



## Return of Title IV Funds Policy

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### General Information

If a student who is in receipt of US Federal Funding withdraws from Mary Immaculate College, or takes unapproved leave of absence during a loan period, for any reason, including medical withdrawals, they may no longer be eligible for the full amount of Title IV funds that they were originally scheduled to receive. The Financial Aid Administrator at Mary Immaculate College will determine the amount of loan money to be returned to the Federal Student Aid programme.

US Federal law requires universities to calculate how much Federal Aid a student has earned if that student:

- completely withdraws, or
- stops attending before completing the semester, or
- does not complete all modules (courses which are not scheduled for the entire semester or payment period for which he/she has registered at the time those modules began).

Students who withdraw from their programmes of study are required to inform Mary Immaculate College in writing, and should consult with the International Office if they decide to withdraw. Failure to attend classes after enrolment is deemed to be withdrawal. When a student withdraws during a payment period, the amount of Title IV programme assistance that has been earned up

to that point is determined by a specific formula. The date of withdrawal is the date the student officially notified the relevant office or the date the student submitted the withdrawal in writing.

The college is required to return any unearned funding, up to the net amount disbursed from each source, in the following order:

- Unsubsidized Direct Loan
- Subsidized Direct Loan
- Direct Grad PLUS Loan
- Direct Parent PLUS Loan

## Withdrawal Date

In a case where a student notifies Student Services, Fees Office or the International Office of their intention to officially withdraw, the date of notification must be documented and the information must be relayed immediately to the relevant departments. Should the student fail to notify the College of withdrawal, or there is a lapse between the notification and delivery of information to the relevant departments, the earlier notification will be used in calculating the R2T4 formula.

When the student notifies of the intention to withdraw from MIC, they are required to follow the Student Exit process as described in the [MIC Student Handbook](#) section 5.6.1. The date of submission of the Student Exit form to the Student Academic Administration is considered the official date on withdrawal notification.

If a student fails to notify the relevant office and the exact date of withdrawal cannot be determined, the College 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 must be returned to the lender.

## Calculation and Repayment of R2T4

US Federal law specifies how Mary Immaculate College must determine the amount of Title IV programme assistance that students earn if they withdraw. This process is detailed under [Title 34 CFR § 668.22](#). The Financial Aid Administrator (International Office) is responsible for calculating Return of Title IV funds (R2T4) and the Finance Office has responsibility to transfer the funds. The Financial Aid Administrator uses worksheets and systems provided by the US Department of Education to calculate the R2T4.

The return of funds is based upon the premise that students earn their financial aid in proportion to the amount of time in which they are enrolled. The amount of assistance earned is determined on a pro-rata basis. The payment period is the semester for which the loan was certified. The Return of Title IV funds calculation counts the number of days from the first day of class until the last date the student was enrolled and compares that to the total calendar days of the scheduled enrollment for the term. This includes the first day of classes through the last scheduled day of

exams, including weekends and holidays, and excluding any scheduled breaks of at least five consecutive days.

Once the student has completed more than 60% of the semester or period of enrolment, all the funds that the student was scheduled to receive for that period is considered to have been earned. If a student did not receive all of the funds that were earned, they 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 Financial Aid Administrator will use the R2T4 worksheets provided by the US Department of Education in the [Knowledge Centre](#) to determine how much of the loan may be retained and how much must be returned.

Regulations require universities to perform calculations within 30 days from the date the University determines a student's complete withdrawal. Within 30 days from the date the University determines a student's complete withdrawal, once the University has performed calculations, the University must notify the student and/or parent of the amount earned and the amount to be returned and any adjustments to their loans. Student/parent are responsible for repaying the MIC any unearned funds that were disbursed to them by MIC. These funds must be returned through G5 to the Department of Education within 45 days of the date of calculation.

This calculation is applied to the total amount disbursed for the loan period. Therefore, a student who received a refund (for living expenses, etc.) from the College after the tuition was deducted will be required to repay the unearned portion.

If a student remains enrolled in the course beyond the dates qualifying for fees refund, which are specified in the MIC Fees Regulations<sup>1</sup>, they are not entitled to a refund of tuition fees. However, any further disbursements received by the College in respect of that student for a subsequent loan period will be returned in full.

### **University and student responsibility for return of unearned Federal funds**

The student and the University are both responsible for returning unearned Federal Aid to the federal government. The student will be billed for any amount due as a result of the return of Federal aid funds (R2T4) calculation.

#### *Repayment of unearned funds*

MIC will notify students if they owe federal funds back to the U.S. Department of Education (ED).

