

## SECTION 13: RETURN OF TITLE IV FUNDS (R2T4)

### 13.1 Process Overview: ETBU is not required to take attendance effective Fall 2021.

The Assistant Director of Financial Aid or Director of Financial aid will calculate the Return of Title IV Funds (R2T4) for students who withdraw before the 60% point of a payment period, and for students received all Fs in a class due to failure of non- attendance within 30 days from the date the withdraw is determined. A report is run each Monday to identify any student who totally withdrew from ETBU and reviewed to determine if any Federal or State financial aid was disbursed or eligible for disbursement. Institutional research runs a report from JFA at the end of each semester (payment period) to determine any student who unofficially withdrew (received all F's or W's) and provides the report to the Financial Aid office for review of Title IV disbursements and required R2T4 calculations/returns. Each student who has officially or unofficially withdrawn who has had Federal Direct Student loans disbursed are sent EXIT counseling information and a hold is placed on their account until this process is complete. Documentation of EXIT Counseling is scanned into the departments electronic filing system for each student.

Return of Title IV is processed using the Dept of Education worksheet on COD.

If a student receiving Federal financial aid withdraws from all courses at ETBU or fails to attend all courses, the student and/or ETBU may be required to return some of the federal, state, and/or institutional funds awarded to the student. Student Financial Aid must calculate the unearned percentage owed and return the amount of the unearned aid within 45 days of the withdrawal.

ETBU has three Payment Periods (Fall, Spring, and Summer)

**100% Withdrawal Date Determination:** When a recipient of Title IV funds ceases to be enrolled (100% withdrawal) prior to the end of a payment period or period of enrollment. ETBU is required to determine the earned and unearned portions of Title IV aid as of the date the student ceased attendance based on the amount of time the student spent in attendance. Up **through the 60% point** in each payment period or period of enrollment, a pro rata schedule is used to determine the amount of Title IV funds the student has earned at the time of withdrawal. **After the 60% point** in the payment period or period of enrollment, a student has earned 100% of the Title IV funds the student received and, was scheduled to receive during the period.

For a student who withdraws after the 60% point-in-time, there are no unearned funds. However, a school must still determine whether the student is eligible for a post-withdrawal disbursement (PWD).

***When a student who fails to begin attendance in all the courses they were scheduled to attend withdraws***

Anytime a student begins attendance in at least one course but does not begin attendance in all the courses the student was scheduled to attend regardless of whether the student is a withdrawal, ETBU must determine if it is necessary to recalculate the student's eligibility for Pell Grant, TEACH Grant and Campus-Based funds based on a revised enrollment status and cost of education. If the student is a withdrawal, this recalculation must be done before performing an R2T4 calculation, and ETBU must use the recalculated amounts of aid in the R2T4 calculation.

If a student who has withdrawn did not begin attendance in enough courses to establish a half-time enrollment status, ETBU may not make a first disbursement of a Direct Loan to the student after the withdrawal.

**Type of Withdrawals**

For financial aid purposes there are two types of withdrawals: Complete Official Withdrawal and Unofficial Withdrawal.

- Complete Official withdrawal from ETBU by the student. The current academic year's policy and procedures for a Complete Withdrawal can be found in East Texas Baptist University's Academic Catalog – Academic Policies.
- Unofficial Withdrawal -Federal financial aid regulations consider a student to be an unofficial withdrawal if the student receives all fail (F) grades or a combination of all fail (F) and withdraw (W) grades for the term.

**Determination of the withdrawal date: See Registrar Withdrawal Policy and Procedures.**

The Official withdrawal date used in the return calculation of a student's federal financial aid is the actual date indicated on the official drop form submitted to the registrar's office. If a student stops attending classes without notifying ETBU, the Unofficial withdrawal date will be the midpoint(50%) of the semester or the last date of academic activity determined by ETBU. Additional documentation supporting the last date of academic activity may be provided by the student if they verify a later date of attendance than determined by ETBU.

Any student enrolled in only online courses the unofficial withdrawal date will be the last date of activity/participation in any of the online courses found in Canvas.

