

## **Return to Title IV Policy – (R2T4)**

Return to Title IV (Federal) Policy – (R2T4) If you withdraw from school, “officially” or “unofficially,” before the term is completed and you are the recipient of Title IV financial aid funding, Federal Return to Title IV Regulations require the Office of Financial Aid to calculate both the amount of earned and unearned aid for the period of withdrawal. If you received more assistance than you “earned” by only attending a portion of the term, the excess funds must be returned by the College and/or the student to the federal government. The federal formula requires a return of Title IV financial aid if the student received federal financial aid assistance in the form of a Pell Grant, Supplemental Educational Opportunity Grant, Stafford Direct Loans or Parent Loan for Undergraduate Students, and the student withdrew before completing 60% of the enrollment period. To determine the amount of aid the student has earned up to the time of withdrawal, divide the number of calendar days the student attended classes by the number of calendar days in the enrollment period. Scheduled breaks of 5 days or more are excluded. The percentage derived is then multiplied by the total federal funds that were disbursed (applied to the student’s account and/or refunded) or that could have been disbursed for the enrollment period. This calculation determines the amount of aid earned by the student which he/she may keep. Also, the R2T4 calculation must be completed within 45 Tuition Refund and Return to Title IV Policy days of the student’s complete withdrawal from the term. The unearned amount (total aid disbursed or that could have been disbursed less the earned amount) must be returned to the federal government by the College or the student.

The unearned aid must be returned in the following order:

- Unsubsidized Stafford Direct Loan (ULOAN)
- Subsidized Stafford Direct Loan (SLOAN)
- Parent Loan for Undergraduate Students (PLUS/PLOAN) – Schoolcraft does not process these loans.
- Pell Grants (PELL)
- Supplemental Educational Opportunity Grant (SEOG) • Other Federal assistance

Once a determination of earned and unearned Title IV financial aid funding has been made, the Office of Financial Aid will notify withdrawn students of their eligibility.

- Loan funds disbursed in excess of eligibility are repayable/due based on the terms and conditions outlined in the promissory note. Most Direct Loan borrowers will enter repayment 6 months after withdrawal, unless they re-enroll on a half -time basis before the end of the 6 - month grace period.

**Official Withdrawal** – An official withdrawal occurs when a student logs into their WebAdvisor account and intentionally withdraws from their course(s). The date of the official withdrawal is used as the student’s last date of attendance for the R2T4 calculation.

**Unofficial Withdrawal** – An unofficial withdrawal occurs when a student does not pass any courses with a GPA above 0.0, but did not officially withdraw from all courses enrolled. The date of the unofficial

withdrawal used in the R2T4 calculation is determined by the latest of: the Last Day of Attendance (reported by the instructor) for any course with a final grade of 0.0, date of withdraw, or midpoint for any course with an Incomplete grade.

### **Post-Withdrawal Disbursement**

If the student has accepted his/her federal aid and it has not disbursed, the reason for the non-disbursal will be ascertained. If any of the following conditions have been met below the aid will be included in the "Aid that Could Have Disbursed" section of the calculation to determine if a post-withdrawal disbursement is due:

- a. Federal Pell Grant: ISIR received date with an "official" EFC preceding the withdrawal date and student meets all other eligibility criteria.
- b. FSEOG: Aid was awarded prior to withdrawal date.
- c. Direct Subsidized, Unsubsidized Loan: Loan had originated prior to withdrawal date and Master Promissory Note (MPN) was signed prior to R2T4 calculation date.

If the post-withdrawal disbursement calculation indicates that a post withdrawal disbursement is due from grant funds and the student has outstanding institutional charges, the funds are automatically applied to the student's billing account. If the calculation indicates that a post-withdrawal disbursement is due from loan funds, or grant funds remain available after being applied to outstanding institutional charges, the student is sent a letter/email notifying him/her of the amount available. The student is asked to return the letter/email within 14 days indicating whether he/she wishes to receive the aid and if so, the amount. The R2T4 disbursement will be made as soon as possible, but no later than 45 days after the date that Schoolcraft determines that the student withdrew. A school may not make a Post-Withdrawal Disbursement to the account or estate of a student who has died. Also a student's estate is not required to return any Title IV funds.

### **Note Regarding Attendance**

It is important to realize that a key component of Satisfactory Academic Progress is course completion. A total withdrawal contributes no credits to an academic transcript. This is a situation that can often be avoided by planning ahead for success by carefully evaluating your class selections BEFORE you register. If you would like assistance in selecting appropriate classes, please make an appointment to see one of the Academic Counselors in the Counseling Office before registering. Don't take a class load which is too much for you to handle given other responsibilities and demands on your time. Remember that there is only a short 100% refund period after you register for your classes where it is possible to make schedule adjustments without creating a bill for yourself. If for some reason outside your control you are unable to remain enrolled and in attendance, seek the advice of the Office of Financial Aid BEFORE you withdraw or stop attending class to find out how this will affect you.