

Return To Title IV Policy (R2T4)

This policy describes the conditions under which Title IV funds (Federal Student Aid) need to be returned to the U. S. Department of Education.

GUIDELINES FOR THE RETURN OF TITLE IV PROGRAM FUNDS

- a. For recipients of Title IV funds (Federal Student Aid) who withdraw from the Seminary, return of Title IV funds will be determined according to Department of Education guidelines.
- b. If a student has completed more than 60% of the payment period, they will be considered to have earned 100% of the Title IV aid for that payment period. In this case, no funds would need to be returned.
- c. For students who have completed less than 60% of the payment period, the amount of Title IV aid that the student has earned will be recomputed by the Financial Aid Officer using the standard Department of Education worksheet entitled *Treatment of Title IV Funds When a Student Withdraws from a Credit-Hour Program*. The unearned Title IV aid for this student must be returned to the Department of Education.
- d. The system used to determine the withdrawal date for a student is as follows.
 - i. Official withdrawal - the date when a student who has attended class starts the withdrawal process by submitting a withdrawal request form to the Seminary Registration Administrator.
 - ii. When a student who has never attended any classes withdraws from all classes in an enrollment period (semester), the student will be considered to have withdrawn for title IV purposes and is not eligible to receive Title IV Financial Aid for that enrollment period.
 - iii. Unofficial withdrawal – If at the end of the enrollment period, the student has not completed the work required for all classes and has not arranged for an extension or a grade of incomplete in a course, the student will be considered to have withdrawn from that course as of the “last date of attendance.” Since this is a non-attendance-taking school within the meaning of regulations governing treatment of Title IV funds, the mid-point of the semester shall be used as the last date of attendance for purposes of calculating the student’s return of Federal Student loan funds. Students who have arranged for an extension or an incomplete grade will not be considered to have withdrawn.
- e. Calculation of Return: The calculation of unearned Title IV financial aid to be returned by the student will be in accordance with Federal guidelines as follows:

Percentage Aid Title IV Financial aid earned =

days in attendance/ # days in term (minus any breaks of 5 consecutive days or more)

Percentage of Unearned Title IV financial aid =
100% - percentage of Title IV financial aid earned

Amount of Title IV financial aid to be returned =
percentage of Unearned Title IV financial aid multiplied by the amount of Title IV Financial Aid disbursed or to be disbursed

POST-WITHDRAWAL DISBURSEMENT OF TITLE IV FINANCIAL AID

- a. If a student did not receive all of the Title IV funds that they have earned, they may be due to receive a post-withdrawal disbursement (PWD). Within 30 days of determining the student's last day of attendance, as defined above, the seminary will notify the student in writing of the availability of a Federal Direct Student Loan PWD. The student is required to confirm in writing whether they accept or decline the PWD.
- b. The student may choose to decline the loan funds in order to not incur additional student loan debt. The seminary may automatically use all or a portion of the student's post-withdrawal disbursement (including student loan funds), if the student accepts them, for tuition, fees and room charges (as contracted with the Seminary).
- c. For any other Seminary charges, the Seminary needs the student's permission to use the post-withdrawal disbursement. If the student does not grant this permission, the student will be offered the funds. However, it may be in a student's best interest to allow the Seminary to keep the funds to reduce student debt to the Seminary.

TIME FRAMES FOR THE RETURN OF TITLE IV FUNDS

- a. The Seminary must return unearned Title IV program funds as soon as possible, but no later than 45 days from the determination of a student's withdrawal date and within 14 days of completing the return calculations. The worksheet provided by the Department of Education - *Treatment of Title IV Funds When a Student Withdraws from a Credit-Hour Program*, is used to calculate the amount of Title IV program funds that a student has earned upon withdrawal.
- b. The funds are to be returned in the following order:
 - (1) Unsubsidized Federal Direct Loans;
 - (2) Direct PLUS (Graduate Student).