**Withdrawing prior to completing 60 percent of a term/payment period.**

Unless a student completes 60 percent of the payment period in which federal aid was disbursed, the student will be required to return all or part of the financial aid disbursed in the period. This applies to students who have officially (including medical), or unofficially withdrawn.

**When a student fails to begin attendance**

If a student receives financial aid, but never attends classes, the Financial Aid Office (FAO) must return all disbursed funds to the respective federal and institutional aid programs. This initial attendance is captured by Faculty certification rosters submitted after Census. If a student is reported at not attending (through roster certification) a specific course by census, the student is withdrawn from the course by the registrar's office and financial aid is notified. Financial aid funds are not disbursed until all roster certifications have been received and processed by the registrar's office.

**When a student fails to earn a passing grade in any class**

If the student has not completely withdrawn but has failed to earn a passing grade in at least one class for the payment period, federal regulations require the school to determine whether the student established eligibility for financial aid. Eligibility is based on if the student attended at least one class or participated in any ETBU academic-related activity (on-line courses). All disbursed funds must be returned to the respective federal and institutional aid programs if the student cannot prove that he/she began attendance. For more information regarding this topic see the section Students who receive all failing grades at the end of the term.

**Students who receive all failing grades at the end of the term**

Financial aid is awarded under the assumption that the student will attend East Texas Baptist University for the entire payment period for which federal assistance was disbursed. 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 (certified by faculty roster certifications) or participating in any ETBU academic-related activity. If the school cannot verify that the student attended ETBU, all financial aid must be repaid to the federal and institutional programs. The student's business account will be changed and the student will be responsible for any balance due.

When the student has a combination of fail and withdraw grades for the term, approximately 50% of the financial aid must be repaid. The student's business account will be changed, and the student will be responsible for any balance due.

If the student can prove to have participated in a ETBU class or academic-related activity past the 60% date, the student will not be required to return any disbursed financial aid. The student's business account will be updated and the student will be responsible for any other charges that may have been applied to their account.

Students who are able to verify attendance beyond ETBU's records may submit supporting documentation to FAO. The student must submit supporting documentation within 30 days from the last date of the term/payment period. Recalculations for aid eligibility will not be performed for documentation received after that date.

## 13.2 Federal Title IV Funds

Federal regulations require Title IV financial aid funds to be awarded under the assumption that a student will attend the institution for the entire period in which federal assistance was awarded. When a student withdraws from all courses for any reason, including medical withdrawals, he/she may no longer be eligible for the full amount of Title IV funds that he/she was originally scheduled to receive. 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. A pro-rated schedule is used to determine the amount of federal student aid funds he/she will have earned at the time of the withdrawal. Thus, a student who withdraws in the second week of classes has earned less of his/her financial aid than a student who withdraws in the seventh week. Once 60% of the semester is completed, a student is considered to have earned all of his/her financial aid and will not be required to return any funds.

Federal law requires schools to calculate how much federal financial 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.) Based on this calculation, East Texas Baptist University (ETBU) students who receive federal financial aid and do not complete their classes during a payment period or term could be responsible for repaying a portion of the aid they received. Students who do not begin attendance must repay all financial aid disbursed for the term.
- a student in a standard or nonstandard-term program, excluding a subscription-based program, the student ceases attendance and is not scheduled to begin another course within a payment period or period of enrollment *for more than 45 calendar days after the end of the module the student ceased attending*, unless the student is on an approved leave of absence

The following policies will help you to understand that a withdrawal potentially affects students academically as well as financially. We encourage students to read all the information below prior to making a final decision.

### **Important:**

- *Academic policies on complete withdrawal from ETBU are available in the Academic Catalog, and student handbook.*
- *East Texas Baptist University's tuition/fee refund schedule is separate from the federal regulations to repay unearned aid. Whether or not a student receives a tuition/fee refund has no bearing on the amount he/she must repay to the federal aid programs. Contact the Business Office (903-923-2055) for further inquiries regarding tuition/fee refunds or visit the Business office website [www.etbu.edu/about-etbu/campus-offices/business-office](http://www.etbu.edu/about-etbu/campus-offices/business-office).*

- *Financial aid policies and procedures can also be found on the ETBU website [www.etbu.edu/about-etbu/campus-offices/business-office](http://www.etbu.edu/about-etbu/campus-offices/business-office).*

### ***R2T4 withdrawal exemptions***

Under the [September 2, 2020 final regulations](#), the Department established withdrawal exemption criteria which, if met, allows a student who has withdrawn or otherwise ceased attendance to NOT be considered a withdrawn student for Title IV purposes, which means that no R2T4 calculation is required for that student. Prior to conducting an R2T4 calculation for a student who has ceased attendance during a payment period or period of enrollment, a school should review the student's circumstances to see if the student qualifies for any of the R2T4 withdrawal exemptions.

