John Cabot University

RETURN TO TITLE IV POLICY (R2T4)

Repayment of Unearned Federal Financial Aid

If you withdraw from the university JCU will determine the amount of Title IV program assistance that you have earned, and what funds must be returned. The Title IV programs included are Direct Subsidized/Unsubsidized Loans and Direct PLUS Loans.

How much will I have to repay when I withdraw from school?

The amount of assistance that you have earned, and as a result must return, is determined on a pro rata basis. For example, if you completed 30% of your payment period or period of enrollment, you earn 30% of the assistance you were originally scheduled to receive. The remainder must then be returned to the U.S. Department of Education. If you are receiving loans only and JCU refunds the full amount of your tuition and fees, you will only be required to repay your loans in accordance with the regular repayment schedule. Once you have completed more than 60% of a term, you are considered to have earned 100% of the assistance that you were scheduled to receive for that term. Therefore, you are not required to return any funds to the U.S. Department of Education.

When does the JCU Student Accounts Office refund tuition and fees?

If you withdraw from JCU by the end of the second week of classes during Fall or Spring semesters, then a full tuition refund will automatically be processed for you (minus the Tuition Deposit and Student Activity Fee, which are non-refundable). If you withdraw from JCU during the Summer through the Add-Drop period a full tuition refund (minus tuition deposit) will be automatically processed for you.

What happens to unearned federal aid?

Unearned federal loan funds, as determined by the R2T4 calculation, must be returned to the Department of Education within 45 days of the date of determination of a student's withdrawal.

A. Unearned Federal Aid Applied to School Charges:

- JCU is responsible for returning unearned federal aid that was applied to school charges. This means a portion of your tuition and fees may no longer be covered by federal loans and you may be liable for paying the balance of school charges.

B. Unearned Federal Aid Applied to Non-School Charges:

- The student is responsible for returning any unearned federal aid not returned by the school. For unearned aid applied to non-school charges, you are not required to make immediate repayment. The regulation allows repayment to be made according to the terms of the promissory note.

Order of Return of Title IV Funds

Your Title IV funds will be returned to the programs from which you received aid during the payment period or period of enrollment as applicable, in the following order, up to the net amount disbursed from each source:

1. Unsubsidized Direct Loans
2. Subsidized Direct Loans
3. Direct PLUS Loans

Timeframe for the Return of Title IV Funds

JCU will return Title IV funds as soon as possible but no later than 45 days after the date we determine you withdrew. The return will be completed by one of the following methods:

- deposits or transfers the funds into the school's federal funds bank account, and then awards and disburses the funds to another eligible student;
- returns the funds to the Department electronically using the "Refund" function in G5;
- issues a check to the Department

Post-withdrawal Disbursement

If you did not receive all of the funds that you earned, you may be due a post-withdrawal disbursement. If your post-withdrawal disbursement includes loan funds, your school must get your permission before it can disburse them. You may choose to decline some or all of the loan funds so that you don't incur additional debt. JCU may automatically use all or a portion of your post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges (as contracted with the school). JCU needs your permission to use the post-withdrawal grant disbursement for all other school charges. If you do not give your permission, you will be offered the funds. However, it may be in your best interest to allow the school to keep the funds to reduce your debt at the school.

The student (or parent if a PLUS loan) will be notified within 30 days of the date of determination of withdrawal of the opportunity to accept all or a part of the post-withdrawal disbursement. Upon receipt of a timely response from the student (or parent) (14 days from date of notification), JCU will disburse the loans and credit the student account within 180 days of the date of determination of the student's withdrawal date. If a response is not received within 14 from the date of notification, the post-withdrawal disbursement will not be made. Loans will be applied towards the outstanding semester charges on the student's account and may pay up to the amount of the allowable charges (i.e., tuition and fees). Any remainder will be paid directly to the student (or parent).

There are some Title IV funds that you were scheduled to receive that cannot be disbursed to you once you withdraw because of other eligibility requirements. For example, if you are a first-time, first-year undergraduate student and you have not completed the first 30 days of your program before you withdraw, you will not receive any Direct Loan funds that you would have received had you remained enrolled past the 30th day.

If you receive (or your school or parent receive on your behalf) excess Title IV program funds that must be returned, your school must return a portion of the excess equal to the lesser of the following:

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

The school must return this amount even if it didn't keep this amount of your Title IV program funds. If your school is not required to return all of the excess funds, you must return the remaining amount.

Any loan funds that you must return, you (or your parent for a Direct PLUS Loan) repay in accordance with the terms of the promissory note. That is, you make scheduled payments to the holder of the loan over a period of time. Any amount of unearned grant funds that you must return is called an overpayment.

The requirements for Title IV program funds when you withdraw are separate from any refund policy that your school may have. Therefore, you may still owe funds to the school to cover unpaid institutional charges. Your school may also charge you for any Title IV program funds that the school was required to return. If you don't already know your

school's refund policy, you should ask your school for a copy. Your school can also provide you with the requirements and procedures for officially withdrawing from school.

Post-Withdrawal Disbursement Notification

The Post-Withdrawal Disbursement notification will include the following information:

- notification of eligibility for a post-withdrawal disbursement
- amount of disbursement
- loan type
- your options to accept all or a portion of the disbursement
- instructions for accepting disbursement
- timing of disbursement

Approved Leave of Absence

An approved leave of absence for **federal aid purposes** is a temporary leave from the student's program of study. It is a specific time period during a program when the student is not in attendance. This type of leave of absence must meet the specific requirements in order to be considered as a temporary interruption in a student's education.

- Students must submit a written request to financialaid@johncabot.edu. The request must include the reason for requesting an LOA, the student's signature and date of the request.
- The LOA cannot exceed 180 days in any 12-month period. This is the maximum time frame allowed for an LOA, though students may return early from an LOA.
- Students must return to the same point in their program when they left JCU and began their LOA. Meaning, a student returning from the LOA must complete the semester they left to be eligible to receive subsequent disbursements. No additional charges or Title IV will be assessed for the completion of the semester.
- Students are expected to complete the required courses within reasonable time to receive credits and passing grades. If students are unable to complete the requirements of their classes, incomplete grades (INC) may be assigned and further conditions may apply.
- Disbursements Rules:
    - No Title IV loans will be disbursed to students while on LOA
    - Title IV credit balances will be paid, according to Excess Funds Authorization, to student or parent when on LOA
- No additional charges or Title IV assistance will be assessed for students on LOA.

If these requirements are met the student will be granted an LOA. If the student fails to meet the LOA requirements, the student will be treated as a withdrawal and JCU will be required to perform an R2T4 calculation. The student's withdrawal date will be the date the student began the LOA.

JCU may grant a student an LOA that does not meet the requirements to be on an approved for federal aid purposes. However, this will be be considered a withdrawal for federal aid purposes.

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