

## **Return to Title IV Funds (R2T4)**

The law specifies how a school must determine the amount of Title IV program assistance that you earn if you withdraw from school. The Title IV programs that are covered by this law are Federal Pell Grants, Iraq and Afghanistan Service Grants, TEACH Grants, Federal Supplemental Educational Opportunity Grants (FSEOGs), Direct Loans, and Direct PLUS Loans.

Though your aid is disbursed to your account on the advertised disbursement dates, you earn the funds as you complete the term. If you withdraw during your payment period or period of enrollment (please contact the Financial Aid Office to find out which one applies to you), the amount of Title IV program assistance that you have earned up to that point is determined by a specific formula. Please see the following [link](#) for information about how to officially withdraw from CWC. If you received (or the school or your parent received on your behalf) less assistance than the amount that you earned, you may be able to receive those additional funds in the form of a post-withdrawal disbursement. If you received more assistance than you earned, the excess funds must be returned by the school and/or you.

The amount of assistance that you have earned is determined on a pro rata basis. For example, if you completed 30% of your payment period or period of enrollment, you earn 30% of the assistance you were originally scheduled to receive. Once you have completed more than 60% of the payment period or period of enrollment, you earn all the assistance that you were scheduled to receive for that period.

There are two types of withdrawals, official withdrawals and unofficial withdrawals.

- The official withdrawal date is determined by the Student Records office based on when a student drops all of their classes, or notifies a school official of their intent to withdraw. In the case of module courses, if a student drops all future or current modules after completing a module, the withdrawal date is the last date of academic participation.
- Unofficial withdrawals are students who failed all of their classes per the grades reported at the end of each semester. CWC's F grade policy requires that all F grades be reported with the last date the student participated in the class. The withdrawal date is the last date the student participated in the class.

The "Return to Title IV" calculation has several steps. Below is the pertinent information involved in the calculation.

- The school determines the amount of Title IV financial aid that has been disbursed to your account versus the amount of Title IV financial aid that could have been disbursed to your account. In most cases the full amount of aid will have disbursed. In the instance that your aid has not been disbursed you may be eligible for a post-withdrawal disbursement.
- The school determines the amount of time you attended versus the total days of the semester. Breaks of five or more days during the semester are removed from the total

days of the semester. The calculation is represented as a percentage of aid the student has earned.

- The school multiplies the percentage of aid earned by the total amount of disbursed aid and aid that could have disbursed. This is the amount of aid the student has earned.
- The school takes the amount of aid the student has earned and subtracts it from the total aid disbursed for the student. This is the amount of aid the student has not earned.
- The school determines the amount of institutional charges that have been applied to the student's account. This amount is multiplied by the percentage of aid earned. This is the amount of unearned institutional charges.
- The school reviews the amount of unearned aid versus the amount of unearned institutional charges, which is done within 30 days from the date the school determined the student withdrew (officially and unofficially). The lesser of the numbers is the amount of aid that is returned. The school has 45 days from the date the school determined the student withdrew (officially and unofficially) to return this amount. The least desirable aid is returned first, in ascending order of desirability as follows:
  - Federal Direct Unsubsidized Loan
  - Federal Direct Subsidized Loan
  - Federal Perkins Loan
  - Federal Direct PLUS Loan
  - Federal Pell Grant
  - Federal Supplemental Educational Opportunity Grant (FSEOG)
  - Federal TEACH Grant
  - Iraq and Afghanistan Service Grant
  - Other Federal, State, Private, or Institutional Aid

If a student did not receive all of the funds earned, the student may be eligible for a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the school is required to get the student's permission before it can disburse them. The student may choose to decline some or all of the loan funds so additional debt is not incurred. The school may automatically use all or a portion of the post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges. The school is required to get the student's permission to use the post-withdrawal grant disbursement for all other institutional charges. If the student does not give permission, the student will be offered the grant funds.

There are some Title IV funds that the student was scheduled to receive that cannot be disbursed once the student withdraws because of other eligibility requirements. For example, if the student is a first-time, first-year undergraduate student and has not completed the first 30 days of the program before the withdrawal, the student will not receive any Direct Loan funds that would have been received had the student remained enrolled past the 30th day.

If the student received (or the school or parent receive on the student's behalf) excess Title IV program funds that must be returned, the school must return a portion of the excess funds equal to the lesser of:

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

The school must return this amount even if it didn't keep this amount of the student's Title IV program funds. If the school is not required to return all of the excess funds, the student may be required to return the remaining amount.

For any loan funds that must be returned, the student (or the student's parent for a Direct PLUS Loan) will repay the loan funds in accordance with the terms of the promissory note. That is, the student will not be required to repay any loan funds immediately, but instead, will make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that must be returned is called an overpayment. The maximum amount of a grant overpayment that a student must repay is half of the grant funds the student received or was scheduled to receive. The student does not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. The student must make arrangements with the school or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when a student withdraws 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 charge the student for any Title IV program funds that the school was required to return. If a student doesn't already know the school's refund policy, the student should ask the school for a copy. If a student has questions about Title IV program funds, they 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 <https://studentaid.gov>