



The University of Mississippi

Office of Financial Aid

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Policy Name: 3.7B Death of a Student

Purpose: This document contains the Office of Financial Aid's current policies and procedures for resolving financial aid issues following the death of a student.

Disclaimer: This policy is subject to change, without notice, in order to comply with administrative and regulatory requirements.

Policy Contents:

- 3.7.B Death of a Student Overview
- 3.7.B.1 Title IV Loan Debt Cancellation after Death of a Student
- 3.7.B.2 Deceased Student Credit Balance (after Return Calculation)

Definitions and Terms:

FAFSA – Free Application for Federal Student Aid
OFA – Office of Financial Aid
R2T4 – Return of Title IV Funds
UM – University of Mississippi

Part 3.7.B**Office of Financial Aid Policy for Death of a Student Overview**

Special rules apply when students cease attendance after receiving student financial aid for the term from any of the following programs:

- Federal Pell Grant
- Iraq and Afghanistan Service Grant
- Federal Supplemental Education Opportunity Grant (SEOG)
- TEACH Grant
- Federal Direct Subsidized and/or Unsubsidized Loan
- Federal Graduate PLUS Loan (for graduate/professional students)
- Federal PLUS Loan (undergraduate)

This requirement applies to students who pass away as well as those who completely withdraw.

Per federal regulations, the OFA must determine how much of the Title IV funding listed above was “earned” by the student based on the actual length of his/her time enrolled before attendance ceased. Any “unearned” funding must be paid back. This determination is made by performing a R2T4 calculation. Please see policy [3.2 Return of Title IV Funds](#).

Part 3.7.B.1**Title IV Loan Debt Cancellation after Student Death**

Regulations governing the federal loan programs provide for a discharge of a borrower’s obligation to repay a Federal Direct Loan (or any outstanding balance still owed for funds borrowed under the now-suspended Federal Perkins Loan program) in the event of a student’s death. These provisions also cover the obligation of a PLUS loan borrower who has borrowed on behalf of a student who is now deceased.

Representatives from the student’s estate are encouraged to contact the holder of the loan(s) or the OFA for information regarding the actions required to cancel any Title IV loan debt.

Part 3.7.B.2**Deceased Student Credit Balance (after Return Calculation)**

UM will typically reverse tuition and fee charges following the death of a student. Once this transaction is completed and R2T4 paybacks are posted (if applicable), any remaining credit balance on the Bursar account will be disposed of in the following order:

1. Return to the family any funds that they paid out-of-pocket (even if the account receivable shows a balance due, because the Bursar will write this amount off).

2. Credit back institutional scholarships to their accounts (up to the amount of the scholarship award OR the remaining credit balance, whichever is less).
3. Credit back institutional loans to their accounts (up to the amount of the loan award OR the remaining credit balance, whichever is less).
4. Credit back federal funds to their sources (up to the amount of the award OR the remaining credit balance, whichever is less).
5. Credit back any other outside funds (except for state grants).
6. Return state grant funds to the state financial aid office (up to the amount of the grant award OR the remaining credit balance, whichever is less).