



Withdrawal and Federal Return of Title IV (R2T4) Policy

How a Withdrawal Affects Financial Aid

Federal TIV funds are awarded under the assumption that a student will remain in classroom attendance for the entire period (semester) for which the funds were awarded. When a student withdraws from all courses, regardless of the reason, s/he may no longer be eligible for the full amount of TIV funds originally awarded/received. Return of Title IV funds to the federal government is based on the premise that a student earns financial aid in proportion to the length of time during which s/he remains enrolled. A pro-rated schedule determines the amount of federal student aid funds s/he will have earned at the time of full withdrawal. For example, a student who withdraws in the second week of the semester has earned less of his/her financial aid than a student who withdraws in the fifth week. Once the 60% point in the semester is reached, a student is considered to have earned all of the financial aid originally awarded and will not be required to return any funds.

Federal regulations require a recalculation of financial aid eligibility if a student:

- Completely withdraws;
- Unofficially Withdraws (Stops attending before the semester's end);
- Approved Leave of Absence

Southern University and A&M College (SUBR) students who receive federal student aid and who do not remain in attendance through the end of the semester could be responsible for repaying a portion of the financial aid originally received. Students who do not begin attendance in classes are not eligible for federal aid and must repay all aid originally received.

NOTE: Students who receive federal student aid are subject to both the SUBR's Institutional Tuition Refund Policy and a separate Federal Return to Title IV (R2T4) funds refund policy. However, SUBR's Institutional Tuition Refund Policy is separate from the Federal R2T4 regulations to return unearned aid. Receiving a tuition/fee refund from SUBR will have no impact on the amount the student must repay to the federal aid programs.

How Earned Financial Aid is Calculated

Federal TIV aid recipients "earn" the aid originally received by remaining in classes. The amount of federal assistance earned is based on a pro-rated system. Students who withdraw or do not complete all classes in which they were enrolled may be required to return some of the aid originally awarded.

SUBR is required to determine the percentage of TIV aid "earned" by the student and return the "unearned" portion to the appropriate federal aid programs. SUBR is required to perform this calculation within 30 days of the date the school determines that a student has completely withdrawn. The school must return the funds within 45 days of the calculation.

Effective Fall 2011, the R2T4 calculation is completed by the Financial Aid Office. Prior to that, the R2T4 calculation was completed by the Bursar's Office.

The following explains the formula used to determine the percentage of unearned aid to be returned to the federal government:

- The percent earned is equal to the number of calendar days completed up to the withdrawal date divided by the total number of calendar days in the payment period.
- The payment period for most students is the full, 16-week fall and spring semesters or the full, 8-week summer semester.
- The percent unearned is equal to 100 percent less the percent earned.
- Breaks of 5 days or longer are not included in the count of total days in the payment period.

Institutional scholarship funds are not subject to the R2T4 policy.

When a Student Fails to Begin Attendance

If federal student aid is processed for a student who never begins attendance in any class for which s/he registered in a term, all aid will be cancelled. The Registrar provides a "no show" report after the census date of the payment period. This report lists the students and the classes in which they never attended. Students with "no show" grades will have the class purged from their course schedule. Financial aid originally awarded is canceled for students who failed to begin attendance in all classes in which they were originally enrolled and is adjusted for those who fail to begin attendance in a portion of the classes in which they were originally enrolled.

Determination of Withdrawal Date

The withdrawal date used in the R2T4 calculation is the actual date of attendance as provided by the Registrar on the Official Withdrawal Form (the date the student begins the withdrawal process or the date of the institution's determination based upon the student's notification). Students must withdraw from the University by submitting a "Withdrawal Form" to the Registrar's Office or submit a written statement including your name, student ID number, and date of withdrawal. Calculation of refunds or tuition adjustments shall be based on the official withdrawal date established by the Registrar's Office.

If a student unofficially withdraws from the university, the withdrawal date is the midpoint of the period of enrollment.