The withdrawal exemption categories are as follows:

- Withdrawal exemption for graduates/completers
  - A student who completes all the requirements for graduation from his or her program before completing the days or hours in the period that he or she was scheduled to complete is not considered to have withdrawn
  - This exemption applies to all types of programs (including those with or without modules)
- Withdrawal exemptions for programs offered in modules
  - A student is not considered to have withdrawn if the student *successfully completes one module that includes 49 percent or more of the number of days in the payment period*, excluding scheduled breaks of five or more consecutive days and all days between modules
  - A student is not considered to have withdrawn if the student *successfully completes a combination of modules that when combined contain 49 percent or more of the number of days in the payment period*, excluding scheduled breaks of five or more consecutive days and all days between modules
  - A student is not considered to have withdrawn if the student *successfully completes coursework equal to or greater than the coursework required for the institution's definition of a half-time student under 34 CFR 668.2(b) for the payment period*
- Withdrawal exemption for complete withdrawal during 100 % refund period.
  - All tuition, fees, and institutional charges will be refunded at 100%, no aid was disbursed and or was 100% returned to DOE by the institution. ( Early implementation Fall 2025)

Please note that all of the withdrawal exemptions apply to both undergraduate and graduate students as long as the student and program meet the underlying exemption criteria (i.e., the program is offered in modules, the students are graduates, etc.). Finally, a student only needs to meet one of the withdrawal exemptions to be exempt from R2T4.

## Withdrawal Exemptions for programs offered in Modules

In order to meet the modular program withdrawal exemptions a student must successfully complete a minimum percentage or amount of coursework within a module or modules. Successful completion means that the student has earned a passing grade or grades as outlined within an institution's overall academic grading policy, which is not necessarily the same as an individual program's grading requirements. Therefore, if an institution's general academic grading policy has established that a "D" grade is considered a passing grade, then receipt of a "D" grade for a course would be considered successful completion of that course for the purposes of determining whether a withdrawal exemption applies. Withdrawals (Ws), incompletes (Is) and failures of any kind (earned or unearned Fs) do not count as successful completion.

### *Withdrawal exemption for successful completion of 49% or more of a period*

In order to calculate whether the student has successfully completed a module or modules containing 49% or more of the number of days within a payment period, the school will need the following information:

- Overall number of days that make up an entire payment period (typically from the beginning of the first class to the last final exam)
- Number of days associated with scheduled breaks of 5 or more consecutive days that apply to all students who enroll in the term/payment period
- Number of days in between all modules offered during the payment period
  - This is based on breaks between all modules offered in the payment period, not what modules the student enrolls in
  - For a break to be 'between' modules, there must be a module before and a module after the break
  - If modules overlap, there may be no days in between modules
- Number of days the student successfully completed within a module or combination of modules

To see if the 49% exemption has been met, ETBU will first subtract from the number of days that make up an overall period any scheduled breaks of 5 consecutive days or more that apply to all students who enroll in the term/Payment Period AND all the break days that exist between all modules within the payment period. *Remember that the denominator for a given period will be the same for all students within the same program of study regardless of what modules a student enrolls in.* Unlike the R2T4 calculation itself, the number of days in the withdrawal exemption denominator will not be adjusted for individual student enrollment.

Please note that any modules that start prior to or end after the normal standard term/payment period dates (including intersessions attached to a regular term/payment period for Title IV purposes) will NOT change the number of days counted in the overall payment period length used in the denominator in the R2T4 withdrawal exemption calculation. However, the days the student successfully completes in any module that

partially falls outside the normal standard payment period dates (including intersessions attached to regular payment periods) will still count towards the numerator in the withdrawal exemption calculation when determining how many days the student successfully completed within a module.

