Requirements for Late Disbursements

1. A student must be considered for a late disbursement if:
   a. The US Department of Education processed a SAR/ISIR with an official EFC before a student became ineligible. Use the processed date on an ISIR for determining late disbursement for Pell Grants.
   And
   b. A Direct Loan must have been originated by the Financial Aid Office prior to the date the student became ineligible.
   And
   c. FSEOG must have been awarded prior to the date the student became ineligible.

Limitations on Late Disbursements

1. General Limitations
   a. A student is generally not eligible for a Direct Loan if, when the ISIR is processed, they are no longer enrolled half-time as defined by the Financial Aid Office.
   b. For Pell Grant, and FSEOG, the student is not eligible for a late disbursement if the student is no longer enrolled when the ISIR is processed.

2. Specific Limitations
   a. A second or subsequent Direct Loan disbursement cannot be made unless the student has graduated or successfully completed the semester (payment period). Successfully completed means the school considers the student to have passed the coursework.
   b. A late Direct Loan disbursement to a first year, first time borrower cannot be made if the borrower withdraws before the 30th day.
   c. Cannot make a late disbursement of a Pell Grant, if the college does not have a valid ISIR by the published deadline for the year established by the US Department of Education.

Offering a Late Disbursements

1. Financial Aid must make an offer of a late disbursement if:
   a. Student completes the semester or
   b. Withdraws during the semester. A late disbursement to a Student who withdraws during the semester is called a Post Withdrawal Disbursement (PWD).

2. Students who do not withdraw from the semester but fall below half-time status may be eligible for a late disbursement of a Direct Loan if they began attendance at least half-time. Check never attends reports.
3. Financial Aid may make a late Direct Loan Disbursement if a student withdraws then signs their Master Promissory Note (MPN) if:
   
a. The note is signed prior to the Return of Funds calculation due to the student's withdrawal.

4. Financial Aid Office may offer a late disbursement of an originated Loan to a student who loses eligibility for reasons other than withdrawal such as SAP and then signs the Master Promissory Note (MPN). The late disbursement is based on the portion of the semester during which the student was eligible.

Requirements for Retroactive Payments
34CFR 668.164(b)

1. The Financial Aid Office must pay a student for any completed semester (payment periods) within the award year if the student was eligible for payment in those semesters.

2. If the Financial Aid Office receives a valid ISIR in the Spring Semester or Summer but the student was also enrolled and otherwise eligible for Disbursement in the previous semester, the student must be paid retroactively for previous entries in the award year.

3. The Financial Aid Office can make retroactive disbursements in one lump sum.

4. Determining payment for previous semesters
   a. Pell Grant: The Pell Grant must be based in hours completed by the student for the semester. At a term based school all completed coursework counts toward enrollment status including earned F’s and Incompletes (I) that are not yet turned into an F because the student did not finish the coursework. This stipulation applies only to Pell Grant.

   b. Direct Loan: To originate a Direct Loan to include a previous payment period, the student has to have completed 6 credit hours or half-time in the semester. This can include an Incomplete (I) and a passing grade. If the student borrower did not maintain eligibility for the Direct Loan throughout the previous semester such as half-time, you may not include the semester for retroactive payment.