

Repayment – Federal Financial Aid

Policy Information			
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Responsible University Administrator:	Tammy Fowler	President Council Approved Date:	04/21/2022

1. Purpose

- 1.1. To ensure appropriate Return of Title IV Federal Funds.

2. Policy

- 2.1. Baptist Health Sciences University will meet federal regulations for Return of Title IV funds. The Higher Education Amendments of 1998 established the concept that federal financial aid must be earned through class attendance. A student who begins attendance but, before the end of the payment period, withdraws (either by officially completing the school's withdrawal process or by unofficially dropping out) may lose some of the Title IV funds he or she received or was scheduled to receive. Depending on circumstances, the school and/or the student may be responsible for reimbursing the Title IV programs.

3. Definitions

- 3.1. **Return of Title IV Funds (R2T4)** - If a recipient of Title IV aid withdraws from a payment period, officially or unofficially, the University must perform an R2T4 calculation to determine the amount of Title IV aid earned by the student.
- 3.2. **Post-Withdrawal Disbursement** - If a student totally withdraws from a payment period and receives less federal student aid than the amount earned, then the student may be eligible for a post-withdrawal disbursement. The student must have met all of the conditions for a late disbursement prior to withdrawing. A post-withdrawal of grant funds must occur within 45 days and will be applied towards the student account. A post-withdrawal of loan funds will be offered to the student within 30 days, to allow the student 14 days to respond. A loan will not be applied until written confirmation is received from the borrower. If no confirmation is received, the loan is canceled.
- 3.3. **Official Withdrawal** – A student is considered withdrawn when the student formally withdraws from all courses during a term and/or formally withdraws from the University. The withdrawal date is determined by the Registrar's Office based on the last date of attendance and/or the date the student begins the formal withdrawal process.
- 3.4. **Unofficial Withdrawal** – A student is considered an unofficial withdrawal when they stop attending all courses in a term or do not enroll for two consecutive terms. When a student receives a failing grade because they stopped attending at some point in the term, a R2T4 calculation is required based on the last date of attendance entered by faculty. If a last date of attendance cannot be determined, the 50% point of the trimester will be used as the withdrawal date for the calculation. When a student is non-



enrolled for two consecutive terms, the student is withdrawn as of the last day of the last enrolled term.

- 3.5. **Earned Aid** - A student has not earned 100% of their financial aid until he/she has attended more than 60% of the term. If a financial aid recipient totally withdraws on or before the 60% point of the term, there is a portion of the aid that has not been earned. The percentage of earned aid is determined by taking the number of days attended divided by the total number of days in the term.
- 3.6. **Unearned Aid** – Unearned aid amounts are to be returned no later than 45 days after the date of official or unofficial withdrawal.
- 3.7. **Order of Return** - Unearned aid amounts are to be returned to Title IV financial aid programs in the following order: Federal Direct Student Loan Programs (unsubsidized then subsidized); Federal Direct PLUS loans; Federal Pell Grant Program; Iraq and Afghanistan Service Grants; Federal SEOG Program
- 3.8. **Repayment** - Unearned Title IV aid amounts are to be repaid by the University to appropriate Title IV financial aid programs.
- 3.9. **Credit Balance** – When a R2T4 calculation results in a credit balance on the student account it must be disbursed within 14 days of the calculation.
- 3.10.

4. Procedure

- 4.1. Registrar's Office - Informs the Financial Aid Office of Title IV participant's failure to complete the payment period.
- 4.2. Federal Financial Aid Office - Calculates Return of Title IV in accordance with U.S. Department of Education guidelines, when applicable. All R2T4 documentation will be retained in the student's Financial Aid file.
Federal Financial Aid Officer – Returns any repayment amount to the respective Title IV aid programs in the following order as mandated by federal regulations: Federal Direct Student Loan Programs (unsubsidized then subsidized); Federal Direct PLUS loans; Federal Pell Grant Program; Iraq and Afghanistan Service Grants; Federal SEOG Program; TEACH Grant

5. Related Information

- 5.1. HEA, Section 484B 34 CFR 668.22