

Return to Title IV Funds Policy (R2T4)

In accordance with Federal regulation 34CFR, section 668.22(a) of the Reauthorization of the Higher Education Act of 1965, students receiving Title IV funds (federal financial aid) who withdraw from or stop attending all courses may be required to return a portion of the Title IV funds they received. Title IV funds include all federal grants and loans. Students begin to earn Title IV funds beginning on the first day of each course enrolled. Students who are eligible for Title IV funds are awarded under the assumption that the student will attend school for the entire term, payment period, or period of enrollment. All Title IV funds “earned” by a student are in direct proportion to the length of time he/she remains enrolled.

All students receiving Title IV funds, who completely withdraw or cease attendance in their courses and earn a grade of F or I for all courses enrolled for the term, payment period, or enrollment period will be subject to a R2T4 calculation. The R2T4 calculation is based on the last reported date of attendance by the instructor or student-initiated withdrawal date, via the withdrawal form. Once the R2T4 calculation is complete, **the student may owe unearned federal aid to Midland College.**

Determination of Withdrawal Date

Attendance

Midland College is not required to take attendance by the State of Texas or the Southern Association of Colleges and Schools after the official census date for the course. However, federal regulations require that students attend courses on campus or participate in an academically related activity in online courses prior to the census date. Academic attendance will be verified by official course rosters submitted by instructors within 4 business days of the census date of each course enrolled.

Non-Attendance/Non-Participation

If the student is reported by an instructor for “non-attendance” prior to the official census date, financial aid for the course(s) will be removed from the student’s account. The student’s date of withdrawal will be backdated to the day before the course(s) started and charges for the course(s) will be removed from the student’s account. If there is a balance left on a student’s account, which includes bookstore charges, it will be the responsibility of the student to pay the balance through the Midland College Cashier’s Office.

Withdrawal

For Title IV purposes, the last date of academic attendance is one of the following:

- The date the formal withdrawal process begins
- The date the student otherwise gives official notice of intent to withdraw (e.g. letter, withdrawal form, in-person, or verbally)
- The last documented date of attendance in an academically-related activity (e.g. documented attendance in a course, lab, or submission of an assignment in an on-line course)
- In the event that a student is receiving Title IV aid at the time of his or her death, Midland College will determine the official withdrawal date, no later than the date of death, and will calculate and return the unearned portion of funds to the appropriate federal programs. Any balance remaining on the student’s account at Midland College will be covered by institutional funds.

Calculation and Determination of Federal Aid Earned

The student receiving Title IV funds is required to complete a minimum number of hours for which aid was received. Although aid is posted to the student’s account at the census date of each payment period, the funds are earned as the

payment period progresses. The student may be required to return the unearned portion of the funds which were received during the payment period if:

- The student completely withdraws from school during the payment period
- Withdraws from all courses that are eligible for Title IV funds, but remains in courses which are not paid by Title IV funds
- Quits attending, but fails to officially withdraw, via the Withdrawal Form

Liability for return of Federal Title IV funds will be determined according to the following guidelines:

- If the student remains enrolled and attends courses for more than 60% of the payment period in which aid is received, all federal aid is considered earned and not subject to this policy.
- If the student completely withdraws from all Title IV eligible courses before completing more than 60% of the semester, the unearned portion will be returned to the federal government.
- If the earned portion of aid has not been disbursed before the withdrawal date, a post-withdrawal disbursement will be made within 30 days.
- If a student ceases attendance, but does not complete a withdrawal form, the unearned portion will be returned to the federal government based on the last date of attendance reported by the instructor(s). If the college is unable to document the last date of attendance, the mid-point date will be used to determine the portion of aid that should be returned.

Return of Unearned Federal Aid

Once the school has completed the R2T4 calculation, any unearned aid must be returned to the federal government. Funds will be returned in the following order:

1. Federal Unsubsidized Direct Stafford Loan
2. Federal Subsidized Direct Stafford Loan
3. Federal Direct Parent Loan for Undergraduate students (PLUS)
4. Federal Pell Grant
5. Federal Supplemental Educational Opportunity Grant (FSEOG)

Pre-Census and Post-Census Withdrawals

If the student withdraws from Midland College after the first day of class, either before or after the Census date, the Financial Aid Office must perform a R2T4 calculation and the following takes place:

- The “earned” Title IV funds will be posted to the student’s account.
- If Title IV funds have already been posted to the student’s account, the unearned portion will be removed.
- The student will be responsible to pay any remaining balance owed to the cashier’s office.
- A hold will be placed on all Midland College records until the debt is resolved.

Post-Withdrawal Disbursement

If a student withdraws from all classes prior to disbursement of funds, a post withdrawal calculation will be conducted to determine the actual amount of earned funds. In some instances, students will be asked to provide confirmation to accept or decline some or all of the earned funds.

Post-withdrawal disbursements are to be made as soon as possible, but no later than 45 days for grants and no later than 180 days for loans. Whenever possible, post-withdrawal disbursements for loans are made within two weeks of the deadline established for the student to accept or decline the loan portion of a post-withdrawal disbursement. If the student fails to respond within the 14-day deadline, funds will automatically be returned to the school.

Return to Title IV Calculation in Modules

If a student withdraws from courses in modules (e.g. 1st 8 Week, 2nd 8 Week, Mini Session), but completes at least 49% of the payment period, the Financial Aid Office is not required to perform the R2T4 calculation. Additionally, if a student withdraws from one module, but remains enrolled in a later module and signs an attestation that he or she is intending on attending courses later in the term, the Financial Aid Office is not required to perform a R2T4 calculation unless the student does not begin attendance in the later module. In the event that a student withdraws from two or more modules that do not overlap, the highest percentage earned will be used to determine the last date of attendance used in the R2T4 calculation.

Institutional Responsibilities under the R2T4 Policy

Midland College is required to return the amount of Title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of determination of the student withdrew. The institution's responsibilities under the R2T4 policy are to:

- Provide students with information about the R2T4 Policy
- Identify students who will be affected by this policy
- Complete R2T4 calculations on students who have been identified
- Inform students of the result of the R2T4 calculation within 45 days from the date of determination
- Remove all unearned funds from student's account
- Return any unearned funds to the applicable Title IV program(s)
- Notify the Cashier's Office to place a hold on all Midland College records until the debt is resolved
- Notify the student (or parent, as applicable) of eligibility for a post-withdrawal disbursement, if any

Student Responsibilities under the R2T4 Policy

- The student is responsible for reviewing and understanding the R2T4 policy. Students must also understand how withdrawing from courses affects eligibility for Title IV funds.
- The student is responsible for adhering to Midland College's withdrawal policy and promptly notifying the institution of intention to separate.
- The student is responsible for paying any outstanding debt at Midland College.
- Debts from a Return to Title IV calculation must be paid in full to the Cashier's Office and the hold will then be removed.