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UNITED STATES DEPARTMENT OF EDUCATION

RETURN TO TITLE IV (R2T4) REGULATIONS

The law specifies how CBU must determine the amount of Title IV program assistance (Stafford Loans) that students earn if they withdraw from school. See section on Withdrawals for specific information regarding the withdrawal process. The Office of Student Financial Services is responsible for calculating R2T4 and the Business Office is responsible to actually transfer the funds. The Office of Student Financial Services uses worksheets and software provided by the US Department of Education to calculate the R2T4 funds. All funds must be returned to the lender within 45 days of the last date of attendance. If you have questions about your Title IV program funds, students can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on *Student Aid on the Web* at www.studentaid.ed.gov.

When a student withdraws during a payment period, the amount of Title IV program assistance that has been earned up to that point is determined by a specific formula. The date of withdrawal is earlier of the date the student notified the Registrar or Department Chair of their intent to withdraw or the date the student submitted the withdrawal form. If the student received (or the school received on the student's behalf) less assistance than the amount that earned, the student may be able to receive those additional funds. If the student received more assistance than was earned, the excess funds must be returned by the school and/or the student.

Cape Breton University strongly recommends that students attend class regularly. It is clear that those students who attend class on a regular basis will have a better chance of success in their studies. The University also recognizes that students are ultimately responsible for their actions, and consequently CBU does not publish an institution-wide mandatory class attendance policy. Students cannot fail solely due to absence from class.

In the case where a student notifies the Department Chair or a faculty member that he or she intends to withdraw, the student must be informed of the need to complete the Official Withdrawal Form, document the date the student notified them and share that information with the University Registrar. Should the student fail to file the Withdrawal Form or there is a lag between the notification and the filing of the form, the earlier date of notification will be used in calculating the R2T4 formula. In the event a student receives all failing grades for a semester, the Manager, Student Financial Services will contact the faculty members to determine if the "F" grades were earned or represent a lack of attendance. In the event it is determined that those grades were the result of lack of attendance, the Manager and faculty will attempt to determine the last day of attendance and use that date in the R2T4 calculations. If the exact date cannot be determined, the University will assume a 50% attendance, and use that date as the last date of attendance.

Students who do not attend even one class, are ineligible for Title IV funds and all of the loan proceeds will be returned to the lender.

The amount of assistance earned is determined on a pro rata basis. The payment period is the semester for which the loan was certified and the percent of attendance is calculated by dividing the number of days attended by the total number of days in the payment period. For example, if the student completes 30% of the payment period or period of enrollment, the student has earned 30% of the assistance they were originally scheduled to receive. Once the student has completed more than 60% of the payment period or period of enrollment, all the assistance that the student was scheduled to receive for that period is considered to have been earned. If the student did not receive all of the funds that were earned, he or she may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the student may choose to decline the loan funds so that additional debt is not incurred. The Office of Student Financial Services will use the R2T4 worksheets as provided by the US Department of Education to determine how much of the loan may be retained and how much must be returned.

Cape Breton University may automatically use all or a portion of your post-withdrawal disbursement (including loan funds, if the student accepts them) for tuition, fees, and room and board charges (as contracted with the school). For all other school charges, the school needs the student's permission to use the post-withdrawal disbursement. If the student does not give permission the student will not be offered the funds. However, it may be in one's best interest to allow the school to keep the funds to reduce the debt at the school.

There are some Title IV funds that students were scheduled to receive that cannot be *earned* once a student withdraws because of other eligibility requirements. For example, if a first-time, first-year undergraduate student has not completed the first 30 days of the program before withdrawal, the student will not earn any FFEL loan funds that he or she would have received had the student remained enrolled past the 30th day. If the student receives (or the school receives on behalf of the student) excess Title IV program funds that must be returned, the school must return a portion of the excess equal to the lesser of:

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

If the school is not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that must be returned, the student must repay in accordance with the terms of the promissory note. That is, scheduled payments are made to the holder of the loan over a period of time. Students who have received a refund of their loan proceeds before withdrawing may be required to return part or all of those funds to the lender.

Title IV Funds will be returned in the following order:

1. Unsubsidized Federal Stafford loans
2. Subsidized Federal Stafford loans
3. Federal PLUS loans

The requirements for Title IV program funds when students withdraw are separate from any refund policy

that the school may have. Therefore, the student may still owe funds to the school to cover unpaid institutional charges. The school may also charge for any Title IV program funds that the school was required to return.

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Withdrawals

Definitions:

Official Withdrawal

A “withdrawal” refers to a student’s intent to completely terminate studies at an institution with no expectation of return. Students who subsequently decide to return to their studies, must re-apply for admission through the University’s Office of Admissions.

Unofficial Withdrawal

An unofficial withdrawal is one where the school has not received notice from the student that the student has ceased or will cease attending the school.

Note:

Students who withdraw from courses or the program receive a grade of “W” on their transcript. The grade is considered the same as an “F” grade in calculating the quantitative aspect of the Satisfactory Academic Progress standards and may affect the student’s future eligibility for Financial Aid.

Withdrawal Request Forms

The Add/Drop form required by Cape Breton University to request a withdrawal is available in the Student Service Centre or through the Student Services website.