

# RETURN TO TITLE IV (R2T4) REGULATIONS

The law specifies how HHL must determine the amount of Title IV program assistance (Direct Loans) that students earn if they withdraw from school. See section on Withdrawals for specific information regarding Leaves of Absence (LOA) and the withdrawal process. The Office of Financial Aid is responsible for calculating R2T4 and the Business Office is responsible to actually transfer the funds. The Office of Financial Aid uses worksheets and software provided by the US Department of Education to calculate the R2T4 funds. All funds must be returned to the lender within 45 days of the date of determination that a student withdrew. If you have questions about your Title IV program funds, students can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on Student Aid on the Web at [www.studentaid.ed.gov](http://www.studentaid.ed.gov).

When a student who began attendance withdrew during a payment period, the amount of Title IV program assistance that has been earned up to that point is determined by a specific formula. The date of withdrawal is earlier of the date the student notified the Registrar or Program Director of their intent to withdraw or the date the student submitted the withdrawal form. If the student received (or the HHL received on the student's behalf) less assistance than the amount that earned, the student may be able to receive those additional funds. If the student received more assistance than was earned, the excess funds must be returned by HHL and/or the student.

## Unofficial Withdrawal

HHL is not required to take attendance although many professors may require a student to attend in order to receive a passing grade. Students who are not in attendance are reported to the Registrar who notifies the student's Program Director of the lack of attendance. The Program Director will consult with the student's faculty to determine if the student never attended classes or to verify the last date of attendance. Without an official Withdrawal Form, HHL will use the last date of attendance to compute the R2T4 formula. If the exact date cannot be determined, HHL will assume a 50% attendance, and use that date as the last date of attendance. Students who do not attend even one class, are ineligible for Title IV funds and all of the loan proceeds will be returned to the lender.

## Official Withdrawal

In the case where a student notifies the Program Director or a faculty member that he or she intends to withdraw, the student must be informed of the need to complete the Official Withdrawal Form, document the date the student notified them and share that information with the Registrar. Should the student fail to file the Withdrawal Form or there is a lag between the notification and the filing of the form, the earlier date of notification will be used in calculating the R2T4 formula. In the event a student receives all failing grades for a semester, the Program Director will contact the faculty members to determine if the "5.0" grades were earned or represent a lack of attendance. In the event it is determined that those grades were the result of lack of attendance, the Program Director and faculty will attempt to determine the last day of attendance and use that date in the R2T4 calculations. The withdrawal date is always the last day of academic attendance based on HHL's records.

The amount of assistance earned is determined on a pro rata basis. The payment period is the semester for which the loan was certified and the percent of attendance is calculated by dividing the number of days attended by the total number of days in the payment period. For example, if the student completes 30% of the payment period or period of enrollment, the student has earned 30% of the assistance they were originally scheduled to receive. Once the

student has completed more than 60% of the payment period or period of enrollment, all the assistance that the student was scheduled to receive for that period is considered to have been earned. If the student did not receive all of the funds that were earned, he or she may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the student may choose to decline the loan funds so that additional debt is not incurred. The Office of Financial Aid will use the R2T4 worksheets as provided by the US Department of Education to determine how much of the loan may be retained and how much must be returned.

HHL may automatically use all or a portion of your post-withdrawal disbursement (including loan funds, if the student accepts them) for tuition and fees. For all other school charges, HHL needs the student's permission to use the post-withdrawal disbursement. If the student does not give permission the student will not be offered the funds. However, it may be in one's best interest to allow HHL to keep the funds to reduce the debt at the school.

HHL will use one contact to

- notify a borrower about his or her loan repayment obligations;
- obtain permission to credit loan funds to a student's account to cover unpaid institutional charges;
- obtain permission to make a post-withdrawal disbursement of loan funds for other than institutional charges; and
- obtain permission to make a post-withdrawal disbursement of loan funds directly to a student.

HHL will send the notification as soon as possible, but no later than 30 calendar days after the date that HHL determines the student withdrew. All notification will be made in writing. The student will be informed that HHL sets a deadline of 14 days. The notification must make it clear that if the student does not respond to the notification within the time frame, HHL is not required to make the post-withdrawal disbursement. The notice will identify the type and amount of the loan funds HHL wishes to credit to the student's account or disburse directly to the student and explain that a student may accept or decline all or a portion of the funds. The notice will also explain to the student the obligation to repay the loan funds whether they are disbursed to the student's account or directly to the borrower.

Once HHL has received confirmation from a student that he or she wants to receive the post-withdrawal disbursement of loan funds, HHL will make the post-withdrawal disbursement of Title IV loan proceeds as soon as possible but no later than 180 days after the date of HHL's determination that the student withdrew.

There are some Title IV funds that students were scheduled to receive that cannot be earned once a student withdraws because of other eligibility requirements. If the student receives (or HHL receives on behalf of the student) excess Title IV program funds that must be returned, HHL must return a portion of the excess equal to the lesser of:

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

HHL must return this amount even if it didn't keep this amount of the Title IV program funds. If HHL is not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that must be returned, the student repay in accordance with the terms of the promissory note. That is, scheduled payments are made to the holder of the loan over a

period of time. Students who have received a refund of their loan proceeds before withdrawing may be required to return part or all of those funds to the lender.

Title IV funds will be returned in the following order:

1. Unsubsidized Federal loans
2. Subsidized Federal loans (as graduate students, HHL students are not eligible)
3. Federal PLUS loans

The requirements for Title IV program funds when students withdraw are separate from any refund policy that HHL may have. Therefore, the student may still owe funds to HHL to cover unpaid institutional charges. HHL may also charge for any Title IV program funds that HHL was required to return. Student may receive a copy of the refund Policy from the Business Office. If you have questions about your Title IV program funds, you can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on Student Aid on the Web at [www.studentaid.ed.gov](http://www.studentaid.ed.gov).