When calculating the 49% completion period, ETBU may not round the percentage up in order to reach the 49% threshold.

### ***Withdrawal exemption for successful completion of half-time coursework***

In addition to the 49% completion withdrawal exemption, students enrolled in programs with modules are also not considered withdrawn for R2T4 purposes if the student successfully completes coursework equal to or greater than the coursework required for ETBU's definition of a half-time student under 34 CFR 668.2(b) for the payment period. Half-time enrollment is at least half the workload of the applicable minimum requirements outlined in the definition of a full-time student associated with the appropriate program type and academic level.

When a student meets the conditions for a withdrawal exemption, the student is treated as having completed the payment period and, for purposes of the Title IV programs, is considered enrolled through the end of the period even if the student later stops attending future coursework or modules in that period. In that situation, if the student had not received all of their Pell Grant or Direct Loan disbursements for the payment period, it is possible for the student to receive additional disbursements during the payment period depending on specific Title IV program requirements and the Department's cash management requirements.

### **How the earned financial aid is calculated**

Students who receive federal financial aid must "earn" the aid they receive by staying enrolled in classes. The amount of federal financial aid assistance the student earns is on a pro-rated basis. Students who withdraw or do not complete all registered classes during the semester may be required to return some of the financial aid they were awarded. Institutions are required to determine the percentage of Title IV aid "earned" by the student and to return the unearned portion to the appropriate aid programs. Regulations require schools to perform calculations within 30 days from the date the school determines a student's complete withdrawal. The school must return the funds within 45 days of the calculation. The R2T4 calculation process and return of funds is completed by the Financial Aid Office (FAO).

For example, if a student completes 30 percent of the payment period, they earn 30 percent of the aid they were originally scheduled to receive. This means that 70 percent of the scheduled awards remain "unearned" and must be returned to the federal government. Once 60 percent of the semester is completed, a student is considered to have earned all of his/her financial aid and will not be required to return any federal funds.



The following formula is used to determine the percentage of unearned aid that has to be returned to the federal government:

- The **percent earned** is equal to the number of calendar days completed up to the withdrawal date, divided by the total calendar days in the payment period (less any scheduled breaks that are at least 5 days long).
- The **payment period** for most students is the entire semester. However, for students enrolled in modules (courses which are not scheduled for the entire semester or term), the payment period only includes those days for the module(s) in which the student is registered.
- The **percent unearned** is equal to 100 percent minus the percent earned.

**For students enrolled in modules:** A student is considered withdrawn if the student does not complete all of the days in the payment period that the student was scheduled to complete. East Texas Baptist University (ETBU) will track enrollment in each module (a group of courses in a program that do not span the entire length of the payment period combined to form a term, for example, summer sessions) to determine if a student began enrollment in all scheduled courses. If a student officially drops courses in a later module while still attending a current module, the student is not considered as withdrawn based on not attending the later module. However, a recalculation of aid based on a change in enrollment status may still be required.

Students who provide written confirmation to FAO at the time of ceasing attendance that they plan to attend another course later in the same payment period are not considered to have withdrawn from the term. If the student does not provide written confirmation of plans to return to school later in the same payment period or term, ETBU considers the student to have withdrawn and begins the R2T4 process immediately. However, if the student does return to ETBU in the same term, even if they did not provide written confirmation of plans to do so, the student is not considered to have withdrawn after all and is eligible to receive the Title IV funds for which the student was eligible before ceasing attendance. FAO will then reverse the R2T4 process and provide additional funds that the student is eligible to receive at the time of return.

**Institutional funds** are earned and recalculated based on the pro-rated policy as described for federal financial aid funds. Tuition/fee refunds also affect the recalculation of institutional financial aid.

### **Steps in the return of Title IV Funds Policy**

#### ***Step 1: Student's Title IV information***

FAO will determine:

- A. The total amount of Title IV aid disbursed for the semester in which the student withdrew. *A student's Title IV aid is counted as aid disbursed in the calculation if it has been applied to the student's account on or before the date the student withdrew.*
- B. The total amount of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the semester in which the student withdrew.

