

Return of Title IV (R2T4) Funds Policy

Title IV funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. A federal financial aid recipient who withdraws from Southern California University of Health Sciences (SCU), officially or unofficially, after beginning attendance is subject to a Return of Title IV (R2T4) policy.

Students who withdraw, drop classes or complete zero credits for the period of enrollment for which they have been charged tuition and received financial aid may have to repay a portion of the grants and/or loans they received, as well as any tuition SCU recalculates as a result of the withdrawal. **This policy does not apply to work study earnings received.** Students who remain enrolled greater than 60% of the payment period are considered to have earned 100% of the aid received and will not owe a repayment of financial aid. Please note that the R2T4 policy and SCU's tuition refund policy are separate. The R2T4 policy described below has been established by the U.S. Department of Education and must be followed by all federal aid recipients.

Determining Date of Withdrawal/Last Date of Attendance

The last date of attendance or academic engagement is used to determine whether a student owes a repayment of financial aid funds, and the amount of repayment. For financial aid purposes, there are two types of withdrawal: official and unofficial.

- **Official Withdrawal** - The date the student officially notified the institution in writing of their intent to withdraw by completing the Official Withdrawal Form and submitting it to the Registrar Office.
- **Unofficial Withdrawal** - For students who receive all non-passing grades in a term, the latest date of academic engagement as confirmed by the faculty member(s) will be used for purposes of R2T4. If multiple dates are reported from different classes/faculty members, the latest date of attendance posted by the

faculty member(s) will be used as the last date of attendance. If dates are not reported by the faculty, the 50% midpoint term date is used.

For assistance with withdrawing from all or some of your courses for a term, please contact the Office of the Registrar at 562-947-8755 ext. 190.

Academic Engagement includes:

- Attending a class, lecture, field or laboratory activity, either physically or online, where there is an opportunity for direct interaction between the instructor and students
- Submitting an academic assignment
- Taking an assessment or exam
- Participating in an interactive tutorial, webinar, or other interactive computer-assisted participation
- Participating in a study group, group project, or an online discussion that is assigned by the institution; or
- Interacting with an instructor about academic matters.

Academic Engagement **does not** include:

- Logging into an online class or tutorial without any further participation; or
- Participating in academic counseling or advisement.

Funds are returned to the following sources in order of priority, as established by Congress:

- 1) Unsubsidized Direct Loans
- 2) Subsidized Direct Loans
- 3) Direct PLUS Loans
- 4) Federal Pell Grants

Determining Repayment Amount

There are six basic steps in the formula for calculating the amount of funds that must be returned to the financial aid programs:

1. Determine the date of withdrawal and last date of attendance using attendance records and/or the Official Withdrawal Form from the Office of the Registrar within 30 days after the end of a term/payment period
2. Determine the percentage of the term/payment period attended by the student using the number of calendar days completed through the date of withdrawal

divided by the number of calendar days in the term or payment period less any breaks of five calendar days or less

3. Calculate the amount of financial aid earned by the student
4. Compare amount earned and amounts disbursed/could have been disbursed to determine amount unearned
5. If amount of aid earned is greater than amount disbursed, determine late/post-withdrawal disbursement amount that can be offered to the student and notify the student within 30 days of the date of determination of the withdrawal date of this award
6. If amount of aid earned is less than amount disbursed, determine the amount of financial aid that must be returned and return the school- owed funds within 45 days of the date of determination of the withdrawal date.

Both SCU and the student have specific responsibilities under this policy. Students who owe a repayment due to the R2T4 policy must pay that obligation/debt before regaining eligibility for additional assistance. Students may be unable to register for future terms until the obligation/debt is satisfied.

Treatment of Federal Student Aid When a Student Withdraws

REQUIREMENTS OF 34 CFR 668.22

SCU is required to determine the amount of Title IV program assistance that a student earns when withdrawing. The Title IV programs covered by this requirement include: Federal Pell Grants, Direct Loans, and Direct PLUS Loans.

When a student withdraws during a payment period, the amount of Title IV program assistance earned is determined by a specific formula. If less assistance than the amount earned has been received, students may be able to receive those additional funds. If more assistance than the amount earned has been received, the excess funds must be returned.

The amount of assistance earned is determined on a prorated basis. For example, if a student who has completed 30% of the term by days attended earns 30% of the assistance originally scheduled to receive; a student that has completed more than 60% of the term is considered to have earned 100% of the assistance for that period.

A student who did not receive all the funds earned may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the Office of Financial Aid staff must get the student's permission before a disbursement can be made. A student may choose to decline some or all the loan funds. All or a portion of post-

withdrawal disbursement (including loan funds) may automatically be used to satisfy outstanding tuition and fees. For all other school charges, the student's permission is required to use the post-withdrawal disbursement toward those charges. If a student does not give permission, funds will be disbursed directly to the student. However, it may be in the student's best interest to allow the University to keep the funds to reduce the debt owed to the University.

The Office of Financial Aid staff must also get the student's permission before disbursing any Title IV grant funds that are part of a post-withdrawal disbursement directly to the student. If the student, parent or the University, on the student's behalf, received excess Title IV program funds that must be returned, the University must return a portion of the excess equal to the lesser of:

- Institutional charges multiplied by the unearned percentage of funds, or
- The entire amount of excess funds

The University must return this amount even if it didn't keep this amount of the student's Title IV program funds. If the University is not required to return all the excess funds, the student must return the remaining amount. Loan funds must be returned in accordance with the terms of the promissory note. That is, the student must make scheduled payments to the holder of the loan over a period until the loan is fully paid.

Any amount of unearned grant funds that you must return is called an overpayment. The amount of grant overpayment due from a student is limited to 50% of the grant funds received or scheduled for the term. In addition, a student does not have to repay a grant overpayment of \$50.00 or less. A student must make arrangements with the University 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 the University tuition refund policy. Therefore, a student may still owe funds to the school to cover unpaid institutional charges. The University may charge a student for any Title IV program funds that the school was required to return. When SCU is required to return tuition revenue to Title IV program, students will owe the University this amount. Registration activity may also be blocked until this debt is paid. Unpaid debts may be referred for collection activity and additional fees may be added.

The financial aid Return of Title IV Funds (R2T4) is followed for all federal aid recipients. The following factors impact Return of Title IV Funds:

- Students who receive federal financial aid are subject to the Return of Title IV Policy.
- Students who withdraw or complete zero credits for the period of enrollment for which they have been charged tuition and received financial aid may have to repay a portion of the grants and/or loans they received in addition to any tuition the University returns to the financial aid programs as a result of the withdrawal.
- If it is determined, at any point, that a student never attended a course/courses in a term where financial aid was received, the student will be required to repay all funds received.
- Students who remain enrolled greater than 60% of the payment period are considered to have earned 100% of the aid received and will not owe a Return of Title IV Funds.
- If a student completes at least one course they will be subject to the Satisfactory Academic Progress policy, rather than the Return of Title IV Funds policy.
- This policy does not apply to work-study earnings received.

If you have questions about your Title IV program funds, you can call the Federal Student Aid Information Center at 1-800-4-FED-AID (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. You may also contact SCU Office of Financial Aid at (562) 9947-8755, Option #2, then #1 or via email at: financialaid@scuhs.edu.