

WITHDRAWAL AND RETURN TO TITLE IV FUNDS (R2T4) POLICY

Student financial aid and dropping or withdrawing from classes

Dropping classes or withdrawing may result in a reassessment of your College charges and/or a recalculation of your financial aid for the term. The exact consequences to you depend on a number of factors, including the type and amount of aid you have and the official date on which you drop classes or withdraw.

Types of Withdrawal

Official

The student notifies the College they will be withdrawing from a program by phone, email, or other means. The Last Date of Attendance is the basis for the R2T4 refund calculation.

Unofficial (Constructive) Notice of Withdrawal

If a student misses more than 10 day of classes they are automatically withdrawn from a program and the LDA is used as the basis for R2T4 calculations.

How a Withdrawal Affects Financial Aid

Title IV (TIV) (federal) financial aid funds are awarded under the assumption that a student will remain in classroom attendance for the entire period (quarter) for which the funds were awarded.

When a student withdraws from all courses, regardless of the reason, the student may no longer be eligible for the full amount of TIV funds originally awarded. The return of 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 the student remains enrolled. A pro-rated schedule determines the amount of federal student aid funds the student will have earned at the time of full withdrawal. For example, a student who withdraws in the second week of the quarter has earned less of their financial aid than a student who withdraws in the fifth week. Once the 60% point in the quarter 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.

Financial Impact

The overall consequences of dropping courses depend on EACH of the following:

- the aid you have been awarded
- the point in the term you drop and the tuition refund period in effect
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The College performs the R2T4 return of funds calculations and returns the fund to the government. As a result of the adjustments to aid, you could owe additional money to the College (which would be due immediately) or have funds credited to your statement of account resulting in a refund. In some cases, you could have aid adjusted for future terms.

R2T4 Process

A copy of the withdrawal form, complete with registrars' signatures and indicating the last date of attendance, is received in the Financial Aid Office. The latest date of attendance in the classes in which the student was enrolled will be used as the withdrawal date.

The Financial Aid Office determines the amount of Title IV aid originally awarded and whether it is “disbursed” or “could have been disbursed.”

The Accounting Office provides the student’s original tuition and fee and bookstore charges.

An R2T4 worksheet is completed by the financial aid processor using the above data and forwarded to the registrar and accounting office. The Financial Aid Office will post the recalculated amount of aid for which the student is eligible as per the results of the R2T4 worksheet to the student’s account.

A copy of the worksheet is maintained in the Financial Aid Office and electronically scanned and made part of the student’s record.

MCAHM will return funds to the federal programs on the student’s behalf and will bill the student for any owed to the College after the R2T4 refund.

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

- Completely withdraws;
- Stops attending before the quarter’s end;

NOTE: MCAHM’s institutional tuition refund policy is separate from federal regulations to return unearned aid using the R2T4 calculation (See the College catalog).

Return of Funds

The College calculates the R2T4 fund within thirty days of the withdrawal and returns the funds to the government in no longer than 45 days.

How Earned Financial Aid is Calculated

Financial aid recipients “earn” the aid they 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.

MCAHM is required to determine the percentage of TIV aid “earned” by the student and return the “unearned” portion to the appropriate federal aid programs. MCAHM 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. The R2T4 calculation is completed by the Financial Aid 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, 12-week fall, winter, spring, or summer quarters. 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.

Post-Withdrawal Disbursement of Loan Proceeds

When the R2T4 calculation results in the student's being eligible to receive either Federal Direct Stafford Subsidized or Unsubsidized Loan proceeds, the student will be contacted via e-mail and US Mail by the Financial Aid Office. Written authorization from the student will be requested and is required before loan proceeds can be processed and awarded to the student.

Determination of Withdrawal Date

The withdrawal date used in the R2T4 calculation is the actual last date of attendance as provided by the instructors on the withdrawal form.

Withdrawing Prior to the 60% Point of a Payment Period

Unless and until a student completes 60% of the term in which financial aid was awarded, the student will be required to return all or part of the financial aid originally awarded for the term.

