



LA' JAMES INTERNATIONAL COLLEGE RETURN TO TITLE IV (R2T4) POLICY

COSMETOLOGY, MASSAGE, ESTHETICS, TEACHER TRAINING PROGRAMS

Federal law governs (34 CFR 668.22, 34 CFR 668.164) the amount of Title IV Funds (SEOG, PELL, Direct Subsidized Loans, Direct Unsubsidized Loans, Direct Parent Plus Loans) to which a student is entitled after they cease attendance at LJIC.

Title IV funds are provided to students with the expectation that they will attend class for the entire period for which the assistance has been awarded. This "period" of time for which assistance has been awarded is called a payment period. When students stop attending their classes (for any reason including termination), they may no longer be eligible for the full amount of Title IV funds that they were originally awarded and may have already received.

WITHDRAWALS

- ❖ **Official Withdrawal:** If a student is going to cease attending classes they can officially withdraw by contacting the College Administrator in writing.
- ❖ **Unofficial Withdrawal:** If a student does not attend classes for 14 consecutive calendar days, the student will be considered withdrawn and will be administratively terminated unless the student has contacted the institution within the 14 days and indicated they will return. The student must return within 30 days of their last date of attendance. If the student fails to return they will be administratively withdrawn. If a student will be absent for an extended period they must request a Leave of Absence. A student will be considered withdrawn if he/she is administratively terminated for violation of the code of conduct, LJIC policies and/or fails to maintain satisfactory academic progress. A student that does not return from a leave of absence as scheduled will also be considered withdrawn and will be administratively terminated.

LEAVE OF ABSENCE

If a student is going to be absent from class for an extended period due to personal medical reasons, justifiable reasons, or extenuating circumstances with documentation including but not limited to family medical leave and financial hardship, the student may request a Leave of Absence (LOA.) There must be a reasonable expectation that the student will return from the LOA, and approval for the student's request for a LOA is in accordance with [La' James International College's LOA Policy](#). If a student on a leave does not resume attendance at LJIC at or before the end of a leave of absence, LJIC must treat the student as withdrawn.

STUDENT'S WITHDRAWAL DATE

A student's withdrawal date is the student's last day of attendance. The withdrawal date is used to determine the percentage of the payment period the student has completed in the R2T4 calculation.

DATE OF DETERMINATION

The date LJIC determines that a student has withdrawn is not necessarily the same as a student's withdrawal date. The date of determination varies depending on the type of withdrawal.

- ❖ **Official Withdrawal:** The date of determination for a student that officially withdraws is the date the student began the official withdrawal process or the date of the student's notification, whichever is later.
- ❖ **Unofficial Withdrawal:** The date of determination for a student that unofficially withdraws would be no later than 14 consecutive calendar days after a student's last date of attendance or in the case where LJIC has administratively withdrawn a student for violation of the code of conduct, LJIC policies and/or fails to maintain satisfactory academic progress, the date of determination is the date of termination. For a student that does not return from a leave of absence as scheduled, the date of determination is the date the student was scheduled to return.

The date of determination is used for deadlines for notifications, returning funds, and post withdrawal disbursements. Those deadlines are included in the R2T4 Calculation (below.)

R2T4 CALCULATION

When a student has withdrawn (either officially or unofficially), federal regulations require LJIC to use a calculation called Return to Title IV (R2T4) to determine the percentage of financial aid funds the student has earned as well as the amount that is unearned. This calculation is done within 14 days of the date of determination that the student withdrew.

The R2T4 calculation is based on the concept that students earn their financial aid in proportion to the number of hours they were scheduled to attend within the payment period. For example, a student that withdraws at 200 scheduled hours earns less Title IV funds than a student that withdraws after 300 scheduled hours.

When a student stops attending class (withdraws either officially or unofficially) they could leave LJIC owing money because their charges for tuition, books, kit and fees exceed the amount of financial aid that they have earned. For these reasons, students are strongly advised to meet with their College Administrator and Financial Aid Office prior to dropping or withdrawing to discuss the financial consequences.