#### ***Step 2: Percentage of Title IV aid earned***

FAO will calculate the percentage of Title IV aid earned as follows:

The number of calendar days completed by the student divided by the total number of calendar days in the semester in which the student withdrew. *The total number of calendar days in a semester shall exclude any scheduled breaks of more than five days.*



*Days Attended ÷ Days in Enrollment Period = Percentage Completed*

***If the calculated percentage completed exceeds 60%, then the student has “earned” all the Title IV aid for the enrollment period.***

***Step 3: Amount of Title IV aid earned by the student***

FAO will calculate the amount of Title IV aid earned as follows:

The percentage of Title IV aid earned (Step 2) multiplied by the total amount of Title IV aid disbursed or that could have been disbursed for the term in which the student withdrew (Step 1-A).

*Total Aid Disbursed x Percentage Completed = Earned Aid*

***Step 4: Amount of Title IV aid to be disbursed or returned***

- If the aid already disbursed equals the earned aid, no further action is required.
- If the aid already disbursed is greater than the earned aid, the difference must be returned to the appropriate Title IV aid program.

*Total Disbursed Aid – Earned Aid = Unearned Aid to be Returned*

- If the aid already disbursed is less than the earned aid, then FAO will calculate a post-withdrawal disbursement.

***Repayment calculation process***

Once grades are posted for the student who receives all failing grades, FAO will return all unearned aid back to the federal and institutional programs and the student's business account will be charged. FAO will mail a notification letter with the repayment amount(s) to the student's permanent address. The student's business account will be updated, and the student will be responsible for any balance due. A statement reflecting these charges will be sent to the student by the Business Office. Student's will be notified of Loan Exit counseling requirements and provided materials for successful repayment.

**Definition of an academic related activity**

Examples of East Texas Baptist University (ETBU) academic-related activities include but are not limited to physically attending a class where there is an opportunity for direct interaction between the instructor and students.

***Proof of participation:***

- Exams or quizzes
- Tutorials
- Computer-assisted instruction
- Completion of an academic assignment, paper or project
- Participating in an online discussion about academic matters
- Initiating contact with a faculty member to ask a question about the academic subject studied in the course
- ETBU required study group where attendance is taken

**Return of Title IV funds for student enrolled in modules**

***Overview***

These new regulations aim to provide for consistent and equitable treatment of students who withdraw from a program measured in credit hours, regardless of whether courses in the program span the entire term or consist of shorter modules. As of July 1, 2021 ETBU, will use our Census date as our PELL recalculation date (PRD). Hours enrolled in subsequent modules will be counted on that date if enrolled by that date.

***Program integrity principles***

- Title IV funds are awarded to a student to attend an entire payment period or period of enrollment, and the funds are intended to cover the student's educational and living expenses for the entire period.
- Federal law specifies that a student earns Title IV funds on a pro-rated basis through 60 percent of a period based on the actual days completed. For the purposes of federal aid programs, ETBU must be able to document a student's active participation in an academic activity.

***Regulatory requirements***

- A student is considered to have withdrawn from a payment period or period of enrollment in which the student began enrollment if the student ceased attendance in all scheduled courses without completing all of the days the student was scheduled to complete in the period.
- However, if a student provides written confirmation to ETBU before ceasing attendance that the student plans to attend another course later in the same period, the student is not considered to have withdrawn. For a nonstandard-term or non-term program, the next course the student plans to attend during the period must begin within 45 days after the end of the course the student ceased or failed to attend in order for the student not to be considered withdrawn. If a student does not resume attendance within the scheduled timeframe, the student is considered to have withdrawn as of the date on which attendance ceased.
- If a student does not provide written confirmation of plans to return to school later in the same period, a school considers the student to have withdrawn and performs a return of Title IV funds (R2T4) calculation to determine if any funds must be returned. However, if the student does return to school in the same period — even if the student did not provide written confirmation of plans to do so — the student is not considered to have withdrawn and is eligible to receive Title IV funds for which the student was eligible before ceasing attendance. ETBU must reverse the R2T4 process and provide any additional funds the student is eligible to receive at the time of return.
- This new rule replaces prior guidance provided in Dear Colleague Letter GEN-00-24 regarding student withdrawals in term-based programs that include courses shorter than the length of an entire term.
- The rule impacts all programs offering courses shorter than an entire term, including semester-based programs with a summer term consisting of two consecutive six-week summer sessions.