The Federal Return To Title IV Policy

Federal Law requires an institution to return all unearned Title IV funds to the appropriate Title IV programs when a recipient of Title IV aid withdraws on or before completing 60% of the payment period or term. If a recipient of Title IV funds withdraws during a period of enrollment, the Southern University and A&M College (SUBR) must calculate the amount of Title IV Aid the recipient did not earn and must return the unearned portions to the Title IV Programs. This action may require the recipient to repay funds issued directly to them prior to the calculation. The federal Title IV financial aid programs must be recalculated in these situations.

If a student leaves the institution prior to completing 60% of a payment period or term, eligibility for Title IV funds is recalculated. This recalculation is based on the percentage of earned aid using the following Federal Return of Title IV funds formula:

Percentage of payment period or term completed = the number of days completed up to the withdrawal date divided by the total days in the payment period or term. (Any break of five days or more is not counted as part of the days in the term.) This percentage is also the percentage of earned aid.

Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula:

Aid to be returned = (100% of the aid that could be disbursed minus the percentage of earned aid) multiplied by the total amount of aid that could have been disbursed during the payment period or term.

If a student earned less aid than was disbursed, SUBR would be required to return a portion of the funds and the student would be required to return a portion of the funds. Keep in mind that when Title IV funds are returned, the student borrower may owe a debit balance to the institution. If a student earned more aid than was disbursed to him/her, the institution would owe the student a Post-Withdrawal Disbursement which must be paid to the student within 120 days of the student's withdrawal.

Funds received for which the student has been determined ineligible must be repaid by the student. SUBR will return funds as a result of the R2T4 calculation to the applicable agencies on the student's behalf. At that point, the student will be responsible for repaying to the university any outstanding balance that exists on the student's account as a result of the repayments. Federal Law requires that refunds on behalf of student financial assistance recipients must be returned in the following order:

1. Federal Direct Unsubsidized Loan
2. Federal Direct Subsidized Loan
3. Federal Perkins Loan
4. Federal Direct PLUS (Graduate Student)
5. Federal Direct PLUS (Parent)
6. Federal Pell Grant
7. Federal Supplemental Educational Opportunity Grant (FSEOG)
8. TEACH Grant

SUBR must return the amount of Title IV funds for which it is responsible no later than 30 days after the date of the determination of the date of the student's withdrawal.

If a student unofficially withdraws from the university, the withdrawal date is the midpoint of the period of enrollment.

For a student who withdraws after the 60% point-in-time, there are no unearned funds. However, SUBR must still determine whether the student is eligible for a post-withdrawal disbursement (PWD).

Post Withdrawal Disbursements (*Title IV aid that could have been disbursed*)

In addition to aid disbursed, aid that could have been disbursed is also used in the calculation. There are two principles that govern the treatment of disbursements of Title IV funds in Return calculations. The first principle provides that, for purposes of determining earned Title IV aid, generally, so long as the conditions for late disbursements in 34 CFR 668.164(g)(2) were met prior to the date the student became ineligible, any undisbursed Title IV aid for the period for which the return calculation is performed is counted as aid that could have been disbursed (regardless of whether the institution was prohibited from making the disbursement on or before the day the student withdrew because of the limitations in 34 CFR 668.164(g)(4) or elsewhere).

Information Regarding Loan Repayment

The R2T4 calculation may result in the student's and parent's being responsible for directly returning additional loan amounts to the US Department of Education. The loan grace period begins on the withdrawal date from the school, or when a student ceases to be enrolled on at least a half-time basis. If the student does not re-enroll as a half-time student within 6 months of withdrawal or less than half-time enrollment, the loans enter repayment. The student should contact the loan servicer or the US Department of Education to make repayment arrangements. The promissory note signed by the borrower outlines repayment obligations. The student should contact the servicer or the US Department of Education with any questions.

How a Withdrawal Affects Future Financial Aid Eligibility

- Refer to the Financial Aid Office Satisfactory Academic Progress Policy to determine how a withdrawal impacts aid eligibility.
- May be responsible for repaying funds previously received.

NOTE: This policy is subject to revision without notice based on changes to federal laws and regulations or SUBR policies. If changes are made, the student is held to the most current policy.