



## **ANA G MENDEZ UNIVERSITY STUDENT CONSUMER INFORMATION Return of Title IV Policy**

### **Introduction/Purpose**

The Office of Student Financial Assistance (OSFA) is required by the Higher Education Act (HEA) of 1965, as amended in 1998, to determine the amount of financial aid that a student “earned” for an academic semester when the student does not complete at least one course within that semester. When the “earned” aid is less than the disbursed aid, the institution and student are responsible for returning the “unearned” disbursed funds to the appropriate agency.

Title IV funds include Direct Subsidized/Unsubsidized Loan, Direct Graduate PLUS Loan, Direct PLUS Loan, Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (SEOG), Federal Perkins Loan, and TEACH grants. It does not include scholarships from the University or other private organizations.

### **Procedure**

If a student who qualifies for Title IV (federal financial aid) funds does not complete the term or part of term, the university is required to complete a pro rata calculation to determine the percentage of the Title IV funding the student has earned for that term. The pro rata calculation, called a Return of Title IV (R2T4) calculation, is based on the premise that a student “earns” financial aid for each calendar day they remain enrolled and in attendance during a term or part of term. The R2T4 calculation must be performed if a student notifies the university of their withdrawal (official withdrawal), is dismissed, or stops attending all their courses without notification (unofficial withdrawal). For students who officially withdraw, the date the student began the official withdrawal process or provided official notification to the university of their intent to withdraw will be considered their last date of attendance. For students who unofficially withdraw, the midpoint of the term will be considered their last day of attendance. If a student was only scheduled to attend a part of term course (i.e., a course that does not span the entire term) and they unofficially withdraw, the midpoint of the part of term will be the last day of attendance. For students who are dismissed, their date of dismissal will be considered their last date of attendance.

The pro rata calculation uses the number of days the student attended as the numerator and the number of days in the term or the days they were scheduled to attend if enrolled part of term (excluding any scheduled breaks of 5 days or more) as the denominator. For example, if a student attended 40 days of a term of 100 days, they will have earned 40% of their Title IV aid for that term.

If a student attends beyond the 60% point of the term, they have earned 100% of their financial aid for the term.

If the R2T4 calculation determines the student has received more in Title IV disbursements than they have earned, the unearned portion of Title IV funding must be returned to the U.S. Department of Education no later than 45 days from the date the university determined the student ceased attending. There may be both an institutional and student portion to return. The university will return the institutional portion of loans and grants and the student portion of grants to the U.S. Department of Education, and the student will be responsible for repaying the university for any resulting balance on their student account. The student portion of the grant overpayment is any amount of the grant overpayment that exceeds 50% of the amount of grant aid received by the student. The amount that must be returned is the lessor of:

1. The institutional charges multiplied by the unearned percentage of the Title IV funds; or
2. The entire amount of excess Title IV funds.

Any unearned funds are returned in the following order:

- Unsubsidized Direct Loans;
- Subsidized Direct Loans;
- Direct PLUS Loans;
- Federal Pell Grants;
- IASG Grants;
- FSEOG Grants;
- TEACH Grants.

The student portion of grants will not be returned if the grant overpayment is \$50 or less. Any loan amount to be returned by the borrower must be repaid according to the terms and conditions of the borrower's Master Promissory Note (MPN).

If the R2T4 calculation determines the student has received less in Title IV disbursements than they have earned, the student may be offered a post-withdrawal disbursement (PWD). The university may automatically disburse all or a portion of the PWD that consists of grant funds in order to satisfy tuition and fees within 45 days of the date the university determined the student ceased attending. The university will seek the student's permission to use PWD grant funds for all other educationally related charges. Any PWD of loan funds must be offered to the student or parent borrower in writing within 30 days and accepted by the student or parent borrower and disbursed within 180 days of the date the university determined the student ceased attending. Loan borrowers who are offered a PWD of loan funds will receive written instructions for declining the PWD or accepting all or a portion of the PWD. A borrower can never receive a PWD for funds for which they did not meet the eligibility criteria at the time they ceased attending.

A student is exempt from the R2T4 calculation if any of the following conditions apply:

- They complete all requirements for graduation in the same term they cease attendance.
- They successfully complete one or more part of term courses that includes 49% or more of the number of days in the student's payment period.
- They are enrolled in a program offered in a part of term format and they successfully complete coursework equal to or greater than the university's definition of a half-time student.
- They are enrolled in a program offered in a part of term format and provide written confirmation that they will begin attendance in another part of term course in the same term within 45

calendar days from the date they ceased attending. If the student does not subsequently begin the part of term course, they confirmed they would attend, a R2T4 calculation is required.

Although a student may be exempt from the R2T4 calculation, other adjustments to the student's financial aid may be required.

The R2T4 calculation does not apply to Federal Work Study or non-federal financial aid programs.

The R2T4 calculation is separate from the university's refund policy. If a student ceases attendance during a term, the Title IV funds that previously paid or were anticipated to pay the student's account balance may be reduced resulting in the student owing a balance to the university. The university will seek payment from the student for any funds it returns to the U.S. Department of Education that results in a balance due on the student's account. We encourage students to carefully consider the academic and financial consequences of withdrawing and to consult with the Financial Aid Office prior to withdrawing.

### **Financial Aid Credit Balances**

AGMU will issue a credit balance payment when a student's financial aid payments received exceed the tuition charges on their account. All credit balances will be processed according to the following refund guidelines:

1. If the amount paid to the student account exceeds the cost of tuition and fees, a check or direct deposit will be processed.
2. Financial Aid credit balances will be processed within 14 days after the financial aid funds have been disbursed into the student account.

### **Credit Balance and Refund Procedures**

Credit balance payments and refund payments will be processed according to the following:

- A payment will be sent via Direct Deposit to the students who have submitted the University's Direct Deposit form. Students who have not completed the Direct Deposit form will receive a check via mail.
- Students will be notified, via email or text message, that the credit balance or refund has been processed.
- The student is responsible for any outstanding balance in their account that may result from any adjustments made in their academic load after the credit balance or refund disbursement.
- All uncashed checks expire 90 days after the date of issuance.
- If the student does not cash the check within the established time or the direct deposit is unsuccessful, the Bursar's Office will contact the student, inquire how they would like to receive the funds, and provide next steps. If the Bursar's Office is unable to reach the student, the funds will be returned to the original funding source (i.e., U.S. Department of Education, state agency, etc.). If the source of the funds was a payment from the student (i.e., not financial aid or another third-party payment) and attempts to contact the student are unsuccessful, the funds will be held on the student's account until the student inquires or the student incurs new charges to which the credit balance may be applied.
- Students are responsible for notifying the Bursar's Office of any changes to their address, bank account or any information required by AGMU to locate the student.
- AGMU will not issue a new Direct Deposit or check until the student has completed the corresponding form for a stop payment.
- All claims regarding this procedure or the cancellation, refund and credit balance policies shall be made in writing to the corresponding Bursar's Office.