



WALSH UNIVERSITY WITHDRAWAL AND RETURN TO TITLE IV FUNDS (R2T4) POLICY

Federal statute requires Walsh University’s Financial Aid Office to recalculate federal financial aid eligibility for Title IV funds for students who cease enrollment in all classes prior to completing 60 percent of a payment period or period of enrollment.

At Walsh, this means the Financial Aid Office must recalculate federal financial aid eligibility for enrolled students who begin attendance and withdraw (or stop attending) from all their classes before completing 60 percent of the semester. This requirement does not apply to a student who begins attendance but withdraws from some but not all their classes in the semester. Any Title IV aid received in excess of the earned amount is considered unearned. Unearned aid must be returned to the respective Federal Aid program(s).

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How a Withdrawal Affects Federal Financial Aid

Title IV (TIV) federal financial aid funds are awarded under the assumption that a student will remain in classroom attendance for the entire period for which the funds were awarded.

When a student withdraws from all courses, regardless of the reason, s/he may no longer be eligible for the full amount of TIV funds originally awarded. The return of funds to the federal government is based on the premise that a student earns financial aid in proportion to the length of time during which s/he remains enrolled. A pro-rated schedule determines the amount of federal student aid funds s/he will have earned at the time of full withdrawal. For example, a student who withdraws in the second week of the semester has earned less of his/her financial aid than a student who withdraws in the fifth week. Once the 60% point in the semester is reached, a student is considered to have earned all of the financial aid originally awarded and will not be required to return any funds.

Federal regulations require a recalculation of financial aid eligibility if a student:

- Completely withdraws
- Stops attending before the semester's end
- Does not complete all modules in which the student is enrolled as of the start date of the modules

Walsh University students who receive federal financial aid and who do not remain in attendance through the end of the semester could be responsible for repaying a portion of the financial aid originally received.

Students who do not begin attendance in classes are not eligible for federal financial aid and must repay all aid that may have been received.

NOTE: Walsh University's institutional tuition refund policy is separate from federal regulations to return unearned aid. Receiving a tuition/fee refund from Walsh University will have no impact on the amount the student must repay to the federal aid programs. In addition, Walsh University has chosen not to utilize an R2T4 "freeze date".

R2T4 Process

- A copy of the withdrawal form is received in the Financial Aid Office. The latest date of attendance in the classes in which the student was enrolled is used as the withdrawal date. If the student fails to notify the university of withdraw/non-attendance, then the mid-point of the semester shall be used as the date of withdraw.
- The Financial Aid Office determines the amount of Title IV aid originally awarded and whether it is "disbursed" or "could have been disbursed."
- An R2T4 worksheet on the "Common Origination & Disbursement" site is completed using the above data. The calendar for the payment period will have previously been entered and saved.
- The Financial Aid Office will recalculate the amount of aid for which the student is eligible (as per the results of the R2T4 worksheet).
- A copy of the worksheet is maintained in the Financial Aid Office as part of the student's record.
- Walsh University will return funds (if any) to the federal programs on the student's behalf and will bill the student, if applicable.

Official or Unofficial Withdrawal

For R2T4 purposes, a withdrawal can be official or unofficial.

An official withdrawal occurs when a student who has begun attendance decides to withdraw or stop attending all their classes before the semester ends. Students are required to submit a University Withdrawal or Request to Drop a Course request to the Office of the Registrar. The required forms can be found on Walsh University's Cavalier Center E-Form portal (etrieve). The effective date of the withdrawal is the date the student submits the required form(s).

An unofficial withdrawal occurs if a student drops out without notifying the University. The withdrawal date is the midpoint of the semester or a documented last date of participation in an academically related activity.

Withdrawal from Programs Offered Only in Modules

Generally, a student has withdrawn from a program offered in modules if s/he is enrolled in one or more modules, does not complete all the scheduled days in a module during the payment period or period of enrollment and does not meet the conditions for an R2T4 exemption.

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. Walsh University monitors enrollment in each module that does not span the entire summer, fall, or spring terms and combines them to form a semester. If a student withdraws from a course in a future 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 the change in enrollment status may be required.

If a student provides written notice to the Financial Aid Office at the time of withdrawal from a current module that s/he plans to attend a later module in the same payment period, s/he is not considered a withdrawal. If the student does not provide that written confirmation, the R2T4 recalculation of aid will be done. However, if the student does return in a later module in the same payment period, regardless of whether prior written confirmation was received, the R2T4 process will be reversed and the student will be awarded the funds that s/he is eligible to receive at the time of return.

Withdrawal Exemption for Students Enrolled in Modules

A student is not considered withdrawn if:

- The student successfully completed one module or a combination of modules with a combined length of at least 49 percent of the number of countable days in the payment period or period of enrollment;
 - When determining the total number of countable days in the payment period or period of enrollment for the purpose of this exception, the school must exclude scheduled breaks of five or more consecutive days, all days between the modules, and days associated with non-module courses, if the student is enrolled in a course or courses spans the entire length of the payment period or period of enrollment. When determining whether a module or combination of modules includes at least 49 percent of the countable days in the payment period for programs offered in modules, if the percentage is not a whole number, the decimal is not rounded up or

down. Note that this is different calculation from the process used to determine the number of days in the payment period or period of enrollment in the R2T4 calculation itself.

