



Financial Aid Office

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Return to Title IV (R2T4) Policy

The Higher Education Reauthorization Act of 1998, as well as integrity regulations in 2010, set forth rules governing the treatment of Title IV funds when a student cancels enrollment, takes a leave of absence, withdraws, or is dismissed. Federal student aid funds, formally referred to as Title IV funds, are awarded to a student under the assumption that they will be in attendance for the entire period for which the assistance is awarded. The term “Title IV,” as outlined in this policy refers to the federal financial aid programs authorized under the Higher Education Act of 1965 as amended (HEA) and includes the William D. Ford Direct Unsubsidized and Graduate PLUS loan programs.

The Code of Federal Regulations, CFR 668.22, mandates that a Return of Title IV funds calculation be performed when any student who received, or was eligible to receive, Title IV (TIV) aid ceases attendance in all classes prior to completing the payment period or semester. A student who never began attendance is not eligible for Title IV funds. A return calculation is not required if a student never began attendance, continues to attend at least one Title IV eligible class, is on an approved leave of absence that was granted before the semester began, or did not receive and is not eligible to receive any TIV aid. If a disbursement was made prior to determining that the student never began attendance, all funds must be returned to the U.S. Department of Education and a Return to Title IV funds calculation is unnecessary.

This policy provides information regarding the Return to Title IV (R2T4) funds calculation for students who cease enrollment before completing the semester. When a student withdraws, a refund of tuition and fees must be calculated by the Business Office and the Financial Aid Office must calculate the R2T4 funds. The student may receive a full or partial refund of their tuition and fees based on the date they cease to be enrolled. A refund calculation will not impact the R2T4 calculation, but could potentially affect the amount of money owed to the school for terminating enrollment. Students should review the GTU’s Tuition Refund Policy for detailed information.

Within thirty (30) calendar days of a student’s withdrawal, leave of absence or termination, the Financial Aid Office must perform an R2T4 calculation to determine how much aid, if any, must be returned. The R2T4 calculation must be completed in accordance with federal regulations using the requisite worksheet provided by the U.S. Department of Education. It is a prorated calculation based on the portion of the term during which the student earned Title IV funds. A student is only eligible for the percentage of Title IV aid disbursed that is equal to the percentage of the semester that was completed.

The R2T4 calculation identifies two types of federal student aid, earned and unearned. Earned aid is based on a percentage calculated by dividing the number of days the student completed by the number of days in the payment period. The number of days counted includes all calendar days in the semester including weekends and holidays, but excludes scheduled breaks of five consecutive days or more. A student who remains enrolled beyond the sixty (60%) percent point of the payment period or semester is considered to have earned all received and disbursable aid. Disbursable aid includes federal funds received and funds that could have been (but was not) disbursed as of the withdrawal date. If a student’s earned aid exceeds disbursed aid, the GTU must offer a post withdrawal disbursement within thirty (30) calendar days of the date it determined that the student withdrew. No post-withdrawal disbursement will be made if the student does not respond affirmatively within fourteen (14) calendar days of the notification date. If the student requests a post-withdrawal disbursement and there are outstanding charges on their account, the GTU will first credit the account for all or part of the amount of the post-withdrawal disbursement up to the allowable charges.

The charges used in the calculation are those that were initially assessed for the entire semester or payment period. The Financial Aid Office must ensure the inclusion of all appropriate tuition and educational fees in the R2T4 calculation. The GTU is responsible for returning the lesser of the total amount of unearned aid or the institutional charges multiplied by the percentage of unearned aid no later than forty-five (45) calendar days after it determines that the student has ceased enrollment in all classes. 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 as follows:

1. Federal Unsubsidized;
2. Federal Graduate PLUS.

Students must provide official notification of their intent to either take a leave of absence (leaving with a firm and stated intention of returning) or by withdrawing (leaving without intent to return). Students choosing to take a leave of absence or withdraw should follow the official leave or withdrawal processes as defined in the Student Handbook. Official notification from the student is any notification that is provided orally or in writing to a designated campus official acting in their official capacity in the leave or withdrawal process.

