

Cañada College-R2T4 Policy

Overview of Federal Policy

The Cañada College Financial Aid office is required to determine the earned and unearned portions of Title IV aid as of the date the student ceased attendance before the end of the payment period. These requirements do not apply to a student who did not cease attendance at the School. For example, when a student reduces his or her course load from 12 credits to 9 credits, the reduction represents a change in enrollment status, not a withdrawal.

Title IV funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive.

The R2T4 regulations do not dictate an institutional refund policy. Instead, the Cañada College is required to determine the earned and unearned portions of Title IV aid as of the date the student ceased attendance based on the amount of time the student spent in attendance or was scheduled to be in attendance. Up through the 60 percent point in each payment period, a pro-rata schedule is used to determine the amount of the Title IV funds the student has earned at the time of withdrawal. After the 60 percent point in the term in which the student is enrolled in the payment period, a student has earned 100 percent of the Title IV funds the student was scheduled to receive during the period; there are no unearned funds. However, the Financial Aid office must still determine whether the student is eligible for a post-withdrawal disbursement (PWD).

Applicable Deadlines:

Two main deadlines impact most R2T4 calculations

- 45-day time frame to return Title IV funds as a result of the R2T4 calculation
- 30-day required notification of the need for authorization to make a PWD of Direct Loan funds

For a list of other R2T4 and PWD deadlines refer to Volume 5, Chapter 2 of the FSA Handbook.

Overview of Institutional Policy

When students withdraw, the requirements for Title IV program funds are separate from the Cañada College refund policy. Therefore, students may still have unpaid School charges. The Cañada College will charge the student for any Title IV program funds that the Financial Aid Office was required to return. The Cañada College has a designated team of financial aid technicians who, in compliance with Federal, state, and College guidelines, determine and process the earned and unearned portions of Federal, state, private and institutional aid as of the effective date the student withdrew, ceased

attendance, or did not attend (i.e., No-Show).

There are three ways to take a break from studies at the Cañada College:

1. **Official Withdrawal** - is the act of discontinuing enrollment either before or during a quarter. Withdrawal without a leave of absence means that a student will leave Cañada College without a plan to return. Students will withdraw from all classes on their WebSMART accounts to completely withdraw from all registered courses. The Cañada College Admissions and Records office is the designated office of record for student withdrawals. The Registrar determines the effective date in which the student has withdrawn from the College. In most instances, the effective withdrawal date is based on the date the student submits the withdrawal on WebSMART.
2. **Leave of Absence (LOA)** - is a plan to leave the Cañada College while arranging for a specific pre-approved return date.
3. **Unofficial Withdrawals**- if a student does not officially withdraw from all classes but fails to earn a passing grade in at least one course, federal aid regulations require that we assume the student has “unofficially withdrawn,” unless it can be documented that the student completed the enrollment period. Unofficial withdrawals require a Title IV refund calculation at the midpoint of the enrollment

Any refund of registration fees paid will follow the refund schedule and be based on the effective date of the withdrawal. Federal Student Aid recipients may be required to return funds, with proration of the aid based on the number of days attended. To recalculate a student's eligibility for Title IV funds, the Financial Aid Office must determine the percentage of Federal Student Aid the student earned during the student's payment period.

College Reports:

The Financial Aid office is sent reports with students who have withdrawn from classes. For Official Withdraws, the report is sent weekly throughout the semester. For Unofficial Withdraws, the report is sent once a semester after final grades have been posted.

Unearned Aid:

The amount of *unearned* aid that must be returned by the Cañada College is a percentage of the institutional charges for the term. Once the dollar amount of the school portion of the *Return* is determined, it is compared to the total amount of all *unearned aid*. If the school portion is less than the *total unearned aid*, then Cañada College must return the amount of the school portion. If the calculated school

portion **exceeds** the *total unearned aid*, then Cañada College must return the amount of the *total unearned aid*.

Return of Title IV (R2T4) requires students who receive federal financial assistance and completely withdraw from all classes before completing more than 60% of the semester to return any unearned federal funds. The amount of the repayment will be calculated on a pro-rata basis of the number of calendar days in the term.

Financial aid programs subject to the R2T4 requirements include and are returned in the following order:

1. *Direct Unsubsidized Stafford Loan*
2. *Direct Subsidized Stafford Loan*
3. *Direct Parent PLUS Loan*
4. *Pell Grant*
5. *Iraq and Afghanistan Service Grant*
6. *Federal Supplemental Educational Opportunity Grant (FSEOG)*
7. *TEACH Grant*

Institutional Return:

The institution must return the amount of Title IV funds for which it is responsible as soon as possible but no later than 45 days after determining the date of the student's withdrawal.

Within 45 days from when students discontinue enrollment, Financial Aid must calculate the amount of financial aid the student have earned prior to the date the action was filled. Any aid received in excess of the earned amount is considered unearned. The Unearned financial aid must be returned to the respective federal programs no later than 45 days from when the student officially or unofficially withdraws from Cañada College. The calculation is based upon only the amount of Title IV aid for which student was eligible.

The responsibility to repay unearned Title IV aid is shared by Cañada College and the student. For example, the calculation may require Cañada College to return a portion of the federal funds to the Title IV programs. Cañada College will return funds within 45 calendar days of the date Cañada College determines the student withdrew.

Post-withdrawal disbursements:

According to Federal Regulations, if the student receives less Title IV aid than the amount earned, the school must offer a disbursement of the earned aid that was not received. This is called a post-withdrawal disbursement (PWD). If the student receives more Title IV aid than the amount earned, the school, the student, or both must return the unearned funds in a specified order. If it is determined a PWD is due to the student, Cañada College will notify the student in writing via email within 30 days of the student's

withdrawal. The student will have a pre-determined amount of time to respond to the notification making Cañada College aware of their preference for the disbursement of federal loan funds. Grants will be disbursed to students within 45 days and loans will be offered to students within 30 days. Students will have 14 days to respond that they will be accepting or declining funds. If no communication is received within 14 days, no federal loan funds will be disbursed. All post-withdrawal disbursements will be credited to students account first, the remaining balance will be a credit to the student. The remaining balance will be disbursed to students immediately and within 14 days to the student.

Credit Balance on student's account:

If the student has a credit balance on their account at the end of the Return of Title IV processing, then the balance will be refunded to the student as soon as possible and no later than 14 days after the calculation has been completed.

If a student earned more aid than was disbursed to him/her, the institution would owe the student a post-withdrawal disbursement which must be paid within 180 days of the student's withdrawal. The institution must return the amount of Title IV funds for which it is responsible no later than 45 days after the date of the determination of the date of the student's withdrawal.

COVID Update:

On March 27, 2020, the Coronavirus Aid Relief, and Economic Security Act (CARES) was passed, providing emergency flexibilities and regulatory relief for higher education institutions and their students.

Return of Title IV (R2T4) requires students who receive federal financial assistance and completely withdraw from all classes before completing more than 60% of the semester to return any unearned federal funds. The amount of the repayment will be calculated on a pro-rata basis of the number of calendar days in the term. Pell Grant, FSEOG, and Federal Direct Student Loans (Title IV federal financial aid) will be included in the calculation. Due to the disruption caused by COVID-19, requirements for students and schools to return unearned federal grants or loans to the Department of Education were waived for the Spring 2020 term. Beginning in the Summer 2020 term, students whose withdrawal is COVID related are required to complete an attestation indicating the reason for their withdrawal. If approved, the waiver may be applied.