



Return of Title IV Aid (R2T4) Policy

Federal law requires schools to calculate how much federal financial aid a student has earned if that student:

- completely withdraws, or
- stops attending before completing the semester, or
- does not complete all modules (courses which are not scheduled for the entire semester or payment period for which he/she has registered at the time those modules began.)

Based on this calculation, Lourdes University students who receive federal financial aid and do not complete their classes during a semester or term could be responsible for repaying a portion of the aid they received. Students who do not begin attendance must repay all financial aid disbursed for the term.

Federal financial aid covered under this regulation includes the Federal Pell Grant, Iraq and Afghanistan Service Grant, Federal Supplemental Educational Opportunity Grant, Federal Direct Loans, and Federal Direct Parent Plus loans. State grant and scholarship programs are not covered under this regulation but follow the University's institutional refund policy.

How the earned financial aid is calculated

Students who receive federal financial aid must "earn" the aid they receive by staying enrolled in classes. The amount of federal financial aid assistance the student earns is on a pro-rated basis. Students who withdraw or do not complete all registered classes during the semester may be required to return some of the financial aid they were awarded.

Institutions are required to determine the percentage of Title IV aid "earned" by the student and to return the unearned portion to the appropriate aid programs. Regulations require schools to perform calculations within 30 days from the date the school determines a student's complete withdrawal. The school must return the funds within 45 days of the date the school determined the student withdrew. The Return of Title IV, aka R2T4, calculation process and return of funds is completed by the Financial Aid Office.

For example, if a student completes 30 percent of the payment period, they earn 30 percent of the aid they were originally scheduled to receive. This means that 70 percent of the scheduled awards remain "unearned" and must be returned to the federal government. Once 60% of the semester is completed, a student is considered to have earned all of his/her financial aid and will not be required to return any federal funds.

The following formula is used to determine the percentage of unearned aid that has to be returned to the federal government:

- The **percent earned** is equal to the number of calendar days completed up to the withdrawal date, divided by the total calendar days in the payment period (less any scheduled breaks that are at least 5 days long).
- The **payment period** is the entire semester. However, for students enrolled in modules (courses which are not scheduled for the entire semester or term), the payment period only includes those days for the module(s) in which the student is registered.
- The **percent unearned** is equal to 100 percent minus the percent earned.

How to withdraw

Students may officially withdraw by completing an add/drop form, available from their academic advisor or in the Registrar's Office, and returning the form to the Registrar's Office. If students are not available to complete the add/drop form on campus, they may send an email from their Lourdes University email account to their academic advisor or the Registrar's Office which will be used as official notification of intent to withdraw.

Determination of the withdrawal date

Since Lourdes is not required to take attendance, the withdrawal date used in the return calculation is the actual date indicated on the official drop form.

Unofficial Withdrawal

If a student stops attending classes without notifying Lourdes, it is considered an unofficial withdrawal. The unofficial withdrawal date will be the midpoint of the semester or the last date of academic activity determined by student's instructor. Academic activity includes, but is not limited to: submitting an academic assignment, taking an exam, and/or participating in an online discussion about academic matters. Additional documentation supporting the last date of academic activity may be provided by the student if they verify a later date of attendance than determined by Lourdes. Lourdes will use this information to determine the withdrawal date no later than 30 days after the end of the earlier of the: payment period or period of enrollment, academic year in which the student withdrew, or educational program from which the student withdrew.

Post-Withdrawal Disbursements

When the total amount of the Title IV assistance earned as of the withdrawal date is more than the amount that was disbursed to the student, the difference between the two amounts will be treated as a post-withdrawal disbursement.

Post-Withdrawal Disbursement of Federal Grant Funds

Lourdes University will automatically credit the student's account with a late disbursement of Pell Grant and FSEOG funds for current institutional charges (tuition, fees, room and board). Excess funds will be refunded to the student in accordance with the school's Title IV Credit Balance policy. The post-withdrawal disbursement will be made within 45 days of the date the institution determined the student withdrew.

Post-Withdrawal Disbursement of Federal Loan Funds

If a post-withdrawal disbursement includes federal loan funds, Lourdes must obtain the students, or parent if a PLUS loan, permission before it can be disbursed. The borrower (student and/or parent) will be notified of this option within 30 days of the date the school determines the student's last date of attendance: otherwise the loan funds will be cancelled. Students who are serving active duty or qualifying National Guard Service, or reside or work in a declared disaster area may have additional time to respond. If the Federal Direct Loan post-withdrawal disbursement office is accepted by the deadline, Lourdes will make the disbursement within 180 days of determining that the student withdrew.

When a student fails to begin attendance in all courses

Instructors are required to report each term if a student does not begin attendance in a course. If a student receives financial aid, but never attends classes, Lourdes will return all disbursed funds to the respective federal aid programs. If the student owes any money to Lourdes resulting from the return of federal funds, the student will be billed by the Student Accounts Office. If the student does not pay the funds due to Lourdes, a financial hold is placed on the student's account. This means he/she will not be permitted to register for classes or receive transcripts until the balance is paid.

For students enrolled in modules

A student is considered withdrawn if the student does not complete all of the days in the payment period that the student was scheduled to complete. Lourdes University will track enrollment in each module (a group of courses in a program that do not span the entire length of the payment period combined to form a term, for example, summer sessions) to determine if a student began enrollment in all scheduled courses. If a student officially drops courses in a later module while still attending a current module, the student is not considered as withdrawn based on not attending the later module. However, a recalculation of aid based on a change in enrollment status may still be required.