If a student begins to attend class, receives federal aid, but then ceases to attend class without providing official notification to the school, the GTU and the Federal Government considers this to be an unofficial leave or withdrawal. In addition, federal regulations consider students that receive all non-passing grades or a combination of non-passing and withdrawal (W) grades, as an unofficial withdrawal. When the student has failed to earn a passing grade in at least one class for the term, federal regulations require the school to determine whether the student established eligibility for funds disbursed by attending at least one class or participating in an academically-related activity. If the school cannot verify that the student attended, all financial aid must be repaid to the federal program and the student will be responsible for any balance due. Students who are able to verify attendance may submit supporting documentation to the GTU within thirty (30) days from the last day of the semester. Recalculations for aid eligibility will not be performed for documentation received after that date. Once grades are posted for a student who receives all non-passing grades, the school will return all unearned aid back to the federal and institutional programs and the student will be charged.

The GTU is not required to take attendance, therefore the date of determination varies depending on the type of leave or withdrawal: official or unofficial. When a student provides official notification through the formal processes, the withdrawal date is the student's last day of attendance in an academically-related activity or the date of notification, whichever is later. Schools that are not required to take attendance must select a method to determine the student's last day of attendance when the leave or withdrawal are considered unofficial. For Title IV purposes, the withdrawal date is the midpoint of the semester, the date the school becomes aware that the student ceased attendance in an academically-related activity, or the date an event occurred which prevented the student from officially withdrawing from the institution. Such events include illness, grievous personal loss, or other circumstances beyond the student's control. Please note that a key component of Satisfactory Academic Progress (SAP) is course completion. A total withdrawal contributes no completed units toward the completion of a student's program. Absence of course completion during a semester could be viewed as negative progress towards degree completion. Students should review the GTU Doctoral or Master of Arts SAP policies for more information.

Academically-related activities include but are not limited to:

- Physically attending a class where there is an opportunity for direct interaction between the professor and students;
- Submitting an academic assignment;
- Taking an exam, completing an interactive tutorial, or participating in computer-assisted instruction;
- Attending a study group that is assigned by the school;
- Participating in an online discussion about academic matters; and,
- Initiating contact with a faculty member to ask a question about the academic subject studied in the course.

Academically-related activities do not include activities where a student may be present but not academically engaged, such as:

- Living in institutional housing;
- Participating in the school's meal plan;
- Logging into an online class without active participation;
- Participating in academic advising or counseling.

The school's responsibility as it pertains to R2T4 include:

- Making this policy available to all federal aid recipients;
- Identifying students who are affected by this policy and completing the Return to Title IV Federal Funds calculation for those students; and,
- Making the required returns of Title IV funds.

The student's responsibility with regard to the return of Title IV include:

- Notifying the GTU of intent to withdraw or take a leave of absence;
- Following the procedures for officially withdrawing or taking a leave of absence; and,
- Returning to the Title IV federal programs any funds that were disbursed directly to the student by which the student was determined to be ineligible;
- Paying any outstanding balance owed to the GTU resulting from an R2T4 calculation.

Students should contact the Financial Aid Office if considering enrolling in fewer units than indicated, plan to drop course(s) prior to the start date of the course(s), or if some classes are canceled after aid has disbursed, as this may result in a reduction or cancelation of financial aid. Students who drop below half-time enrollment are ineligible for federal student loans. Students who drop or withdraw from any modular course and plan to enroll in a future course in the summer term must immediately confirm their intent to re-enroll, in writing, to the Financial Aid Office, per federal regulation. Students who fail to confirm their intent, will be assumed to be withdrawn and any aid disbursed will be adjusted or canceled.

Return to Title IV Funds Calculation Example

A full-time student was registered for the fall 2022 term. There are 101 days in the semester. The student took a leave of absence on 09/23/22. Including 09/23/22, the student attended 17 days of the semester.

