



Financial Aid
Policy Regarding
Return of Title IV Funds (R2T4)

Reference: 34 CFR 668.22

The Department of Education requires institutions participating in the Title IV Federal Financial Aid programs to maintain a written policy regarding federal financial aid recipients who withdraw or otherwise fail to complete the semester for which their financial aid was disbursed.

Title IV Federal financial aid is awarded to students under the assumption the student will attend school for the entire period for which the assistance is offered. When a student withdraws, they may no longer be eligible for the full amount of Title IV funds they were originally scheduled to receive. Title IV funds include Pell grant, Supplemental Education Opportunity Grant (SEOG), Iraq Afghanistan Service Grant, TEACH Grant, and Federal Direct Loans (subsidized, unsubsidized, parent PLUS, and grad PLUS)

For Return of Title IV (R2T4) and institutional purposes, a student is considered enrolled until he or she has completed and submitted an Add/Drop/Withdrawal or Stop Out form, UMary exit survey, or until the end of the semester has been reached, whichever comes first. Students who wish to withdraw from all semester courses (fall, spring, or summer) must submit a completed Add/Drop/Withdrawal or Stop Out form to the Office of Registrar or complete a UMary exit survey. Failure to attend scheduled courses does not constitute an official withdrawal.

Upon receiving notification of a student's complete withdrawal from the Office of Registrar, the Office of Financial Aid will complete an R2T4 calculation as soon as possible, and within 45 days from the date of withdrawal. The financial aid office will confirm date of withdrawal with the Registrar's Office and use this date as the return date.

Students whose program of study or course work does not span the entire length of the payment period are considered to be enrolled in course offered in modules. Students enrolled in modules are considered withdrawn if they do not complete all the scheduled days in a module that was used to determine eligibility for federal aid. Students are **not** considered withdrawn if:

- The student successfully completes one module of a combination of modules that contain at least 49% of days within the semester. Successful completion is defined as earning a letter grade of A, B, C, or D.
- The student successfully completes coursework that represents half time enrollment (6 credits undergraduate/ 5 credits graduate).
- The student provides written confirmation of their intent to return to a later module within the same semester.

Students enrolled in modules who meet at least one of the above criteria will be granted a R2T4 exception and no adjustments to their federal aid will occur.

Unearned funds will be returned as required by the school. When funds are returned from a student's account, the student will be responsible for any balance due. The Office of Student Accounts will bill for any unpaid charges.

If a student has completed all requirements for disbursement of aid prior to complete withdrawal and before receiving a federal aid disbursement, they are eligible for a post-withdrawal disbursement to their student account. Post-withdrawal funds will be included in the return calculation.

- If the post-withdrawal disbursement includes federal direct loan funds, a notice will be sent to the student requiring acceptance of loan funds. Students must respond to the post-withdrawal notice within 14 business days. No post-withdrawal federal loan funds will be disbursed without student acceptance.
- If the post withdrawal disbursement includes federal grant funds, such as a Federal Pell Grant, the funds will be disbursed to the student account without additional acceptance.

All post withdrawal disbursements, whether comprised of grants or loans, must be disbursed to a student's account within 180 days of the date of withdrawal determination.

Students completing 60.01% or more of the payment period (a.k.a. semester) are considered to have earned all funds disbursed.

Students who fail all semester courses attempted are assumed to have ceased attendance and a return calculation is required. The University of Mary is not required to take attendance. In order to benefit our students, the Office of Financial Aid checks with instructors for the last date of academically related activity when completing a review of all failing courses.

The Office of Financial Aid notifies students when a federal return calculation is performed, the amount of and programs federal funds were returned to, and their obligation to repay any account balance incurred as a result of the federal return calculation. This notification is mailed to the student's legal, permanent address on file with the Office of Registrar.

This policy does not apply to students who cancel their registration prior to the first day of classes or students who drop some but not all their classes. In these cases, the Office of Financial Aid may have to recalculate a student's financial aid offer based on their revised enrollment status.

Federal Return of Title IV Funds (R2T4) Calculation

The amount of federal Title IV funds earned is based upon the percentage of the period of enrollment (semester) completed. The percentage is calculated by dividing the number of days completed (as of the date the student discontinues enrollment) by the total number of days in the semesters as determined by the Office of Financial Aid in compliance with federal regulations. The percentage is applied to the aid received to determine earned and unearned aid. If any aid is determined to be unearned, it must be returned to the appropriate financial aid program within 45 days of calculation. The amount returned cannot exceed the amount the student received from that aid program.

Federal aid will be returned in the following order, up to the total net amount disbursed from each source:

1. Federal Direct Unsubsidized Loan
2. Federal Direct Subsidized Loan
3. Parent or Graduate PLUS Loans
4. Pell Grant
5. SEOG
6. Other Title IV programs such as TEACH Grant or Iraq Afghanistan Service Grant

Federal Return of Title IV Funds and COVID-19

Federal regulations require that a college or university perform a return of title IV funds calculation if a student fully withdraws prior to 60.01% of the semester. The university or the student must return all federal financial aid, as indicated by the results of the R2T4 calculation. The University of Mary has chosen to enact the CARES Act waiver for any student deemed to have withdrawn in relation to COVID-19. Documentation provided at the time of withdrawal will be used to support eligibility for the waiver. If needed, the university will request additional documentation to support student eligibility.

The waiver, provided by the CARES Act, allows the university to not return the funds or, if the university already done so, to re-disburse the aid to the student's account. If there is an open balance, UMary will apply the aid to that first. Any remaining credit will be refunded to the student.

This interim policy is based on the Coronavirus Aid, Relief and Economic Security Act (CARES Act) and guidance provided by the US Department of Education.