The R2T4 Calculation is done as follows:

- ❖ The student's scheduled hours as of his/her last day of attendance and the Title IV Funds for the payment period are determined.
- ❖ The portion of Title IV funds earned is calculated by dividing the student's scheduled hours by the total required number of scheduled hours in the payment period. If this percentage is greater than 60% then the student has fully earned all Title IV funds for the payment period.
- ❖ **Returning Title IV Funds:** If the student received (disbursed to the student's account) more Title IV funds in the payment period than they earned, the excess funds must be returned. Funds are returned in the following order: (1) Federal Direct Unsubsidized Stafford Loan; (2) Federal Direct Subsidized Stafford Loan; (3) Federal Direct PLUS Loan; (4) Federal Pell Grants; (5) Federal Supplemental Educational Opportunity Grants (SEOG); (6) any other federal, state or institutional financial assistance.

LJIC must return a portion of the excess funds that is equal to the lesser of:

- the institutional charges (tuition, books/kit, fees) applied to the student's account for the payment period multiplied by the unearned percentage of the student's funds or
- the entire amount of excess funds.

These funds are returned within 45 days of the date of determination that the student withdrew.

If LJIC is not required to return all of the excess funds, the student is required to return the remaining amount. For any loan funds that the student must return, the student (or the student's parent for a Direct PLUS Loan) repays in accordance with the terms of the promissory note. That is, the student will make scheduled payments to the holder of the loan over a period of time. Any amount of unearned grant funds that the student must return is called an overpayment. The maximum amount of a grant overpayment that a student must repay is half of the grant funds the student received or was scheduled to receive. A student does not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. The student must make arrangements with LJIC or the Department of Education to return the unearned grant funds. LJIC will notify a student of a grant overpayment within 30 days of the date of determination that the student withdrew. LJIC is also required to report grant overpayments to the National Student Loan Data System. If the student does not pay the overpayment in full, does not enter into repayment agreement, or fails to meet terms of the repayment agreement, the student is reported to NSLDS and will not be eligible to receive further financial aid, at any college. The NSLDS notification will be removed when the amount owed is paid in full. Unpaid overpayments will be reported to the U.S. Department of Education for collection. The Department of Education has the ability to garnish wages, withhold tax refunds, send the student's account to a collection agency, and take the student to court to recover the money owed.

- ❖ **Post Withdrawal Disbursement:** If a student earned more aid than they received (disbursed to the student's account), LJIC may owe the student a Post Withdrawal Disbursement. LJIC will automatically use all or a portion of a student's post-withdrawal disbursement of grant funds for tuition and fees. If a student's post-withdrawal disbursement includes loan funds, LJIC must get the student's permission before disbursing them. There are some Title IV funds that cannot be disbursed to a student once they withdraw because of other eligibility requirements. For example, if the student is a first-time, first-year undergraduate student and did not complete the first 30 days of his/her program before withdrawing, the student will not receive any Direct Loan funds that they would have received had he/she remained enrolled past the 30th day. LJIC will provide a student (or parent) the opportunity to accept all or part of a post-withdrawal disbursement of Title IV loan funds within 30 days of the date of determination that the student withdrew. LJIC has 180 days from the date of determination that the student withdrew to perform a post-withdrawal disbursement.

EXAMPLE

Student withdrew from the Cosmetology program on September 7, 2017. The Cosmetology program has 525 hours in a payment period. The student's last day of attendance was September 1, 2017. As of the student's last day of attendance, the student had a total of 91 attended hours and 235 scheduled hours. The student was awarded \$7,607.00 of Title IV funds for the payment period. All of the funds were disbursed (posted to the student's account.) The student had \$8,160 of institution charges applied to her account in the payment period as well.

For the Payment Period: Student's scheduled hours = 235, Total scheduled hours required = 525, Title IV Funds = \$7,607.00

Portion of Title IV Earned: $235 \text{ hours} / 525 \text{ hours} = 44.8\%$, $44.8\% \times \$7,607.00 = \$3,408.00$

Portion of Title IV Unearned: $\$7,607.00 - \$3,408.00 = \$4,199.00$, $\$4,199.00 / \$7,607.00 = 55.2\%$

The student received \$7,607.00 in Title IV funds which is more than the \$3,408.00 earned so the unearned portion \$4,199.00 of funds must be returned. LJIC must return the lesser of:

- Institutional Charges (\$8,160) x unearned percentage (55.2%) which equals \$4,504.00
- Or the entire excess which is \$4,199.00

LJIC will return \$2,968.00 unsubsidized loan and \$1,231.00 subsidized loan which is a total of \$4,199.00. Because LJIC is returning the entire amount of excess funds, the student is not responsible for any return of funds.