

RETURN TO TITLE IV (R2T4) Policy (US Citizens or Eligible Non Citizens attending St. Clair College)

United States law specifies how St. Clair College must determine the amount of Title IV program assistance (Direct Subsidized and Direct Unsubsidized Loans, Direct Grad PLUS Loans & Direct PLUS Loans) that students earn if they withdraw from school. The Office of the College Registrar (Student Awards) is responsible for calculating R2T4 (Return of Title IV Funds). The Student Awards Office uses worksheets provided by the US Department of Education to calculate the R2T4 funds. All funds must be returned to the lender within 45 days of the date of when the school determined a student withdrew. If you have questions about your Title IV program funds, students can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on *Student Aid on the Web* at www.studentaid.ed.gov.

When a student withdraws during a payment period, the amount of Title IV program assistance that has been earned up to that point is determined by a specific formula. The date of withdrawal is the date the student submitted the withdrawal form. If the student received (or the school received on the student's behalf) less assistance than the amount that earned, the student may be able to receive those additional funds. If the student received more assistance than was earned, the excess funds must be returned by the school and/or the student.

The school is not required to take attendance although many professors may require a student to attend in order to receive a passing grade. It is expected students receiving Title IV funds will attend all, or at least, the majority of classes.

Where a student intends to withdraw from studies it is the student's responsibility to do so according to College policies and procedures. Further, students must do so at the earliest possible date. In the event a student does not comply with withdrawal procedures and where this results in the student receiving all failing grades for a session or term the College will assume the student did not attend even one class and are thus will be considered ineligible for Title IV funds and all of the loan proceeds will be returned to the lender.

The amount of assistance earned is determined on a pro rata basis. The payment period is for the term for which the loan was certified and the percent of attendance is calculated by dividing the number of days attended by the total number of days in the payment period. For example, if the student completes 30% of the payment period or period of enrollment, the student has earned 30% of the assistance they were originally scheduled to receive. Once the student has completed more than 60% of the payment period or period of enrollment, all assistance the student was scheduled to receive for that period is considered to have been earned. If the student did not receive all of the funds that were earned, he or she may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the student may choose to decline the loan funds so that additional debt is not incurred. The Office of the College Registrar (Student Awards) will use the R2T4 worksheets provided by the US Department of Education to determine how much of the loan may be retained and how much must be returned.

The school may automatically use all or a portion of your post-withdrawal disbursement (including loan funds, if the student accepts them) for tuition, fees, and residence charges.

There are some Title IV funds that students were scheduled to receive that cannot be *earned* once a student withdraws because of other eligibility requirements. For example, in certain circumstances, if a first-time, first-year student has not completed the first 30 days of the program before withdrawal, the student will not earn any federal direct loan program funds that he or she would have received had the student remained enrolled past the 30th day. If the student receives (or

the school receives on behalf of the student) excess Title IV program funds that must be returned, the school must return a portion of the excess equal to the lesser of:

1. The institutional charges multiplied by the unearned percentage of the funds, or
2. The entire amount of excess funds.

The school must return this amount even if it did not keep this amount of the Title IV program funds. If the school is not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that must be returned, the student must repay in accordance with the terms of the promissory note. That is, scheduled payments are made to the holder of the loan over a period of time. Students who have received a refund of their loan proceeds before withdrawing may be required to return part or all of those funds to the lender.

Title IV funds will be returned in the following order:

1. Unsubsidized Federal Direct loans
2. Subsidized Federal Direct loans
3. Direct Grad PLUS Loan Funds
4. Direct PLUS Loan Funds

The requirements for Title IV program funds when students withdraw are separate from any refund policy that the school may have. Therefore, the student may still owe funds to the school to cover unpaid institutional charges. The school may also attempt to collect from the student any Title IV program funds that the school was required to return. Students may receive a copy of the refund policy from the Office of the College Registrar.

Official Withdrawal

A “withdrawal” refers to a student’s intent to completely terminate studies at an institution with no expectation of return. Students who subsequently decide to return to their studies, must re-apply for admission through the appropriate Office of Admissions for your program of study.

Note: Students who withdraw from courses or the program receive a grade of “DR” on their transcript. At St. Clair College a grade of DR does not have an academic penalty, however, according to the US Department of Education this grade is considered the same as a “F” grade in calculating the quantitative aspect of the Satisfactory Academic Progress standards and may affect the student’s future eligibility for federal direct loan program funds.

Any questions regarding this policy may be directed to the Office of the College Registrar (Student Awards) by phone (519) 972-2727.