be sent a late disbursement letter. This letter must be completed and returned within 30 days for funds to be disbursed. If student loans are declined or the late disbursement letter is not returned, funds will not be disbursed.

If you accept the loan, you can choose to borrow an amount to cover open charges or an additional amount, if eligible. Borrowing only for open charges will result in the disbursement of just enough loan funds to pay any balances due on your account. Borrowing an additional amount of student loan will result in all funds being disbursed and any amount in excess of the account balance being sent to you as a refund. Funds are disbursed in accordance with your wishes.