



## Return of Title IV Funds (R2T4) Policy

U.S federal aid regulations mandate a Return of Title IV Funds (R2T4) calculation when a student receiving Title IV funds withdraws from the University. The withdrawal may be official or unofficial. If a student never attends, ceases enrollment, or withdraws from all courses in the semester and the student received U.S. Federal loans, the university must determine if these funds are required to be returned to the U.S. Department of Education and do so within 45 days of the date of withdrawal.

An official withdrawal occurs when a student completes the Change of Registration form and submits it to the Office of the Registrar. The withdrawal date will be the date the student began the formal withdrawal process.

An unofficial withdrawal occurs when a student stopped attending classes after the add/drop date and did not officially withdraw will have their date of withdrawal determined to be the midpoint of the term as the last date of attendance as the school is not mandated to take attendance.

An unofficial withdrawal when a student never attended any of their classes will be determined ineligible for U.S. Direct Loans and funds will be returned to the U.S. Department of Education.

The date of withdrawal will be used to calculate percent of period completed and the amount of funding earned by the student by applying percent completed to total amount of disbursed funds and amounts that could have been disbursed.

- Calculate unearned Title IV funds
- Calculate student post withdrawal disbursement
- Determine Title IV overpayment, if any
- All or part of the grace period could be used, impacting when a student goes into repayment status.

The R2T4 calculation must be completed within 30 days of the date of determination. If a student attended 60% or less, it may result in a reduction of the student's U.S. Federal loans. The R2T4 calculation is used to determine which portion of the federal loans are earned or unearned. The R2T4 calculation is based on the following:

- The number of days the student attended
- The number of days in the term
- The total amount of U.S. Direct Loan funding disbursed

As a result, the University and the student may be required to return any "unearned" US Direct Loan funding received. The University may be obligated to return funds on behalf of the student. For

example, if a student withdraws after completing 10 percent of the program. The student has earned 10 percent of their funds while 90 percent of the funds are unearned.

If the amount of the loan funds returned exceeds any existing credit on the student's account, the student will owe funds to the University. The student should pay the outstanding amount to the university as soon as possible.

A letter from the Financial Aid Office will be sent to the student's email address indicating the type and amount of loans returned to the U.S. Department of Education on their behalf.

Funds returned to the U.S. Department of Education on behalf of a student are used to repay the current year's loans in the following order:

1. Unsubsidized Direct loans
2. Subsidized Direct loans
3. Parent PLUS for Undergraduate students
4. Grad PLUS for Graduate students

US Department of Education regulations state that a school must return loan funds if a student has not completed a minimum of 60% of the payment/enrollment period .

If a student received more loan funding than was "earned," the excess funds must be returned by the school and/or the student. The amount of money to be returned is determined by a calculation that includes the number of school days completed and the amount of institutional charges fees paid ("Return to Title IV" Calculation).

If you withdraw from the University you may be required to:

- Repay the school any "unearned" US Direct Loan funds that the University returned on your behalf (as stipulated by US Department of Education regulations), and/or
- Repay part or all your loan(s) to the designated servicer

If the student did not receive all the funds that were earned, the student may be eligible for a post-withdrawal disbursement (PWD). Students, (and parents where required) will be notified by e-mail within 30 days of the withdrawal date determination and must respond within 15 days by responding to the e-mail sent to them by the University, using "reply to all". The borrower will be advised in the e-mail of the amount to be credited, along with a reminder that this is a loan that they are obligated to repay. If the borrower accepts the PWD it will be paid within 180 days of the date of determination. If no response is received in 15 days, the University will not to disburse, and the funds will be returned to the U.S. Department of Education.

Institutionally scheduled breaks of 5 or more consecutive days are excluded from both the numerator and the denominator of the R2T4 calculation. Breaks of less than 5 consecutive days are not excluded, rather included in the R2T4 calculation.

The requirements for the Title IV Direct Loan program are separate from any refund policy that the University may have. This may result in the student owing funds to the University. Students will be bound by the University's policy regarding late payments.

The University is responsible for the following regarding the Return of Title IV funds:

- Provide each student with the information given in this policy
- Identify students affected by this policy and complete the R2T4 fund calculations for these students
- Return any unearned Title IV funds applied to tuition fees

The student in receipt of Title IV funds is responsible for:

Notifying the Office of the Registrar of intent to withdraw or reduce course load below full time

Returning any Title IV funds that were disbursed directly to the lender for which the student was determined to be ineligible for.