- Step 1: Types and amounts of Title IV aid received (Net disbursement amounts)
\$10,141 Unsubsidized Stafford Loan
\$10,141 Total aid received
- Step 2: Percentage of Title IV earned/unearned
17 days attended divided by 101 days in semester = 16.80%. The percentage of aid the student earned for the semester is 16.80%. The percentage of unearned aid is 83.20% (100% - 16.80%).
- Step 3: Net amount of Title IV aid earned by the student
16.80% of the \$10,141 aid received = \$1,703.68
- Step 4: Total aid to be returned (unearned) by school and student
\$10,141 (aid received) minus \$1,703.68 (earned aid) = \$8,437.32
Total aid to be returned to Title IV = \$8,437.32
- Step 5: Net amount to be returned by the school
Multiply institutional charges of \$17,700 by 83.2% = \$1472.64. The school is responsible for returning the lesser of this amount or the amount from Step 4 (\$8,437.32). In this case, the school must return \$8,437.32 to the loan servicer.
- Step 6: Allocation of funds
\$8,437.32 in unsubsidized loans will be returned to the student's loan servicer.
- Step 7: Unearned net amount due from student
Subtract the school portion to be returned (Step 5) from the total amount to be returned (Step 4). \$8,437.32 - \$8,437.32 = \$0. In this example, the student is not required to return funds to the loan servicer.

Once the Financial Aid Office determines the amount of unearned aid that the GTU is responsible for returning, the student and the Business Office will be notified. An email to the student will specify the amount of aid that must be returned by the school and will identify the Title IV loan program(s) to which the funds will be credited. The email will also specify the amount of aid that must be repaid by the student in accordance with the terms and conditions outlined on their signed federal Master Promissory Note (MPN). That is, the student must make scheduled payments to the loan servicer over a period of time. The GTU will return all excess funds, including funds the R2T4 calculation identifies as the student's responsibility to return. If the school's portion of the funds to be returned creates a balance due on the student's account, they will be billed. Students must pay the outstanding balance in full before registering for additional classes, requesting official transcripts and receiving their diploma.

Withdrawing may affect the student's eligibility for federal aid in subsequent terms. Anytime a student ceases to be enrolled at least half-time, the grace period begins. The grace period for loan repayment for federal Direct Unsubsidized and Graduate PLUS loans will begin as of the day the student ceases to be enrolled at least half-time. If the student is not enrolled at least half-time for more than six (6) months, the loans will enter repayment. If the grace period has expired, payment is due immediately. It is important to make on-time payments to prevent default. A loan is considered delinquent if one payment is missed. Delinquent loans are listed on a credit report and lowers a borrower's credit score thereby adversely affecting credit. Failure to repay federal student loans for 270 days or more results in default and loss of eligibility for future financial aid. A high percentage of federal loan default may negatively impact the GTU by preventing its ability to continue to participate in Title IV federal student aid programs. Other consequences of default include federal tax refunds being applied to the defaulted loan, collection fees of up to 24% on each payment, a portion of the loan may be deducted from wages, loss of eligibility for deferments and forbearances, the state may revoke a professional license and the federal government may pursue delinquent debt collection procedures and litigation.

Students may review their federal loans on the National Student Loan Data System (NSLDS) and studentloans.gov. They are the U.S. Department of Education's online database for federal student loan borrowers. The NSLDS site displays information on loan and/or grant amounts, outstanding balances, loan statuses, and disbursements. It is important that students understand where they stand with their current borrowing and it is good practice for students to periodically review NSLDS to help them manage their borrowing and to keep them informed. This web-based resource allows them to be an educated borrower by providing constant access to the details of their loans. Studentloans.gov allows students to view and print their Master Promissory Note, view a list of their loan servicers, and utilize the Repayment Estimator Tool.

Before considering a leave of absence or withdrawal, students should refer to their Student Handbook to review the requirements and procedures. When possible, we recommend that federal student aid borrowers consult with the Financial Aid Office to discuss possible implications if considering a leave or withdrawal.

The policies and procedures listed are subject to change without advance notice based on changes to federal laws, federal regulations, or school policies. If changes are made, students must abide by the most current policy. The Return to Title IV calculation is very encompassing and this is intended to be an overview of the policies and procedures that govern regulations pertaining to R2T4.