



## RETURN OF TITLE IV (R2T4) POLICY

### TREATMENT OF TITLE IV FUNDS IF THE STUDENT WITHDRAWS FROM THE COURSE OF STUDY

This policy applies to Title IV recipients who withdraw (officially, unofficially) or are dismissed from enrollment at Victory Career College. It is separate and distinct from Victory Career College institutional refund policy which applies to all withdrawn students. The calculated amount of the "Return of Title IV Funds" that is required for students affected by this policy are determined according to the following definitions and procedures as defined by federal regulation.

The return of Title IV funds is administered by the Financial Aid Office of Victory Career College. And it is the Financial Aid Director that is designated to accept notification of official withdrawals.

The law specifies how the school must determine the amount of Title IV program assistance that the student earns if they withdraw from school. The Title IV programs that are covered by this law are Federal Pell Grants, Iraq and Afghanistan Service Grants, TEACH Grants, Direct Loans, Direct PLUS Loans, Federal Supplemental Educational Opportunity Grants (FSEOGs), and Federal Perkins Loans.

Though a student's aid is posted to their school account at the start of each period, students earn the funds as they complete the period. If a student withdraws during a payment period or period of enrollment (the school will define these for the student), the amount of Title IV program assistance that a student has earned up to that half point is determined by a specific formula. If a student received (or the school or parent received on a student's behalf) less assistance than the amount that was earned, the student may be able to receive those additional funds. If a student received more assistance than earned, the excess funds must be returned by the school and/or student.

The amount of assistance that a student has earned is determined on a pro rata basis. For example, if the student completed 30% of a payment period or period of enrollment, 30% of the assistance originally scheduled to be received is earned. Once a student has completed more than 60% of the payment period or period of enrollment, all assistance that was scheduled to be received for that period is earned.

If the student did not receive all of the funds earned, a post-withdrawal disbursement may be due. If the post-withdrawal disbursement includes loan funds, the school must obtain permission from the student/borrower before it can disburse the funds. A student may choose to decline some or all of the loan funds so that additional debt will not be incurred. The school may automatically use all or a portion of your post-withdrawal disbursement of grant funds for tuition, fees, room and board charges (as contracted by the school). The school needs permission to use the post-withdrawal grant disbursement for all other school charges. If the student does not give permission (some schools ask for this when a student enrolls), you will be offered the funds. However, it may be in a student's best interest to allow the school to keep the funds to reduce the debt owed the school.

There are some Title IV funds that were scheduled to be received that cannot be disbursed to a student once the student withdraws because of other eligibility requirements. For example, if the student is a first-time, first-year undergraduate student and has not completed the first 20 days of a program before withdrawing, the student will not receive any Direct Loan funds that would have been received had the student remained enrolled past the 30<sup>th</sup> day.

If the student (or the school or parent receives on behalf of the student) excess Title IV program funds that must be returned, the school must return a portion of the excess equal to the lesser of:

1. The institutional charges multiplied by the unearned percentage of student funds, or
2. The entire amount of excess funds.

The school must return this amount even if it didn't keep this amount of your Title IV program funds.



If the school is not required to return all of the excess funds, the student must return the remaining amount.

For any loan funds that the student must return, the student (or the parent for a Direct PLUS Loan) repay in accordance with the terms of the promissory note. That is, the student makes scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that the student must return is called an overpayment. The maximum amount of a grant overpayment that must be repaid is half of the grant funds the student received or was scheduled to be received. The student does not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. The student must make arrangements with the school or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when the student withdraws are separate from any institutional refund policy that the school may have. Therefore, the student may still owe funds to the school to cover unpaid institutional charges. The school may also charge the student for any Title IV program funds that the school was required to return. If the student doesn't already know the school's institutional refund policy, the student should ask the school for a copy. The school can also provide the student with the requirements and procedures for officially withdrawing from school.

If the student has any questions about Title IV program funds, call the Federal Student Aid Information Center at 1-800433-3243. Information is also available on Student Aid on the Web at [www.studentaid.ed.gov](http://www.studentaid.ed.gov).

#### When A Student Is Considered to Have Withdrawn

A student is considered to have withdrawn from a payment period or period of enrollment if, in the case of a program that is measured in clock hours, the student does not complete all of the clock hours and weeks of instructional time in the payment period or period of enrollment that the student was scheduled to complete.