**Repayment Calculation of unearned aid as a result of a withdrawal**

As a result of a withdrawal, students who received federal funds will be required to repay “unearned” aid. The repayment calculation is performed utilizing the federal government's repayment worksheet: "[Treatment of Title IV Funds When a Student Withdraws from a Credit-Hour Program.](#)"

The amount of the assistance earned is determined on a pro-rated basis. For example, if a student completed 30% of the term, they have earned 30% of the assistance they were originally scheduled to receive. Once a student has completed more than 60% of the term, the student earns all the assistance they were scheduled to receive for the term.

**Student notification of repayment**

A notification letter outlining the amount returned to the federal and institutional program(s) along with the federal government's repayment worksheet will be mailed to the student's permanent address. ETBU will return funds on the student's behalf to the appropriate federal and institutional aid program(s) and subsequently will bill the student's business account. A statement reflecting these charges will be sent to the student. The student is responsible for all charges and overpayments resulting from a Return of Title IV calculation. A hold is put on the student's account for Exit loan counseling and the student is notified of the EXIT counseling action needed. Documentation of this notification is scanned in the department electronic file system.

**Repayment to federal and institutional aid programs**

Federal regulations and Institutional policy require that the following aid programs be subject to the repayment calculation if the student did not attend 60% of the term:

- Federal Direct Loans: Unsubsidized and Subsidized
- Grad PLUS Loans
- Federal Plus Loans
- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- TEACH Grants
- Institutional Grants and Scholarships

**Overpayment of Federal grant funds**

Federal regulations provide that 50% of the unearned amount of all federal grants is protected by the federal calculation (see steps 9 and 10 of the federal government's repayment worksheet). Any grant amount subject to repayment will be billed to the student's business account as an overpayment. Upon receipt of payment from the student, ETBU will return the funds to the appropriate grant program(s).

**Additional loan information to consider when withdrawing**

The federal repayment calculation also has additional loan amounts that the student and parent may be responsible to return directly to the U.S. Department of Education (see step 8 of the federal government's repayment worksheet).

*Important: Anytime a student is enrolled less than part-time the grace period begins. The student's grace period for loan repayments for Federal Direct Unsubsidized and Subsidized Loans will begin on the day of the withdrawal from the school. If the student is not enrolled part-time for more than 6 months, the loans will go into repayment. The student must contact the U.S. Department of Education (ED) or his/ her lender(s) to make payment arrangements. Loans must be repaid by the loan borrower (student/parent) as outlined in the terms of the borrower's promissory note. The student should contact the lender if he/she has questions regarding their grace period or repayment status.*

### **School and student responsibility for return of unearned federal funds**

The student and the school are both responsible for returning unearned federal financial 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**

The Financial Aid Office (FAO) 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 Note (MPN) which usually consists of scheduled payments to the holder of the loan over a period of time. Any grant overpayment the student has to return to the federal government must be repaid within 45 days after the student receives notification from FAO. If the grant 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 FAO regarding repayment of institutional funds. If the student owes any money to the ETBU resulting from the return of federal or institutional funds, the student will be billed by the ETBU Business Office.

**ETBU will return the schools portion of unearned funds as soon as possible but no later than 45 days after the date of determination of the student's withdrawal.**  
**Student financial aid accounts are adjusted both through COD and student Billing**

### **Consequences of non-repayment**

If a student does not repay the grant funds that are owed to the government within 45 days, the account will be turned over to the U.S. Department of Education (ED) as an overpayment of federal funds. Students who owe an overpayment of Title IV funds are ineligible for further disbursements from federal financial aid programs 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 ETBU to cover their Business balance, the student's records will be placed on financial hold. This means he/she will not be permitted to register for classes or receive transcripts until the balance is paid.

