

RETURN OF FEDERAL FINANCIAL AID

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 Institute and/or the student. The R2T4 formula is applicable to an eligible student receiving federal aid when that student withdraws or is terminated from the Institute.

A student’s withdrawal date is used to calculate the percentage of the payment period completed and is always the student’s last date of attendance/clocked hours. The date of determination is the earlier of:

- The date the student notifies the Institute of the student’s withdrawal or the date of the student’s withdrawal, whichever is later.
- The Institute terminates the student’s enrollment as provided in the Enrollment Agreement.
- If a student does not return or call from the student’s leave of absence within 72 hours of the student’s expected return, the student shall be considered terminated.
- If the student unofficially withdrew, the day after the 14th calendar day of consecutive absence from the Institute.

The amount of Title IV funds earned by the student is based upon the length of time the student is scheduled to complete in 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 60% of the payment period has been completed. After 60% of the payment period has been scheduled to be complete, 100% of the Title IV funds are earned. 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 number of clock hours the student was scheduled to complete in the payment period as of the withdrawal date divided by the total number of clock hours in the payment period.

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

If a student has earned more Title IV funds than have been disbursed, the Institute must offer the amount of earned funds as a post-withdrawal disbursement. Post-

withdrawal disbursements may be offered from Pell Grant funds first if eligible. If there are current educational costs due the Institute 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 may be offered to the student if eligible. Any federal loan program funds due in a post-withdrawal disbursement must be offered to the student and the Institute must receive the student's permission before crediting their account.

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

- 1.Unsubsidized Direct Stafford Loan
- 2.Subsidized Direct Stafford Loan
- 3.Federal Direct Parent PLUS Loan
- 4.Federal Pell Grant
- 5.Federal Supplemental Opportunity Grant
- 6.Other Title IV assistance

Any unearned Title IV funds must be returned to the appropriate program within 45 days of the date of determination. Any unearned funds that have not yet been disbursed to the student must be offered to the student within 30 days of the date of determination if not applied directly to the student's account.

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