

Return to Title IV 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. Once the R2T4 calculation is complete, **the student may owe unearned federal aid to Midland College or the federal government.**

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

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 **OR**
- The date the student otherwise gives officials notice of intent to withdraw (e.g. letter, withdrawal form, in-person, or verbally) **OR**
- 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) **OR**
- 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 is completed. 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, or quits attending, but fails to officially withdraw, the student may be required to return the unearned part of the funds which were received during the payment period. Liability for return of Federal Title IV funds will be determined according to the following guidelines:

1. 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.
2. If the student completely withdraws from all Title IV eligible courses before completing more than 60% of the semester, a pro-rated portion of the federal aid received must be returned to the federal aid programs equal to the percentage of the semester remaining.
3. If all eligible aid was not already disbursed to the student before the student withdrew, the **earned** portion of aid will be paid to the student as a post-withdrawal disbursement within 30 days of the Date of Determination the student has withdrawn.
4. If the student does not officially withdraw from courses, and stops attending all courses, a pro-rated portion of the federal aid received, based on the documented last date of attendance, must be returned to the federal aid programs. 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 which should be returned.

Return of Unearned Federal Aid

Once the school has completed a R2T4 calculation, any unearned aid must be returned to the federal government and the student will owe the funds back to Midland College. 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)
6. Federal Iraq and Afghanistan Service Grant

Pre-Census Withdrawal

If the student withdraws after the first day of class, but before census date of the course(s) enrolled during the payment period, the student will have the option to accept or decline any Title IV funds. The student will be given 14 days from the time notified of the R2T4 calculation in order to accept or decline the Title IV funds.

If the student does not acknowledge their decision in writing, the Title IV funds will be posted to the student's account towards any balance owed and the following will take place:

1. The "earned" Title IV funds will be posted to the student's account;
2. Student will be placed on automatic suspension;
3. Student will be reported to the U.S. Department of Education via the National Student Loan Data System (NSLDS) as an overpayment for resolution of the debt;
4. A hold will be placed on all Midland College records until the debt is resolved;
5. Students will not be eligible for Title IV funds at any institution until the overpayment is resolved.

If the student decides to decline the Title IV funds in writing, the following will take place:

1. All Title IV funds will be removed from the student's account;
2. The student will be responsible to pay the full balance owed to the cashier's office;
3. The student will **NOT** be placed on suspension;
4. A hold will be placed on all Midland College records until the debt is resolved.

Post-Census Withdrawal

Once the student withdraws after the census date of the course(s) enrolled during the payment period, the student will have “earned” a portion of their eligible Title IV funds. The Title IV funds will be posted to the student’s account towards any balance owed and the following will take place:

1. The “earned” Title IV funds will be posted to the student’s account;
2. Student will be placed on automatic suspension;
3. Student will be reported to the U.S. Department of Education via the National Student Loan Data System (NSLDS) as an overpayment for resolution of the debt;
4. A hold will be placed on all Midland College records until the debt is resolved;
5. Students will not be eligible for Title IV funds at any institution until the overpayment is resolved.

Post-Withdrawal Disbursement

If the student has received less Title IV funds than the amount “earned”, the College must offer a disbursement of the “earned” aid that was not disbursed to the student.

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.

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:

1. Provide students with the information about the R2T4 Policy;
2. Identify students who will be affected by this policy;
3. Complete R2T4 calculations on students who have been identified;
4. Inform students of the result of the R2T4 calculation within 45 days from the date of determination;
5. Remove all unearned funds from student’s account;
6. Return any unearned funds to the applicable Title IV program(s);
7. Notify the National Student Loan Data System (NSLDS) of the student’s withdrawal date;
8. Student will be referred to the Department of Education for resolution of the debt;
9. A hold will be placed on all Midland College records until the debt is resolved;
10. Students will not be eligible for Title IV funds at any institution until the overpayment is resolved;
11. Notify the student (or parent, as applicable) of eligibility for a post-withdrawal disbursement, if any.

Student Responsibilities under the R2T4 Policy

Student responsibilities under the R2T4 policy are to:

1. Review and understand the R2T4 policy. Students must also understand how withdrawing from courses affects eligibility for Title IV funds.
2. Adhere to the College’s withdrawal policy and promptly notify the institution of intention to separate.
3. Pay any outstanding debt at Midland College. Debts from a Return to Title IV calculation must be paid in full to the Cashier Office and the hold will then be removed.
4. Contact the Financial Aid Office in order to update NSLDS that the overpayment has been resolved.