### **School and Student responsibilities in regard to the R2T4 policy and process**

#### ***East Texas Baptist University's responsibilities in regard to the Return of Title IV funds***

1. Providing each student with the information given in this policy;
2. Identifying students affected by this policy and completing the Return of Title IV Funds (R2T4) calculation;
3. Informing the student of the result of the R2T4 calculation and any balance owed to ETBU as a result of a required return of funds;

4. Returning any unearned Title IV aid that is due to the Title IV programs and, if applicable, notifying the borrower's holder of federal loan funds of the student's withdrawal date;

***Student's responsibilities in regard to the Return of Title IV funds***

1. Becoming familiar with the Return of Title IV Funds (R2T4) policy and how withdrawing from all courses affects eligibility for Title IV aid;
2. Resolving any outstanding balance owed to the ETBU resulting from a required return of unearned Title IV aid;
3. Resolving any repayment to the U.S. Department of Education as a result of an overpayment of Title IV grant funds

**How a withdrawal affects future financial aid eligibility**

Refer to the Financial Aid Office Satisfactory Academic Progress (SAP) policy to determine how a withdrawal will impact future financial aid eligibility.

***Note: The procedures and policies listed above 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 Federal Refund Policy (R2T4) is very encompassing and this is intended to be an overview of the policies and procedures that govern regulations pertaining to Title IV Refund (R2T4). For further guidance on R2T4 policies and procedures please see the reference material found in Volume 5 of the Federal Student Aid Handbook under Withdrawals.***

### 13.3 Example of Federal RTIV Calculation

A student withdraws on the 30th day of class of a 114 day semester. The total institutional charges (tuition, fees, housing, meals, etc.) equals \$3,750. The student was awarded and received the following federal financial aid: \$2,155 PELL Grant, \$675 FSEOG Grant, \$2,500 Unsubsidized Direct Loan, \$2,750 Subsidized Direct Loan and \$1,200 Perkins Loan. Per the R2T4 policy, the student "earned" 30/114 or 26.3% (30 days completed ÷ 114 days of the semester) of the federal financial aid requiring the remainder of unearned aid to be returned to the federal aid programs. Under the policy, \$2,440.60 would be returned to the Unsubsidized Direct Stafford Loan.

#### **State and Institutional Funds**

Students who receive state or institutional grant funds and withdraw during the tuition and fee refund period will have funds returned based on the tuition and

fee refund schedule. Ex. If you withdraw during the 75% tuition refund period you will only be able to keep 25% of your ETBU aid and/or state funds such as TEG.

### **Other aid sources**

For other outside sources of aid ETBU will follow their prescribed return policy. For example; Department of Defense Tuition Assistance must be returned within 45 days based on the last day of attendance and is also calculated based on the earned completion percentage of semester. The semester calendar dates used will be same as those used for calculated return of title IV funds. Ex. If the student completes 18 days in a 100 day semester the student has earned 18% of the award and the remaining amount must be returned. If the student completes 60% or more of semester then no funds are required to be returned. The Financial Aid office will calculate this and will notify the business office and the Registrar office. Registrar office will notify the student. VA Chapter 31, 33, 35 funds must be repaid by the student directly to the VA.

### **Other Notes**

Exit Counseling information is available the following webpage:  
<https://www.etbu.edu/admissions/financial-aid/types-financial-aid-loans/loan-exit-counseling> If you have had Federal loans as part of your financial aid, either this year or in previous years, you are required to complete Loan Exit Counseling any time you fall below half-time enrollment. Please complete [Online Exit Counseling](#) to clear your Exit Counseling Requirement. If you have taken out loans for the semester in which you withdrew, these loans will still count toward your aggregate limit (the total amount of loans you are allowed to borrow while you are a student). Whenever possible, you should bring back any refund you have received and request that portion of your loans be canceled and sent back to the lender.

Upon withdrawal from all classes students meet with either Director of Financial Aid or Financial Aid counselor to explain the process regarding last day of attendance, returning of funds, possibly repaying back university owed funds, and exit loan counseling if applicable. Students with loans who do not return to ETBU the following semester will be emailed a letter regarding completing Exit Loan Counseling and a Transcript hold will be placed on their account.