

RETURN TO TITLE IV POLICY

The Federal Return of Title IV funds formula (R2T4) dictates the amount of Federal Title IV aid that must be returned to the federal government or the lending institution by the school and/or the student. The federal formula is applicable to an eligible student receiving federal aid when that student withdraws on or before the 60% point in time in the payment period.

If a student did not start or begin attendance at the school, the R2T4 formula does not apply.

For official withdrawals a student's withdrawal date is the date the school received notice from the student that they are withdrawing.

Official Withdrawal Process: If a student wishes to withdraw from school, they must notify the Admissions Coordinator of the school. The notification must be in writing. The date the notification is received is the date of determination. The Admissions Coordinator must begin the withdrawal process.

For unofficial withdrawals a student's withdrawal date is their last day of physical attendance.

The school's determination that a student is no longer in school for unofficial withdrawals is determined after 14 days of non attendance.

New Horizons Medical Institute is required to take attendance, a student's withdrawal date is always the last date of academic attendance as determined by the institution from its attendance records.

For attendance taking schools aid received post LDA and prior to DOD is aid that could have been disbursed.

The federal formula requires a Return of Title IV calculation if the student received or could have received (based on eligibility criteria) federal financial assistance in the form of Pell Grants, Direct Loans or Direct Plus loans and withdraws on or before completing 60% of the payment period. The percentage of Title IV aid earned is equal to the percentage of the payment period that was completed as of the withdrawal date if this occurs on or before the 60% point of time. The percentage that has not been earned is calculated by subtracting the percentage of Title IV aid earned from 100%.

The percentage of the payment period completed is calculated by the hours scheduled in the payment period as of the withdrawal date divided by the total hours in the payment period.

The amount to be returned is calculated by subtracting the amount of Title IV assistance disbursed or that could have been disbursed from the amount of Title IV aid that earned as of the withdrawal date.

If a student receives less Title IV funds than the amount earned, the school will offer the student a disbursement of the earned aid that was not received at the time of their withdrawal which is a post withdrawal disbursement. Post withdrawal disbursements will be made from Pell grant funds first if eligible. If there are current educational costs still due the school at the time of withdrawal, a Pell grant post withdrawal disbursement will be credited to the student's account. Any Pell grant funds in excess of current educational costs will be offered to the student. Any federal loan program funds due in a post withdrawal disbursement must be offered to the student and the school must receive the student's authorization before crediting their account.

If a credit balance still exists on the student's account after the R2T4 and institutional refund calculations are done, that credit balance must be used to pay any grant overpayment that exists based on the current withdrawal within 14 days from the date that the R2T4 calculation was performed. The overpayment must be eliminated prior to offering a credit balance to a student.

The following Title IV refund distribution is used for all FSA students due a refund:

(ACG and SMART Grants are discontinued for 2011-12)

1. Unsubsidized Direct Loan

2. Subsidized Direct Loan
3. Direct PLUS Loan (Graduate Student)
4. Direct PLUS Loan (Parent)
5. Federal Pell Grant

Refunds will be made to the federal programs within 45 days of the student's date of determination.

The statute requires that a student is responsible for all unearned Title IV program assistance that the school is not required to return. This is determined by subtracting the amount returned by the school from the total amount of unearned Title IV funds to be returned.