When a Student Fails to Begin Attendance

If financial aid is processed for a student who never begins attendance in any class for which the student registered in a term, all aid will be canceled.

When a Student Fails All Classes

If a financial aid recipient who has not officially withdrawn fails to receive a passing grade in at least one class during the term, the Financial Aid Office will determine whether the student actually established eligibility for the aid originally awarded. Instructors will be contacted and asked to provide information on the student's attendance. If the student did not begin attendance, or stopped attending during the payment period, the financial aid originally awarded will be canceled or adjusted.

Order of Return to Federal Aid Programs

In accordance with federal regulations, unearned aid will be returned to the federal programs in the following order:

Direct Unsubsidized Loans

Direct Subsidized Loans

Direct PLUS Loans

Repayment

The R2T4 calculation may result in the student's and parent's being responsible for directly repaying 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.

Consequences of Non-Repayment

Students who owe the US Department of Education for an overpayment of TIV funds are not eligible for any additional federal financial aid until the overpayment is paid in full or payment arrangements are made with the US Department of Education.

Students who owe MCAHM because of an R2T4 calculation will be placed on a financial hold. They will not be allowed to register for subsequent quarters or receive academic transcripts until the balance is paid.

Example of a Return to Title IV Calculation

1. The percentage of Title IV the student earned is determined by taking the number of calendar days completed in the period of enrollment and dividing by the total calendar days in the period of enrollment (excluding breaks of 5 days or more and days the student was on an approved leave of absence)
 - Example: 20 completed days/100 total days = 20 percent of aid earned
2. The dollar amount of Title IV aid the student earned is determined by multiplying the percentage of Title IV, HEA aid earned by the total of the Title IV aid disbursed plus the Title IV aid that could have been disbursed for the period of enrollment.
 - Example:
 - $20 \text{ percent} \times (\$2000 \text{ disbursed} + \$500 \text{ that could have disbursed}) = \500 aid earned
3. If this percentage is greater than 60 percent, the student earns 100 percent of the disbursed Title IV, HEA funds or aid that could have been disbursed.
4. If this percentage is less than 60 percent, then the percentage earned is equal to the calculated dollar amount earned.
5. Aid to be returned is equal to unearned percentage (100 percent minus the percent earned) multiplied by the amount of aid disbursed toward institutional charges. If a student earned less aid than was disbursed, the institution is required to return a portion of the funds and the student may be required to return a portion of the funds. All Title IV fund returns must be completed no later than 45 calendar days after the date of determination that the student withdrew.
6. Funds are returned to the appropriate federal program based on the percentage of aid earned and the order of return dictated by the U.S. Department of Education.
7. When Title IV funds are returned, the student may owe a balance to the institution.
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Post-Withdrawal Disbursement:

If you did not receive all of the funds that you earned, you may be due a post-withdrawal disbursement.

- All funds must be disbursed within 45 days.

- If your post-withdrawal disbursement includes loan funds, they will be offered to you within 30 days. MCAHM must obtain your permission within 14 days in order to disburse the loan funds to you. You may choose to decline some or all of the loan funds so that you don't incur additional debt.
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All post-withdrawal disbursements are applied to a student's account first towards outstanding tuition and fees (as contracted with the school).

If you receive (or MCAHM or parent receives on your behalf) excess Title IV program funds that must be returned, MCAHM must return a portion of the excess equal to the lesser of:

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

The school must return this amount even if it didn't keep this amount of your Title IV program funds. If the R2T4 calculation results in a credit balance on the student's account, the credit balance will be disbursed as soon as possible but no later than 14 days after the calculation of R2T4.

Questions?

If you are considering withdrawing and have any questions about the financial aid consequences, please contact Doug Pittman at 800-593-2320 or financialaid@acupuncture.edu.

NOTE: This policy is subject to revision without notice based on changes to federal laws and regulations or MCAHM policies. If changes are made, the student is held to the most current policy. This statement is intended to provide an overview of policies and procedures related to a complicated and very encompassing regulation. Additional information, including examples of R2T4 calculations, is available in the Financial Aid Office.