

## **POLICY REGARDING R2T4 Return to Title IV Funds**

### **Official Withdrawals**

#### **Traditional Students, Undergraduate and Graduate**

Federal law requires schools to calculate how much Federal Financial Aid a student has earned if that student withdraws completely from the university at any time after the student has begun attendance. If a recipient of Title IV funds withdraws or stops attending courses after beginning attendance for any reason, he or she may no longer be eligible for the full amount of Title IV funds already received. A proration calculation is used to determine the amount of federal funds the recipient has earned based on the number of days in the enrollment period and the number of days a recipient has actually attended. The amount of aid that is considered unearned must be returned to the Title IV program from which the disbursement came from, based on the calculation. When the calculation is completed, the University of Mary will return the unearned portion of the Title IV funds that are requested from the school. If there is a portion of unearned aid that the student is responsible for returning, via the R2T4 calculation, the student will be responsible for returning that amount. Failure to return funds as required can result in the loss of eligibility for future federal financial aid. If a student officially withdraws after 60% of the enrollment period has been completed, no refund will be given. The refund is attributable to institutional charges including tuition, fees, and room charges.

#### **Official Withdrawal for students enrolled in modules:**

A student is considered enrolled in modules if for the payment period the course or courses enrolled do not span the entire length of the payment period. The student is considered a withdrawal, for Title IV purposes if the student ceases attendance at any point in the payment period, unless the University obtains written confirmation from the student at the time of withdrawal that he or she will attend a module beginning later in the same payment period. If a student withdraws from a module scheduled to begin later in the payment period while still maintaining attendance in a current module, the student is not considered a withdrawal based on not attending the later module. However, a recalculation of aid based on the change in enrollment status may be required.

If a student does not provide written confirmation the R2T4 calculation will be done. However, if the a student does return in a later module within the same payment period, regardless of whether prior written confirmation was received, the R2T4 process will be reversed and the student will be awarded the funds that he or she is eligible to receive at the time of return.

#### **How to determine whether a student in a program offered in modules has withdrawn**

The Office of Financial Aid can determine whether a student enrolled in a series of modules is a withdrawal by asking the following questions.

1. After beginning attendance in the payment period or period of enrollment, did the student cease to attend or fail to begin attendance in a course he or she was scheduled to attend? If the answer is no, this is not a withdrawal. If the answer is yes, go to question 2.
2. When the student ceased to attend or failed to begin attendance in a course he or she was scheduled to attend, was the student still attending any other courses? If the answer is yes,

this is not a withdrawal; however, other regulatory provisions concerning recalculation may apply. If the answer is no, go to question 3.

3. Did the student confirm attendance in a course in a module beginning later in the period (for non-term and nonstandard term programs, this must be no later than 45 calendar days after the end of the module the student ceased attending)? If the answer is yes, this is not a withdrawal, unless the student does not return. If the answer is no, this is a withdrawal and the Return of Title IV Funds requirements apply.

**Audit of courses:**

No refunds are made if a student is enrolled for audit.

**Determining Withdrawal Date**

According to the Department of Education the following define the official withdrawal date for a student:

1. The date the student officially began the withdrawal process at UMary, by obtaining a withdrawal form from the Student Life office.
2. Alternately the date as determined by the University that the student otherwise officially notified the University, in writing or orally, of his or her intent to withdraw.
3. If a student does not formally withdraw, and there is no record of the date the student withdrew, the midpoint of the payment period or period of enrollment is used.
4. If a student drops out of school, and the University can document the last date of academically- related activity by the student, that date may be used as the withdrawal date.

**Determining Withdrawal date for unofficial withdrawals:**

The University must determine the student's withdrawal date within the 30 days after the expiration of the earlier of the:

1. payment period or period of enrollment
2. academic year in which the student withdrew

**Return of Funds Calculation/ R2T4**

The Department of Education provides an online return of funds (R2T4) program to calculate return of federal funds when a student withdraws from the program prior to and up to 60% of the completion of the semester. R2T4 is found at <https://faaaccess.ed.gov/FOTWWebApp/faa/faa.jsp>.

1. Calculate the number of days in the enrollment period.
2. Calculate the percentage of aid earned, based on the percentage of days attended in the period of enrollment.
3. Total the amount of aid disbursed
4. Total the amount of aid that could have been disbursed.
5. Determine the amount of Title IV aid to be disbursed or returned.
6. Figure the amount of unearned Title IV aid due from the school
7. Figure the amount of unearned Title IV aid due from the student.

The return of funds calculation considers institutional charges for the period of enrollment, tuition and fees, room and board.

If a student was eligible for a disbursement of Title IV aid at the time of the withdrawal from the University, the student may be eligible for a post- withdrawal disbursement. If the post withdrawal disbursement includes loan funds, the student must actively accept the loan. We must maintain written records of the post- withdrawal disbursement. The post – withdrawal disbursement must be made within 180 days of the date the student withdrew from the University. The University is required to offer of a post withdrawal disbursement to the student if the student is eligible for a post withdrawal disbursement.

If the post withdrawal disbursement is made from available grant funds, such as a Pell Grant, we can credit the disbursement into the student’s account to pay for tuition, fees, and room and board or it may be disbursed directly to the student, if the student does not have a balance owed. We do not need written permission from the student to complete a post- withdrawal disbursement of grant funds, unless that credit balance owed to the school by the student contains charges other than current charges. We must credit the student’s account with the post-withdrawal disbursement of grant funds within 180 days of the date of withdrawal determination.

The school must return the unearned aid for which the school is responsible, by repaying funds to the following sources, in order, up to the total net amount disbursed from each source. The school must comply within 45 days of withdrawal.

1. Unsubsidized Stafford Loan
2. Subsidized Stafford Loan
3. Perkins Loan
4. PLUS loans
5. Pell Grant
6. FSEOG
7. Other Title IV Programs such as Teach Grant or Iraq/ Afghanistan service grant

The student (or parent if there is a Plus Loan) must return unearned aid for which the student is responsible by repaying funds to the following sources, in order up to the total net amount disbursed from each source:

1. Unsubsidized Stafford Loans
2. Subsidized Stafford Loans
3. Perkins Loans
4. PLUS Loans
5. Pell Grant
6. FSEOG
7. Other Title IV aid programs such as Teach Grant or Iraq/ Afghanistan service grant

\* A student must repay the portion of the original grant overpayment that is in excess of 50% of the total Title IV grants funds that he or she received or could have received.

\* The student does not have to repay grant overpayments of \$50 or less per program.

\* Loan amounts are repaid in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student’s date of withdrawal.

Do not include federal Work Study dollars in these calculations.

University of Mary will not deduct any administrative fee when calculating a refund/repayment. The student has 45 days to make the refund to the sources. If a student does not make the restitution, nor has made a satisfactory repayment plan, the school must notify the Department of Education of the situation, by the 45<sup>th</sup> day.

Return of unearned funds which the school is required to repay must be returned to the lender within 45 days of the date of determination that the student withdrew from the program.

**Terms and Conditions**

Students will be notified by the University of any repayment owed by the student. All repayments are due and payable by the date specified in the repayment notice. Institutional services (registration for future terms, grades, transcripts, etc.) may be withheld until repayment is received. If necessary, other arrangements for payment can be made by the Director of Financial Aid or Business Office. Until the payment is made in full, the student will not be eligible for future Title IV aid at any school and Financial Aid Transcripts will be marked to indicate that the student owes a repayment on a Title IV program.