

Return of Title IV Funds (R2T4) Policy

Overview and General Requirements

The federal Higher Education (HEA) of 1965 was amended in 1998 and new regulations were established with regard to Title IV student financial aid programs. Students earn their Title IV federal financial aid by attending class and if they were not enrolled long enough to earn all their aid, the 'unearned' portion must be returned to the appropriate Title IV program.

Title IV funds are awarded and disbursed based on the assumption that a student will attend courses for the entire term (fall, spring, and summer) and is therefore eligible for the entire amount of the disbursement for that payment period or period of enrollment. A student who withdraws from all courses and received Title IV funds must have a R2T4 calculation performed to determine the percentage of aid that was actually earned based on the amount of time the student was enrolled. Students are entitled to aid that was earned. Feather River College will return any unearned aid to the appropriate Title IV program. This adjustment and process is most often referred to as performing the return of Title IV funds or simply "R2T4".

R2T4 regulations are complex and any person assigned to monitor and perform the R2T4 process is expected to understand and accurately interpret the R2T4 principles and regulations. The most comprehensive guide to the R2T4 regulations can be found in the Federal Student Aid Handbook Volume 5/Chapter 1 on the [Information for Financial Aid Professionals \(IFAP\) | https://ifap.ed.gov](https://ifap.ed.gov) or at the U.S. Government Print Office (GPO) Electronic Code of Federal Regulations website <https://www.ecfr.gov> Code 34 CFR 668.22.

Financial aid programs subject to the R2T4 requirements include:

- Pell Grant
- FSEOG
- TEACH Grant (Not Awarded at Feather River College)
- Iraq and Afghanistan Service Grants
- Direct Unsubsidized Stafford Loan
- Direct Subsidized Stafford Loan
- Direct Parent PLUS Loan
- Direct Grad PLUS Loan (Not Awarded at Feather River College)

Return of Title IV Funds calculations must be completed within 30 calendar days of the date of determination of complete withdrawal and must be returned to the program from which the funds originated, in the following order (34 C.F.R. §668.22(i):

- Direct Unsubsidized Loan
- Direct Subsidized Loan
- Direct Plus Loan
- Pell Grant
- FSEOG
- Other Title IV programs

An R2T4 calculation is not required in the following situations:

- The student never actually began attendance for the payment period
- The student continues to attend at least one course and passes with a final passing grade
- The student began attendance but was not eligible to receive Title IV funds (SAP Denials, Verification Incomplete, Ineligible Program of Study, etc.)
- The student has successfully completed all requirements for graduation from their program before completing the days or hours in the period that the student was scheduled to complete
- The student successfully completes one module that includes 49% or more of the number of days in the payment period
- The student successfully completes a combination of modules that when combined contain 49% or more of the numbers of days in the payment period; or coursework equal to or greater than the coursework required for the institution's definition of a half-time student

Determining Withdrawal Date

Official and unofficial withdrawal dates will be determined using the federal regulation definition for a withdrawal date. The official date will be determined by the following:

1. Date the student begins the withdrawal process;
2. Date the student provides official notification of intent to withdraw;
3. Students who fail to officially withdraw are assumed to have completed at least 50% of the term unless an earlier or later date is determined by the school.

Official Withdrawals

An official withdrawal is the federal term used when a student begins the official withdrawal process or provides official notification to the school of their intent to withdraw. The date the institution would use for R2T4 purposes would be the date the student either began the official withdrawal process or the date of the student's official notification. R2T4 calculations will be processed within 30 days of the withdrawal determination.

Written confirmation

A student is not considered to have withdrawn if the institution obtains written confirmation from the student at the time of withdrawal that they will attend a later module* in the same payment period/period of enrollment.

**no later than 45 calendar days after the end of the module the student ceased attending*

Unofficial Withdrawals

A student is considered to be an unofficial withdrawal in the event they received all non-passing grades at the end of the term. Feather River College will calculate the percentage of financial aid earned based off of the Department of Education standard of 50%. R2T4 calculations will be processed within 30 days of the withdrawal determination.

Processing R2T4 for Withdrawals

Students receiving federal financial aid who completely withdraw within the first 60% in a payment period are subject to the federal return provisions.

2022-2023 60% dates:

Fall 2022 – October 30, 2022
Spring 2023 – April 3, 2023

Feather River College will use a formula to determine the amount of Title IV funds a student has earned as of their last day of attendance. During the first 60% of the payment period*, the student "earns" Title IV aid in proportion to the length of time they remain enrolled. The percentage of Title IV funds earned will equal the percentage of the calendar days completed in the payment period prior to the withdrawal date or the last day of attendance. After the student has completed 60% of the payment period, they have earned 100% of the Title IV funds disbursed.

**Payment periods will not include scheduled breaks of 5 or more consecutive days.*

Percentage Earned – The percentage of Title IV funds earned is equal to the percentage of the payment period completed as of the last day of attendance.

Percentage Unearned – The total Title IV funds disbursed minus the amount of Title IV funds earned determine the amount of Title IV unearned and must be returned to the Department of Education.

Returning of Title IV Funds

- The student will be notified following the official calculation of R2T4 in writing via email or mail
- The Financial Aid Office in combination with Business Services will return unearned Title IV according to guidelines
- Business Services will return all required Title IV funds to the Department of Education within 45 days of officially determining the student withdrew
- The student must return any overpayment directly to Student Accounts
- The Financial Aid Office may refer the overpayment to the Department of ED if the student fails to make satisfactory payment arrangement

Post-Withdrawal Disbursements

If a student ceased enrollment prior to Title IV funds being disbursed, and if Title IV funds could have been disbursed, the Financial Aid Office will determine the amount of aid that was earned and perform a Post-withdrawal disbursement. If a student began attendance but was not eligible for Title IV aid prior to withdrawing, these regulations do not apply. Grants will be disbursed within 45 days. Loans will be offered to the student within 30 days, allowing the student at least 14 days to respond. All post-withdrawal disbursements are applied to student account first, before any resulting credit balance is handled. Credit Balances will be disbursed as soon as possible and no later than 14 days after the calculation of R2T4.

34 C.F.R. §668.164(h), 34 C.F.R §668.22 (a)(5) and (6); 34 C.F.R. §668.164(j).

Funds the student is responsible to return

Once Feather River College notifies the withdrawn student that they are responsible for repaying some of the aid previously received, the student will have 45 calendar days to:

- Repay these funds in a single payment to the college who will then return the funds to the Federal Government
- Request to make satisfactory payment arrangements to repay the Federal Government over time

If the student does not take care of this matter within the 45 days, the matter will be referred to the Federal Government for collections which will result in the student becoming immediately ineligible for Federal Aid at Feather River College and all other Title IV institutions.

Funds the college is responsible to return

Feather River College will immediately return to the Federal Government any funds the institution is

responsible to repay due to the student's withdrawal. Feather River College will then bill the student on the student billing account in order to recover funds returned to the Federal Government. In addition to owing monies to the college, a hold will be placed on the student's account which will prevent registration. The student will also be given a deadline within which to repay this money; if this money is not repaid to the college, the student will be referred to collections.

Future Aid Eligibility

Withdrawing may affect your eligibility to receive financial aid in subsequent terms. Notify your respective Financial Aid Office if you are planning to return. If your loans should go into repayment once you withdraw from school, it is important to make your payments on time to prevent default. If you default on a loan, you would lose your eligibility for any future financial aid.