



FINANCIAL AID OVERAWARD POLICY

The Office of Student Financial Aid is required to monitor and adjust students' financial aid offers to eliminate over awards and/or overpayments in compliance with federal and state regulations and institutional policy.

Federal regulations require colleges to consider all educational financial assistance to be calculated in determining student eligibility. Financial assistance includes grants, loans, scholarships, waivers, fellowships/assistantships, work study, specific Veteran educational benefits, and similar programs used to cover postsecondary educational expenses. When a student receives more aid than his/her financial need or our cost of attendance, the result may result in an over award.

Over awards must be resolved and may result in funds being returned to an aid program and may result in a student owing the College money.

HBC will not reduce or cancel Pell Grant awards to eliminate an over award situation, unless an administrative overpayment was made in the calculation of the student enrollment status. In most cases, student loans will be reduced or cancelled.

What is an over award of financial aid?

When the total of all aid received by the student exceeds the student's cost of attendance budget, awards in the package will be adjusted (cancelled or reduced) in order to eliminate the over award. Loans will be reduced before any reduction is made to any other awards.

Federal/State Regulatory Over Award Requirements

Federal and state need-based aid regulations (laws) stipulate that a student receiving federal or state need-based awards (see list below) cannot receive assistance (from any source) in excess of his/her gross financial need as

determined by the analysis of the information submitted on the Free Application for Federal Student Aid (FAFSA).

Gross Financial Need

Cost of Attendance (COA) minus Expected Family Contribution (EFC) = Gross Financial Need

- COA is established by the aid office in compliance with federal law.
- EFC is determined by the analysis of the information submitted on the FAFSA.

Federal and state need-based awards include the following:

- Federal Pell Grant (Note: The amount of the Pell Grant cannot be adjusted.)
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Federal Work-Study
- Federal Direct Subsidized Loan
- VA Benefits
- Federal Perkins Loan
- Scholarships
- HBC Tuition Credit

Normally this means your student loans will be adjusted to eliminate the over award situation. This adjustment of the awards is required by federal/state law if any of the above federal/state need-based awards are included in the student's financial aid package.

How do over awards occur?

Over awards are usually the result of the student receiving aid that the Financial Aid Office was not aware of when it completed the student's financial aid package and/or processed a loan application for the student. It is the student's responsibility to provide written documentation indicating additional resources to the Financial Aid Office. This should be done as soon as the student becomes aware that he or she will receive the aid. We must account for all sources of aid, even if they are not processed directly through our office.

Over awards can also result from application errors by the student or the Financial Aid Office. Regardless of the reason for the over award, we are bound by Federal regulation to correct the over award. **Exceptions cannot be made for anyone.**

Correcting an Over award

Here are the steps that the Financial Aid Office will take to correct an over award.

1. We will determine whether or not the student has increased financial need that was not anticipated at the time of the award and/or loan application.
2. If no increased need is demonstrated, and/or the student's total aid still exceeds his or her need, we will cancel any undisbursed loans and/or return loan funds to the lender if the disbursement has already been made. In cases of extreme gift aid, the institution reserves the right to adjust institutional or campus-based aid within the boundaries of Federal regulations.
3. If the student has no loans or the student's aid still exceeds the student's need after all loans have been cancelled, we will reduce institutional grant and/or scholarship aid.

Information is subject to change without notice due to changes in federal, state and/or institutional rules and regulations. Students must complete a FAFSA every year. Students must be making satisfactory academic progress to continue to receive financial aid.