Amounts that must be returned by the student will first be applied to federal loans. The student/parent will be permitted to repay loans based on the terms of the Master Promissory

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<sup>1</sup> Up to date *MIC Fees Regulations* policy can be found on the [Fees, Charges & Grants](#) page on MIC website.

Note (MPN) which usually consists of scheduled payments to the holder of the loan over a period of time.

Any loan overpayment the student has to return to the federal government must be repaid within 45 days after the student receives notification from MIC. If the loan overpayment cannot be paid in full, a repayment plan may be arranged with the U.S. Department of Education.

Students will also receive notice from MIC regarding repayment of institutional funds. If the student owes any money to MIC resulting from the return of federal or institutional funds, the student will be billed by MIC.

#### *Consequences of non-repayment*

Students who owe an overpayment of Title IV funds are ineligible for further disbursements from Federal Aid programmes at any institution until the overpayment is paid in full or payment arrangements are made with the U.S. Department of Education.

If a student does not pay funds due to MIC to cover their outstanding balance, the student's records will be placed on financial hold. Students with a hold on their accounts will not have access to their results and will not be permitted to graduate until all fees and charges, including fines, have been paid.

## Post Withdrawal Disbursement

When the total amount of the Title IV loan assistance earned as of the withdrawal date is more than the amount that was disbursed to the student, the difference between the two amounts will be treated as a post-withdrawal disbursement.

Post-withdrawal disbursement is earned Direct Loan funds that can only be disbursed if the student gives permission after the student has withdrawn. The student will be notified within 30 days of the date of determination of withdrawal of the post withdrawal disbursement. The student has 14 days from the date of notification to respond to Mary Immaculate College, International Office to confirm whether they wish to proceed with the post withdrawal disbursement.

Mary Immaculate College may automatically use all or a portion of the student's post-withdrawal disbursement (including loan funds, if the student accepts them) for tuition fees, room and board charges (as contracted with Mary Immaculate College). For all other college charges, Mary Immaculate College needs the student's permission to use the post-withdrawal disbursement. However, it may be in the best interest of the student to allow Mary Immaculate College to keep the funds to reduce the debt.

**The requirements for Title IV programme funds when students withdraw are distinct from any refund policy that Mary Immaculate College has. Therefore, the student may still owe funds to Mary Immaculate College to cover unpaid institutional charges. Mary Immaculate**

**College may also attempt to collect from the student any Title IV programme funds that Mary Immaculate College was required to return.**

Mary Immaculate College fees and refund policy can be accessed [here](#).

## Types of Withdrawals

For Federal Aid purposes there are two types of withdrawals: Complete and Unofficial.

**Complete withdrawal** is an official withdrawal from MIC by the student.

**Official withdrawal** refers to a student's intention to completely terminate studies at an institution with no expectation of return. Students that subsequently decide to return to their studies must re-apply for admission through the relevant office.

**Unofficial withdrawal** is primarily defined as a student ceasing attendance of their programme without notifying the institution. Additionally, Federal Aid regulations consider a student to be an unofficial withdrawal if the student receives all fail grades or combinations of all fail and withdrawn (W) grades for the term.

Unofficial withdrawal is one where Mary Immaculate College has not received notice from the student that the student has ceased or will cease attending the College.

For more information on Student Exit (withdrawal) refer to [MIC Student Handbook](#), section 5.6.

**Leave of Absence.** A student will usually be expected to fulfil the following conditions before being eligible for consideration for a leave of absence:

- Completion of one semester at the University on the programme for which he or she is currently enrolled.
- Be in good academic standing.

For more information on Leave of Absence refer to [MIC Student Handbook](#), section 4.5.

**Please note that Federal Aid Leave of Absence (FA LOA) is different to Academic Leave of Absence.** With FA LOA, students cannot simply return to their studies at the point they left off academically. Instead they are considered 'withdrawn'.

If the MIC LOA does not meet the conditions for an approved FA LOA (see below), the student is considered to have ceased attendance and to have withdrawn from the school, and the school is required to perform an R2T4 calculation.

Federal Aid LOA conditions are as follows:

- The student must request, and the school must approve, the LOA in accord with the school's policy
- The LOA, together with any additional leaves of absence, must not exceed a total of 180 days in a 12-month period.
- Approved leaves of absence are viewed as temporary interruptions in a student's attendance. For term-based programs, a student returning from an LOA must complete the term to be eligible to receive a second or subsequent disbursement.
- if a student does not return to the school at the expiration of an approved LOA the student's withdrawal date is the date the student began the LOA.

Students with queries can call the Federal Student Aid Information Centre at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. All contact information is available on [Contact Us | Federal Student Aid](#).