#### Student Withdraws Before Title IV Funds Are Disbursed

If the student paid all school charges/fees and then ceased enrollment prior to Title IV funds being disbursed, the school is responsible for determining IF Title IV funds could have been disbursed. The school must determine the Title IV funds earned by the student and follow the procedures for making a post-withdrawal disbursement

#### School Determined Date of Withdrawal

The school determined date of withdrawal is established by the type of withdrawal.

##### Case 1: Official Withdrawal – notification of withdrawal

- Date of the student's withdrawal notification to the school.
- Date the student was expelled/dismissed from the school.

##### Case 2: Unofficial Withdrawal – no notification of withdrawal

- 14 calendar days after the student's last date of physical attendance.

##### Case 3: Student on Leave of Absence

- The earlier of the scheduled date of return from the leave of absence OR the date the student notifies the school that he/she will not be returning.
- NOTE: When a student has a Direct Loan and fails to return from a Leave of Absence, the grace period starts on the last day of attendance before the Leave of Absence.



### Withdrawal Date

Clock hour schools are required to take attendance. The withdrawal date is always the student's last day of physical attendance.

### R2T4 Calculation

Victory Career College is required to determine the earned and unearned portions of Title IV aid as of the date the student ceased attendance based on the amount of time the student spent in attendance or, in the case of a clock-hour program, was scheduled to be in attendance.

Up through the 60% point in each payment period or period of enrollment, a pro rata schedule is used to determine the amount of Title IV funds the student has earned at the time of withdrawal.

For a student who withdraws after the 60% mark of scheduled attendance in the time period or period of enrollment, there are no unearned funds; the student has earned 100% of the Title IV funds scheduled to be received.

If the calculation determines the amount of funds disbursed to the student is less than the amount the student earned, the student is eligible to receive a post-withdrawal disbursement (PWD) if conditions for a late disbursement are satisfied.

If the calculation determines the amount of funds disbursed to the student is greater than the amount earned by the student, the unearned funds must be returned to the Dept. of ED.

Example:

If a student withdraws at 228 scheduled clock hours of a payment period that has 450 clock hours, the student has completed 50% of the period and therefore has earned 50% of the federal student aid that was disbursed or could have been disbursed. That means 50% of the aid that was disbursed or could have been disbursed remains unearned and must be returned to the federal student financial aid program(s).

### THE SCHOOL'S RESPONSIBILITY IN REGARD TO THE RETURN TO TITLE IV FUNDS ARE AS FOLLOWS

- Provide students with the information contained in the R2T4 Policy.
- Identify students who have withdrawn and will be affected by the R2T4 Policy.
- Perform the R2T4 calculation, guidelines & standards provided by the Department of Education.
- Return all unearned Title IV Funds in compliance with the Dept. of ED requirements.
  - **ASAP, but no later than 45 days after the school determined date of withdrawal.**
- Process any post-withdrawal of earned funds due the student.
  - Post-withdrawal disbursement to student's account for outstanding institutional charges:
    - ASAP, but no later than 180 days after the school determined date of withdrawal.
  - Post-withdrawal disbursement to student for earned Title IV funds in excess of outstanding current institutional charges.
    - Loans – ASAP, but no later than 180 days from the school determined date of withdrawal.
    - Grants – ASAP, but no later than 45 days from the school determined date of withdrawal.



- Provide notifications to students (parents).
  - Written notification providing the student (or parent) the opportunity to accept all or part of a post-withdrawal disbursement of Title IV loan funds.
    - Within 30 days of the school determined date of withdrawal.
  - Notification to student (or parent) of outcome of late request for a post-withdrawal disbursement to a student; request received by school after the specified period and schools chooses not to make the disbursement.
    - ASAP.
  - Notification to student of grant overpayment.
    - Within 30 days of school determined date of withdrawal.
  
- Provide notifications to the Dept. of ED.
  - Referral of student to Debt Resolution Services if student does not pay overpayment in full, does not enter into repayment agreement, or fails to meet terms of repayment agreement.
    - ASAP
  - Referral of student to NSLDS if student does not pay overpayment in full, does not enter into repayment agreement, or fails to meet terms of repayment agreement.
    - No later than 45 days from the date the student is notified of overpayment.