Students who provide written confirmation to the Financial Aid Office at the time of ceasing attendance in a module that they plan to attend another course later in the same payment period are not considered to have withdrawn from the term. Note: written confirmation of a later class is required; registration alone does not meet this requirement. If the student does not provide written confirmation of plans to return to school later in the same payment period or term, Lourdes considers the student to have withdrawn and begins the R2T4 process. However, if the student does return to Lourdes in the same term, even if they did not provide written confirmation of plans to do so, the student is

not considered to have withdrawn after all and is eligible to receive the Title IV funds for which the student was eligible before ceasing attendance. Financial Aid will then reverse the R2T4 process and provide additional funds that the student is eligible to receive at the time of return.

Steps in the return of Title IV funds policy

- **Step 1: Student's Title IV information**

Financial Aid Office will determine:

-The total amount of Title IV aid disbursed for the semester in which the student withdrew. A student's Title IV aid is counted as aid disbursed in the calculation if it has been applied to the student's account on or before the date the student withdrew.

-The total amount of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the semester in which the student withdrew.

- **Step 2: Percentage of Title IV aid earned**

Financial Aid Office will calculate the percentage of Title IV aid earned as follows:

The number of calendar days completed by the student divided by the total number of calendar days in the semester in which the student withdrew. The total number of calendar days in a semester shall exclude any scheduled breaks of five days or more.

Days Attended ÷ Days in Enrollment Period = Percentage Completed

If the calculated percentage completed exceeds 60%, then the student has "earned" all the Title IV aid for the enrollment period.

- **Step 3: Amount of Title IV aid earned by the student**

Financial Aid Office will calculate the amount of Title IV aid earned as follows:

The percentage of Title IV aid earned (Step 2) multiplied by the total amount of Title IV aid disbursed or that could have been disbursed for the term in which the student withdrew (Step 1-A).

Total Aid Disbursed x Percentage Completed = Earned Aid

- **Step 4: Amount of Title IV aid to be disbursed or returned**

If the aid already disbursed equals the earned aid, no further action is required.

If the aid already disbursed is greater than the earned aid, the difference must be returned to the appropriate Title IV aid program.

Total Disbursed Aid – Earned Aid = Unearned Aid to be Returned

R2T4 Example

The following example illustrates how the federal R2TIV policy would affect a student who withdraws from classes at Lourdes University:

Student is attending Spring Semester which is 106 calendar days in length.

Financial Aid: Pell Grant	\$1,000
Subsidized Stafford Loan	\$2,500
Unsub Stafford Loan	<u>\$4,000</u>
Total Financial Aid Award	\$7,500

Tuition & Fees	\$6,550
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Financial Aid disbursed to student after Tuition and Fees are paid \$950

Student withdraws on the 24th day of the semester, which is the fourth week (40% period). Consult Undergraduate Catalog for Lourdes University Institutional Refund Policy.

Percent of federal financial aid earned:	
Completed days	24
Total days	<u>÷106</u>
Percentage earned	22.6%

Amount of federal financial aid earned:	
Percentage earned	22.6%
Aid awarded	<u>* \$7,500</u>
Aid earned	\$1,695.00

Amount of federal aid to be returned :
Aid awarded \$7,500.00
Aid earned \$1,695.00
Unearned aid to be returned \$5,805.00

Of the \$5,805 that needs to be returned to the Dept. of Education:

Lourdes returns \$5,069.70
(77.4% of institutional charges)
Student returns \$ 735.30

Lourdes would return \$5,069.70 to the Direct Loan Program. The student would return \$735.30 to the Direct Loan Program under normal repayment terms. If grant funds need to be returned, the amount would be reduced by 50%, however in this example the student would not have to return any grant funds.

Since Lourdes had to return financial aid funds used to cover tuition & fees, the student also will be billed by the Student Accounts Office for \$5,069.70 (60% of charged fees).

The policy and worksheet used to determine the amount federal financial aid funds that must be returned are available in the Student Accounts Office or Financial Aid Office.

Who returns the unearned funds

Lourdes University and the student are both responsible for returning unearned funds to the appropriate programs in specific loan/grant order. Lourdes University must return the lesser of:

- 1) the total amount of unearned aid or
- 2) institutional charges multiplied by the unearned percentage

Amounts that must be returned will first be applied to federal loans and then to grants. Loan borrowers will be permitted to repay loans based on the terms of the promissory note.

The student will also be billed for any amount due to Lourdes University resulting from the return of federal aid funds that were used to cover tuition and fees. For example, if Lourdes University is required return federal aid which was used to pay a portion of a student's charges for the enrollment period, then the student must pay the university for that unpaid portion of their tuition.

Student notification of repayment

A notification letter outlining the amount returned to the federal programs along with a Return of Title IV fact sheet will be mailed to the student's permanent address. Lourdes will return funds on the student's behalf to the appropriate federal aid programs and subsequently will bill the student's account. A statement reflecting these charges will be sent to the student. The student is responsible for all charges and overpayments resulting from a Return of Title IV calculation.

Repayment to federal aid programs

Federal regulations require that the following aid programs be subject to the repayment calculation if the student did not attend 60% of the term. These funds must be returned within 45 days of the date the school determined the last date of attendance. They are:

Federal Direct Loans: Unsubsidized and Subsidized
Federal Perkins Loans
Federal Direct Grad PLUS Loans
Federal Direct Parent PLUS Loans
Federal Pell Grant
Federal Supplemental Educational Opportunity Grant (FSEOG)
TEACH Grant
Iraq and Afghanistan Service Grant

Overpayment of federal grant funds

Federal regulations provide that 50% of the unearned amount of all federal grants is protected by the federal calculation. Any grant amount subject to repayment is returned by Lourdes and that amount will be billed to the student's account as a debt to Lourdes University.