

Return of Title IV (R2T4)

Presentation College has established policies and procedures to define and administer the Return of Title IV (R2T4) funds requirements as promulgated in the Higher Education Act (HEA), Section 668.16. The R2T4 policy includes information that reflects institutional procedures as well as text that is copied from the *Federal Student Aid (FSA) Handbook*, Volume 5 Chapter 1.

The R2T4 policy governs the determination of students' eligibility to receive funding from the following federal programs offered at Presentation College (PC) when they cease attendance in all Title IV eligible classes during a semester:

- Federal Pell Grant
- Federal Iraq and Afghanistan Service Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)

- Federal Direct Subsidized Loan
- Federal Direct Unsubsidized Loan
- Federal Parent Loan for Undergraduate Students (PLUS)

The U.S. Department of Education (ED) offers Title IV programs in addition to those listed above. Presentation College only participates in the programs listed.

The College adheres to federal policy, as set forth in the *FSA Handbook* and the Higher Education Act (HEA), Section 668.16 in the administration of R2T4 policies and procedures in all respects.

Title IV funds are provided to students with the expectation that they will attend their classes for the entire period for which the assistance has been awarded. When students stop attending their classes, for any reason including medical withdrawals or even circumstances that are beyond their control, they may no longer be eligible for the full amount of Title IV funds that they were originally awarded and may have already received.

When students stop attending all of their Title IV eligible classes and are no longer participating in any academically-related activities (last date of engagement) the College is required to determine if the student is eligible to retain or to receive any Title IV financial aid. Federal regulations require the College to use a calculation called Return to Title IV (R2T4) to determine the percentage of financial aid funds the student has earned as well as the amount that is unearned.

The R2T4 calculation is based upon the concept that students earn their financial aid in proportion to the number of days they are enrolled in and attending their classes. The calculation is based upon the number of days that the student attended as a percentage of the days in the semester. Under this reasoning, a student who withdraws in the second week of classes has earned less of his financial aid than a student who withdraws in the seventh week. Once students have begun to attend approved classes, they begin to incrementally earn their Title IV financial aid (if they are otherwise eligible). Prior to the 60% point of the semester students earn a percentage of aid that increases with each day of attendance. Once aid recipients have attended their classes for 60% of the semester, they are considered to have earned 100% of their financial aid (as long as they are otherwise eligible) for that term and will not be required to return any funds.

If students withdraw from all of their Title IV eligible courses prior to completing at least 60% of a semester, typically they would have earned only a portion of the federal financial aid that they received, or are scheduled to receive, for that term. If a student remains enrolled in only those courses that are not Title IV eligible, an R2T4 calculation is likewise required. A prorated schedule is used to determine the amount and type of federal student aid funds they have and have not earned at the time of the withdrawal or cessation of attendance in all Title IV eligible classes.

Of note, students may have earned a percentage of their Title IV financial aid when they begin and then cease attendance during the two-week drop-add period at the beginning of the semester. Thus, students may be eligible for a post-withdrawal disbursement of Title IV aid when they cease attendance prior to the census date, regardless of whether the College has disbursed aid or assessed any institutional charges.

When students fail to attend their classes they could leave the College owing money because their charges for tuition, fees, housing and their meal plan exceed the amount of financial aid that they have earned. For these reasons,

students are strongly advised to meet with a member of the business or financial aid office to discuss the financial consequences of dropping out of or withdrawing from the College, before doing so.

Determination for students who earn all "F" and other zero quality point grades - When students receive all "F" and other zero quality point grades, the College is required to determine if they earned the grades or ceased to attend at some point in the semester.

When final grades for the semester have been posted, the FAO reviews the records of those students who received any combination of "F", "I", "U" and "W" grades to identify the last date of attendance as submitted by the students' instructors. If the last date of attendance cannot be determined from this review, the FAO contacts the instructors for a last date of engagement. If the last date of engagement cannot be determined, the FAO uses the 50% point of the semester.

Order of return of Title IV Funds to the federal programs - As dictated by federal regulation, the FAO returns Title IV funds that the student has not earned to the applicable program in the following order:

1. Federal Unsubsidized Direct Stafford loan
2. Federal Subsidized Direct Stafford loan

4. Federal Direct Parent Loan for Undergraduate Students (PLUS)
5. Federal Pell Grant
6. Federal Supplemental Educational Opportunity Grant (FSEOG)
7. Federal Iraq and Afghanistan Service Grant

The student's grace period for loan repayment of unsubsidized and subsidized Direct Loans will commence as of the date of the withdrawal from the College. Students should contact the financial aid office if they have questions regarding their grace period or repayment status.

Post-Withdrawal Disbursements

If a student receives less federal student aid than the amount earned, the College must offer a disbursement of the earned aid that was not received. This is called a post-withdrawal disbursement.

A post-withdrawal disbursement to the student for earned Title IV funds in excess of outstanding current (educationally related) charges must be made as soon as possible, but no later than, 45 days for grants and as soon as possible, but no later than, 180 days for loans. The College's policy is to make post-withdrawal disbursements for grants within two weeks whenever it is possible to do so. Whenever possible, post-withdrawal disbursements for loans are made within two weeks of the deadline established for the student to accept or decline the loan portion of a post-withdrawal disbursement.

Institutional and Student Responsibilities under the R2T4 Policy

The institution's responsibilities under the R2T4 policy include:

1. Provide students with the information about the R2T4 policy;
2. Identify students affected by this policy and complete the R2T4 calculation;
3. Inform the student of the result of the R2T4 calculation and any balance owed to the College from the required return of unearned funds;
4. Return any unearned funds to the applicable Title IV program(s);
5. Notify the National Student Loan Data System (NSLDS) of the student's withdrawal date;
6. Notify the student (or parent, as applicable) of eligibility for a post-withdraw disbursement, if any.

The student's responsibilities under the R2T4 policy include:

1. Review the R2T4 policy and understand how withdrawing from courses affects eligibility for Title IV aid;
2. Adhere to the College's withdraw policy and promptly notify the institution of intention to separate;
3. Promptly pay any outstanding balance owed to Presentation College resulting from the required return of unearned Title IV aid;
4. Pay all collections costs and attorney's fees that may be required to satisfy any balance that the student fails to promptly pay.

Sample R2T4 calculation - To review an example of how the R2T4 calculations affects a student who ceases attendance before the 60% point of the semester visit the financial aid pages on the College's website.

Return to Title IV Questions

The procedures and policies listed above are subject to change without advance notice as may be required by federal and institutional regulations. When the College makes updates, the new policy will be published as soon as is reasonably possible. Students are held to the most current published policy. The above policies and procedures are intended to provide an overview of a complicated and complex area of the Title IV regulations.

Students, parents and others who have questions regarding the R2T4 calculation or general inquiries about the Title IV federal student aid programs should connect with any of the following resources for information:

PC's financial aid office

www.presentation.edu

financialaid@presentation.edu

1.605.229.8429

Federal Student Aid Information Center

1.800.4.FEDAID (1.800.433.3243)

TTY users may call 1.800.730.8913

Student Aid on the Web

www.studentaid.ed.gov