- The student successfully completed coursework comprising at least half-time status, according to the school's definition of half-time status; or
- The student provided written confirmation of attendance in a later module that begins later in the payment period and within 45 days of the end of the module from which the student withdrew. This written confirmation must be provided as close as possible to the date that the student ceased attendance and before the time when the school is required to perform the return Title IV funds calculation, offer a post- withdrawal disbursement of loan funds, or take any other action under R2T4 requirements. A school cannot assume a student will attend a future module based simply on the existing registration in a later module.
- Successfully completes is defined as the student earning a passing grade.

How Earned Financial Aid is Calculated

Walsh University is required to determine the percentage of TIV aid "earned" by the student and return the "unearned" portion to the appropriate federal aid programs. Walsh is required to perform this calculation within 30 days of the date the school determines that a student has completely withdrawn. The school must return the funds within 45 days of the calculation. The R2T4 calculation is completed by the Financial Aid Office.

A student's earned aid may be either disbursed or undisbursed at the time of withdrawal. The amount earned is proportionate to the percentage of the semester the student had completed at the time they withdrew, excluding breaks of five days or more. For example, if a student completes 40% of the semester, they earned 40% of the Title IV aid originally scheduled.

The following explains the formula used to determine the percentage of unearned aid 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 number of calendar days in the payment period.
- The payment period for most students is the full summer, fall, or spring semesters. However, for students enrolled in modules (mini-sessions), the payment period only includes those days for the module in which the student is enrolled.
- Breaks of 5 days or longer are not included in the count of total days in the payment period.
- Institutional and state funds are not subject to the R2T4 policy.

Post-Withdrawal Disbursements

When the R2T4 calculation results in the student's being eligible to receive federal funds, s/he will be contacted by the Financial Aid Office. Written authorization from the student will be requested and is required before loan proceeds can be processed and disbursed to the student. A post-withdrawal disbursement of federal grants is also possible if certain conditions are met.

A student may be due a Post-Withdrawal Disbursement (PWD) if the amount of Title IV funds earned is more than the amount disbursed at the time they withdrew.

If a student has an outstanding balance on their account for current award year charges for tuition, and prior award year charges of \$200 or less for tuition, Walsh University may automatically credit a post-withdrawal disbursement of grant funds to the student's account. Otherwise, Walsh must obtain written authorization from the student before crediting the PWD for other current award year educationally related institutional charges and prior award year educationally related institutional charges up to \$200. If a student does not have an outstanding balance on their account or the amount of the post-withdrawal disbursement is greater than the balance, Walsh must directly deliver any grant portion of the post-withdrawal disbursement to the student within 45 days of the date of the school's determination the student withdrew.

If the post-withdrawal disbursement includes loan funds, Walsh University may not credit the student's account and the borrower may not receive the proceeds as a direct disbursement without first notifying the borrower and confirming they still wish to receive the loan disbursement. Walsh must send the notification within 30 days of the school's determination that the student withdrew and allow the borrower at least 14 days to respond. A student may choose to decline some or all the loan proceeds to reduce indebtedness. If no response is received within 14 days of notification, the award will be cancelled.

Unearned Aid

If the amount of Title IV aid earned is less than the amount disbursed as of the date the student withdrew, the difference is the amount of unearned aid that must be returned to the Title IV programs by Walsh, the student, or both.

The R2T4 formula is designed so all the unearned funds are returned by the school if the student's institutional charges equal or exceed the amount of Title IV funds disbursed. It is also designed so the institution and the student must each return a share of the funds if the amount of Title IV funds disbursed exceeds the student's institutional charges.

School Share

Walsh's share is determined first and is the lesser of the total amount of unearned aid or an amount equal to institutional charges multiplied by the percentage unearned. The percentage unearned is the complement of the percentage earned.

Walsh must return the Title IV funds for which it is responsible no later than 45 days after the date of the determination of the date of the student's withdrawal.

Walsh is responsible for allocating unearned funds to the Title IV programs from which the student received assistance in accordance with federal regulations.

Order of Return to Federal Aid Programs

In accordance with federal regulations, unearned aid will be returned to the federal programs in the following order:

- Federal Direct Loans: Unsubsidized, then Subsidized

- Federal Direct Graduate PLUS Loans
- Federal Direct Parent Loans
- Federal Pell Grant
- Iraq and Afghanistan Service Grant
- Federal Supplemental Educational Opportunity Grant
- TEACH Grants

Student Share

The student's share is the difference between the total unearned aid and Walsh's share. Walsh must notify the student of any unearned funds for which they are responsible for repaying within 30 days of the date the school determined the student withdrew.

If unearned grant funds are to be returned it is referred to as an overpayment. The maximum amount of grant aid a student must repay is 50 percent of the total federal grant funds received or scheduled to receive. Walsh's notification must include the student has 45 days in which to repay the overpayment in full or to enter into a satisfactory repayment agreement with Walsh or the Department of Education. Students are not required to return unearned grant funds of \$50 or less.

If direct loan funds must be returned, the student must repay the funds according to the terms of the promissory note.

Walsh University's Refund Policy

The R2T4 refund policy is distinct and separate from Walsh's other refund policies. The amount of unearned Title IV funds that must be returned because of applying the R2T4 formula is independent of institutional charges assessed the student under the school's refund policy. Title IV regulations do not govern how much Walsh University may charge its students. It is possible that a student may still be responsible for unpaid institutional charges resulting from the University having to return unearned Title IV funds.