Any student who withdraws officially or unofficially will be made aware of the possible consequences of withdrawing. For financial aid recipients, repayment on Federal Loans begins six (6) months from their last date of attendance. Students who took a full 180 day Leave of Absence (LOA) and who did not return from the LOA will go into immediate repayment.

The R2T4 does not dictate the schools institutional refund policy and is not based on the student's education charges, only the scheduled time within the payment period in which the student drops. This policy is separate from the schools Institutional Refund Policy. All students who utilize Title IV funding will have the R2T4 calculation completed prior to calculating the Institutional Refund Policy. A student may owe funds for unpaid charges to the school to cover education charges. If the school is required to return federal funds, the school will return Federal Aid disbursed that was credited to the student's account for the payment period in which the student withdrew. The school will refund any unearned Title IV aid due within forty-five (45) days of the date of determination, which is no later than fourteen (14) days from the last date of attendance.

Title IV Refunds are allocated in the following order:

1. Unsubsidized Direct Stafford Loans
2. Subsidized Direct Stafford Loans
3. Direct PLUS Loans
4. Federal Pell Grant funds for which a return of funds is required

The calculation for the percent of completion of the payment period is as follows:

The school will determine the actual date the student started the payment period and the last date of attendance and will determine the scheduled clock hours within that period of time. The number of clock hours the student was scheduled to complete within that payment period is divided by the total number of clock hours in that payment period to determine percent completed. Days a student was on a Leave of Absence are not included in this calculation. Students who owe an overpayment of Pell grants as a result of withdrawal from the program, initially will retain their eligibility for Title IV funding for forty five (45) of the earlier of (1) date the school sends the student notification of the over award (2) the date the school was required to notify the student of overpayment. Within thirty (30) days of determining that the student's withdrawal created a repayment of all or part of the Pell Grant, the school must notify the student that she/he must repay the overpayment or make satisfactory arrangements to repay. The student will be notified of overpayment of Title IV



funds and that the student’s eligibility for additional Title IV aid will cease if the student fails to take a positive action by the forty fifth (45<sup>th</sup>) day following notification from the school. The student will have the options of payment of the overpayment in full or arranging a repayment agreement with the Department of Education. If the student fails to take action to repay during the forty five (45) days allotted, the school will report this to NSLDS. If the school’s Institutional Refund Calculation indicates the student owes an outstanding tuition and/or fee charges, the debt to the school must be paid in full before the release of transcripts (unless your state law indicated otherwise)

THE STUDENT’S RESPONSIBILITIES IN REGARD TO THE RETURN TO TITLE IV FUNDS ARE AS FOLLOWS

- When possible, the student should notify the financial aid office in writing of official withdrawal.
- If the student cancels the decision to withdraw, the student must notify the school in writing within three business days of the date of the original withdrawal.
- School charges, which were previously paid by FSA funds, might become a debt that the student will be responsible for paying upon the return of Title IV funds.
- Return unearned Title IV Funds that were disbursed to the student where in the student was deemed ineligible, based on the R2T4 calculation.
  - Loans – according to terms of the loan.
  - Grants – within 45 days of earlier of date school sent or were required to send notice.
- Submit response instructing school to make post-withdrawal disbursement 14 calendar days from the date the school sent the notification to accept a post-withdrawal disbursement. If a response is not received from the student or parent within the permitted time frame or the student declines the funds, the school will return any earned funds that the school is holding to the Title IV programs.
- Student borrowers of the Direct Stafford Loans are required to attend or complete online Exit Counseling before leaving school.
- The federal or state government or a loan guarantee agency may act against the student, including applying any income tax refund to which the person is entitled to reduce the balance owed on the loan. The student may not be eligible for any other federal student financial aid at another institution or other government financial assistance until the loan is repaid

FEDERAL REFUND REQUIREMENTS VERSUS STATE/ACCREDITATION REFUND REQUIREMENTS

In addition to the Return of Title IV requirements for federal financial aid recipients, Victory Career College is required by the state/accreditor to calculate a prorated refund for all withdrawn students regardless of whether or not the student received Title IV funds. In some instances, the student may, after Title IV funds are returned, owe a balance to Victory Career College to cover unpaid institutional charges. The school may also attempt to collect from the student any Title IV program funds that the school was required to return. The school has 45 days from the date of withdrawal to give institutional refund to the student.

Student received and understand the complete Title IV policy and the dateline for Title IV and Institutional refunds:

Student name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_.