## **Leaves of Absence (LOA) and Withdrawals**

Definitions:

### **Approved Leaves of Absence (LOA)**

An LOA is a temporary interruption in a student's program of study. LOA refers to the specific time period during a program when a student is not in attendance and will return to complete the program. Students returning from a LOA are not required to re-apply for admission but must re-register for their courses. Unapproved Leaves of Absence HHL may grant a student an LOA that does not meet the conditions to be an approved LOA for Title IV purposes (for example, for academic reasons). However, any LOA that does not meet all of the conditions for an approved LOA is considered a withdrawal for Title IV purposes

### **Official Withdrawal**

A "withdrawal" refers to a student's intent to completely terminate studies at an institution with no expectation of return. Students who subsequently decide to return to their studies, must re-apply for admission through HHL's Office of Admissions.

### **Unofficial Withdrawal**

An unofficial withdrawal is one where HHL has not received notice from the student that the student has ceased or will cease attending the school.

Note: Students who withdraw from courses or the program after the published deadline for withdrawals receive a grade of "5.0" on their transcript. The grade is considered the same as an "5.0" grade in calculating the quantitative aspect of the Satisfactory Academic Progress standards and may affect the student's future eligibility for Financial Aid.

## **LOA and Withdrawal Request Forms**

The form required by HHL to request a LOA or a Withdrawal is available in the Office of the Registrar.

### **Approved LOA's**

An LOA must meet certain conditions to be counted as a temporary interruption in a student's education instead of being counted as a withdrawal requiring HHL to perform a Return calculation. If an LOA does not meet the conditions in the student is considered to have ceased attendance and to have withdrawn from HHL, and HHL is required to perform a Return calculation. In order for an LOA to qualify as an approved LOA –

1. All requests for LOA's be submitted in writing to the Program Director and include the reason for the student's request. The form must be signed and dated by the student and specify the date the student wants the LOA to begin and end.
2. Students must apply in advance for an LOA unless unforeseen circumstances prevent the student from doing so.
3. The situation described for the reason for the LOA must be generally non-academic in nature and must be one that leads to a reasonable expectation that the student will return from the LOA within the allowed time frame.
4. The LOA together with any additional leaves of absence must not exceed a total of 180 days in any 12-month period including days in which school is not is session.

All requests for LOA's will be reviewed by the Program Director, the Registrar and the Director of Financial Aid. The student will be notified in writing by the Registrar of HHL's decision. During the LOA, the institution will not assess the student any additional institutional charges, the student's financial need will not increase, and therefore, the student will not be eligible for any additional disbursements of Federal Student Aid.

If the student is a Stafford Loan recipient, HHL will explain to the student, prior to granting the LOA, the effects that the student's failure to return from an LOA may have on the student's loan repayment terms, including the expiration of the student's grace period.

A student granted an LOA that meets the criteria stated above is not considered to have withdrawn, and no Return calculation is required. Upon the student's return from the leave, he or she continues to earn the Federal Student Aid previously awarded for the period.

### **Completion of coursework upon return**

In as much as approved leaves of absence are viewed as temporary interruptions in a student's attendance, and since the academic programs at HHL are considered term-based programs, where the payment period is the term, a student returning from an LOA must do so at a time when he or she can complete the term in order to complete the payment period and be eligible to receive a second or subsequent disbursement. Therefore, for students enrolled in credit-hour term programs, in order for an LOA to be an LOA, the school must allow a student returning from an LOA to complete the coursework that he or she began prior to the LOA.

### **Students who return earlier than anticipated**

HHL may permit a student to return to class before the expiration of the student's LOA in order to review material previously covered. However, until the student has resumed the academic program at the point where he or she began the LOA, the student is considered to still be on the approved LOA. The days the student spends in class before the course reaches the point at which the student began his or her LOA must be counted in the 180 days maximum for an approved leave of absence. A student repeating coursework while on LOA must reach the point at which he or she interrupted training within the 180 days of the start of the student's LOA.

### **Student who fail to return from LOA's**

If a student does not return to HHL at the expiration of an approved LOA (or a student takes an unapproved LOA), the student's withdrawal date is the date the student began the LOA.

### **Explanation of consequences of withdrawal to loan recipients**

A student who is granted an approved LOA is considered to remain in an in-school status for Title IV loan repayment purposes. If a student on an approved LOA fails to return, HHL must report to the loan holder the student's change in enrollment status as of the withdrawal date. One possible consequence of not returning from an LOA is that a student's grace period for a Title IV program loan might be exhausted. Therefore, in order for a LOA to be an approved LOA, prior to granting a leave of absence, HHL must inform a student who is a Title IV loan recipient of the possible consequences a withdrawal may have on the student's loan repayment terms, including the exhaustion of the student's grace period.

### **Unapproved LOA's**

HHL may grant a student an LOA that does not meet the conditions to be an approved LOA for Title IV purposes (for example, for academic reasons). However, any LOA that does not meet all of the conditions for an approved LOA is considered a withdrawal for Title IV purposes. The student's withdrawal date is the date the student begins the LOA. An unapproved LOA may be treated as an official withdrawal since the school would have previously granted an LOA. Therefore, HHL would know immediately that the student had ceased attendance for Title IV purposes, and must use the specified withdrawal date in the Return calculation.