

## **16.5 Return of Title IV Funds (R2T4)**

A Return of Title IV (R2T4) refund is defined as the difference between the amount of financial aid earned and unearned that was applied to institutional charges. Stritch is responsible for returning unearned financial aid to FSA Programs. The withdrawal date used to perform this calculation will be determined by using the University attendance records, since Stritch takes attendance. Attendance records will be used to determine the Withdrawal date for both Official and Unofficial withdrawals. The Return of Title IV calculation will determine which portion of the refund is to be returned by Stritch (if any) and which portion of the refund is to be returned by the student (if any).

A student may owe Stritch a balance if the amount of funds earned by the student is not sufficient to cover institutional charges.

- The amount of financial aid earned by the student is determined by calculating the number of days attended divided by the number of days in the payment period.
- Institutional breaks of five or more consecutive days are excluded from the calculation for purposes of determining the amount of Title IV Aid earned by the student.
- Unearned aid percentage is calculated by subtracting the earned aid percentage from 100%.
- If a student's earned aid percentage is 60%, the student has earned 100% of their aid and no money will need to be returned. A return of Title IV aid takes place when a student's earned aid percentage is under 60%. Also, if a student fails to attend the payment period – they have not established eligibility for their aid, and it must all be returned.
- Institutional charges include tuition, books, fees and room and board.

The procedures followed when a Title IV recipient withdraws from school or requires a LOA that exceeds Federal requirements are:

- Return of Title IV Calculation is completed
- Lender is notified of student's status change
- Post-Withdrawal Disbursements are identified (if applicable)
- Excess funds earned are offered to student (if applicable)
- Refunds and balance due are identified (funds must be returned no later than 45 days from the date Stritch determined the student withdrew)
- Exit Counseling information is sent to student

- Refunds are applied according to the order of Return of Title IV Funds:

1. Unsubsidized Stafford	5. Pell Grant
2. Subsidized Stafford	6. FSEOG
3. Perkins Loans	7. TEACH
4. PLUS	8. Iraq and Afghanistan Service Grant

## **16.6 Financial Aid Repayment (Overpayment)**

A repayment, in the context of R2T4, is defined as the amount of unearned aid disbursed to the student. The student is responsible for repaying the amount of unearned disbursed aid by the following methods:

### **Loans**

- *Students repay their share of unearned aid attributable to a loan under the terms and conditions of their promissory note(s).*

### **Grants**

- *Students will repay grants to the Department of Education. Grant repayments are limited to the amount by which the grant overpayment exceeds 50% of the total Title IV grants both disbursed, and could have been disbursed, to the student. Note: Grant repayments are considered “overpayments” by the Department of Education.*

Stritch will negotiate repayment agreements with students. However repayments must be paid in full within two years of the date of Stritch’s determination the student withdrew. Failure to negotiate a repayment agreement with Stritch within the Federally required timeframe will result in reporting and referring the overpayment to the Department of Education Debt Collections. Once the student is referred and reported to ED Collections, the student will become ineligible to receive additional Title IV funds.

## **16.7 Institutional Refund Calculation**

A student attending only a portion of a course in non-term program in the College of Education and Leadership, the College of Arts and Sciences, or the College of Nursing is responsible for 100% of the tuition and fees for that course. A student attending only a portion of a course in a non-term program in the College of Business and Management will receive a pro-rated tuition refund based on the portion of the course completed. Students in traditional programs will be charged according to the drop/add and withdrawal policy published prior to every semester by the Business Office. The student is also responsible for the full tuition at the current rate when the course is retaken.

Students making a full cash payment for all courses in a payment period will receive a refund for any courses not attended.

## **16.8 Post-withdrawal Disbursements**

If the total amount of Title IV grant and/or loan assistance that the student earned as calculated under the Return of Title IV Program Funds calculation is greater than the total amount of Title IV grant and/or loan assistance that was disbursed to the student, or on behalf of the student in the case of a PLUS loan, the student may be eligible to receive a post-withdrawal disbursement (PWD). To be eligible to receive a post-withdrawal disbursement, the student must have Title IV funding that would qualify for funding that could have been disbursed. For all funds to qualify as could have been disbursed, the school must have received a valid ISIR before the student stopped attending. For Pell, nothing further is needed. For FSEOG and Perkins, the award must have been made to the student before they stopped attending. For Direct Subsidized, Unsubsidized, Plus, and Grad Plus loans, the loan must have been originated before the student stopped attending.

Stritch will notify the student, or parent of the student in the case of a PLUS Loan, prior to making a post-withdrawal disbursement of Title IV loan funds. This notification will take place within 30 days of the date of determination of the student's withdrawal.

However, when a student withdraws, no portion of any second or subsequent Direct Loan disbursement may be disbursed to a student as a post-withdrawal disbursement even though the amount of the second or subsequent disbursement is included as aid that could have been disbursed for purposes of determining earned Title IV funds.

In order to qualify for second or subsequent Direct Loan disbursements, the student would need to have completed the period of enrollment or graduated, and the disbursement would then generally be made as a late disbursement.

## **16.9 Written Notification of Post-withdrawal Disbursement**

In the case of Title IV loans or Title IV grant funds that exceed current charges, Stritch will offer any amount of a post-withdrawal disbursement that is not credited to the student's account to cover open charges to the student, or the parent in the case of a PLUS loan, within 30 days of the date that Stritch determined that the student withdrew. This post-withdrawal offer will be done by providing a written notification to the student or parent. The written notification will include the following:

- The type and amount of Title IV funds that make up the post-withdrawal disbursement that is not credited to the student's account.
- The type and amount of Title IV funds that have been credited to the student's account.
- An explanation that the student or parent may accept or decline some or all of the post-withdrawal disbursement that is not credited to the student's account.
- Information that informs the student or parent that no post-withdrawal disbursement will be made to the student or parent if they do not respond within 14 days of the letter date.
- Instructions to submit their response in writing directly to the Financial Aid Office either by mail or fax.

## **16.10 Post-withdrawal Disbursement Process**

If the student and/or parent responds to the notice within 14 days and instructs Stritch to make all or a portion of the post-withdrawal disbursement, the funds will be disbursed in the manner specified by the student and/or parent within the required timeframes (typically 180 days) from the date of Stritch's determination that the student withdrew.

If the student or parent does not respond to the Stritch's notice, the post-withdrawal disbursement of Title IV grant funds will be used only for appropriate open charges. Stritch will not request Title IV funds for a post-withdrawal disbursement unless and until it has determined:

- That a post-withdrawal disbursement is due,
- The amount of the post-withdrawal disbursement, and
- That the post-withdrawal disbursement can be disbursed within three business days of receipt.

No post-withdrawal disbursement of Title IV loan funds or Title IV grant funds that exceed current charges will be made.

## **16.11 Exit Counseling**

Stritch encourages students to complete on-line exit counseling shortly before graduating or ceasing at-least-half-time enrollment by visiting [www.nsls.ed.gov](http://www.nsls.ed.gov). Notification of the exit counseling requirement is mailed and/or e-mailed to students who are graduating, as well as those who have been identified as no longer enrolled at least half-time through the R2T4 process.

