

## *Return of Title IV Funds*

When a student applies for financial aid, the student agrees that financial aid funds will be used for educational purposes only. Therefore, if a student withdraws before completing their program, a portion of the funds received may have to be returned. Capri Beauty College will calculate the amount of financial aid to be returned to the Title IV, HEA programs according to the policies listed below.

### **Return of Title IV (R2T4) Policy**

This policy applies to students who officially withdraw, unofficially withdraw, or are dismissed from enrollment at Capri Beauty College. The Federal Return of Aid Policy is mandated by the U.S. Department of Education. The amount of Title IV (federal) aid earned is based on the amount of time a student spent in academic attendance and the total aid received; it has no relationship to student's incurred institutional charges. Because these requirements deal only with Title IV, HEA funds, the order of return of unearned funds do not include funds from sources other than the Title IV, HEA programs. Title IV, HEA funds are awarded to the student under the assumption that he/she will attend school for the entire period for which the aid is awarded. When a student withdraws, he/she may no longer be eligible for the full amount of Title IV, HEA funds that were originally scheduled to be received. Therefore, the amount of Federal funds earned must be determined. If the amount disbursed is greater than the amount earned, unearned funds must be returned.

### **Timeline for Returning Title IV Funds**

Capri Beauty College will return any unearned Title IV funds it is responsible for returning within 45 calendar days of the date Capri Beauty College determined the student withdrew, and offer any post-withdrawal disbursement of loan funds within 30 calendar days of that date.

### **When a Student is Considered a Withdraw for R2T4 funds:**

The student is considered to have withdrawn from a payment period or period of enrollment if:

- the student does not complete all of the clock hours and weeks of instructional time in the payment period or period of enrollment that the student was scheduled to complete.

#### ***A. Official Withdrawal Process***

If a student wishes to withdraw from school, they must notify the Financial Aid Officer of the school. The notification must be in writing. The date the notification is received is the date of determination. The Financial Aid Officer must begin the withdrawal process. The withdrawal date would be the student's last day of physical attendance (LDA). For purposes of returning title IV funds, refunds will be made within 45 calendar days from the LDA.

#### ***B. Unofficial Withdrawal - when absences are treated as a withdrawal.***

In the case of unexplained consecutive absences, the school will determine withdrawal no later than 14 days after the student's last date of physical attendance as determined by the school from attendance records. This date (day 14) is recorded as the date the school determined that the student withdrew. For purposes of returning Title IV funds, refunds will be made within 45 calendar days from the date the school determined the student withdrew. If the student provides notification to the school of his or her withdrawal prior to the date that the school normally would determine that the student withdrew, the date of determination is the date of the student's notification.

#### ***C. Expelled Student***

The student that is expelled by the school is considered to have not completed all the clock hours and weeks of instruction time in the payment period or period of enrollment that the student was scheduled to

complete. The LDA is the date the school will use to determine termination. For purposes of returning title IV funds, refunds will be made withing 45 calendar days from the LDA.

### **Determining Aid Earned**

To determine the amount of aid you earned up to the time of withdrawal, Capri Beauty College will calculate the percent of scheduled hours earned in the payment period. The resulting percentage is then used, along with your institutional costs and total federal funds that you received (funds that were disbursed directly to your student account and possibly refunded to you) or that you were eligible to receive (disbursement owed) to determine the amount of aid that you are allowed to keep.

### **Order of Return**

In accordance with Federal regulations, when Title IV, HEA financial aid is involved, the calculated amount of the R2T4 funds is retracted in the following order:

1. Unsubsidized Direct Loan
2. Subsidized Direct Loan
3. Direct Plus Loan
4. Pell Grant

After the Return of Aid has been completed it may result in the student owing for tuition that was once awarded from Title IV Aid. In addition, the student may be required to refund monies back to the Title IV Program.

### **Withdrawal Before 60% Point of the Payment Period**

Capri Beauty College must perform a R2T4 calculation to determine the amount of earned aid up through the 60% point of scheduled hours earned in the payment period of enrollment. The College will use the U.S. Department of Education's prorate schedule to determine the amount of R2T4 funds the student has earned at the time of withdrawal.

### **Withdrawal After 60% Point of the Payment Period**

For a student who withdraws after the 60% point of scheduled hours earned in the payment period of enrollment, a student has earned 100% of the Title IV funds he or she was scheduled to receive during the period. Thus, there are no unearned funds. Capri Beauty College must still perform a R2T4 to determine the amount of aid that the student has earned and whether or not the student is eligible for a post withdrawal disbursement.

Payment Periods are defined according to the following hours:

Payment Period 1 = 0 -450 hours

Payment Period 3 = 901 – 1200 hours

Payment Period 2 = 451 -900 hours

Payment Period 4 = 1201 -1500 hours

### **Post-Withdrawal Disbursement**

A student may be eligible for a post-withdrawal disbursement if, prior to withdrawing, the student earned more federal financial aid than was disbursed. If a student is eligible for a post-withdrawal disbursement for Title IV funds, it will be processed for the student and a refund will be issued within 14 days of the credit balance. If the post-withdrawal disbursement includes loan funds, Capri Beauty College must get the student's permission before it can disburse the loan. Students may choose to decline some or all of the loan funds so that s/he does not incur additional debt. A notice will be sent out to the student, and the signed, original document must be returned to the college within 14 days. Capri Beauty College may automatically use all or a portion of the post-withdrawal disbursement of grant funds for tuition and fees. However, the college needs the student's permission to use the post-withdrawal grant disbursement for all other college charges. If the student does not give his/her permission, the student will be offered the funds. However, it may be in the student's best interest to allow the college to keep the funds to reduce the student's debt.

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It is also important to understand that accepting a post-withdrawal disbursement of student loan funds will increase a student's overall student loan debt that must be repaid under the terms of the Master Promissory Note. Additionally, accepting the disbursement of grant funds will reduce the remaining amount of grant funds available to the student should the student continue his/her education at a later time.

### **Return to Title IV Questions**

If you have questions regarding Title IV, HEA program funds after visiting with or emailing SFAS, you may call the Federal Student Aid Information Center at 1-800-4-fedaid (800-433-3243). TTY users may call 800-730-8913. For a printable worksheet for calculating federal refunds visit: <http://www.ifap.ed.gov/aidworksheets/attachments/2010IASGClockHourR2T4Final.pdf>  
Information is also available at Student Aid on the Web [www.studentaid.ed.gov](http://www.studentaid.ed.gov).