

RETURN OF TITLE IV FUNDS

ECFR 668.22

13.1 Process Overview and Applicability

Students who have withdrawn from all classes are subject to the return of Title IV funds formula. The return of Title IV funds calculation is performed inside of Colleague and on COD (if before the 60% date). Unearned funds (as determined by the calculation) are returned to the Department of Education by Lake Land College on behalf of the student. The student's financial aid is reduced accordingly and the student will owe the repayment to Lake Land College.

A Return of Title IV Funds (R2T4) calculation is required for students who have withdrawn from ALL classes who have received a disbursement of Title IV funds. A student is considered to have withdrawn from a payment period or period of enrollment if:

For a program offered in credit hours, the student did not complete all the days in the payment period or period of enrollment that they were scheduled to complete.

For a student in a standard term program, the student 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.

A student may not consider to be withdrawn if:

- They have met all requirements for graduation before the student has completed the days or hours in the period that he or she was scheduled to complete is not considered to have withdrawn.

In a program offered in modules, a student is not considered to have withdrawn if the student successfully completes: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 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.

For a payment period or period of enrollment in which courses in the program are offered in modules:

- A student is not considered to have withdrawn if the institution obtains written confirmation from the student at the time that would have been a withdrawal of the date that he or she will attend a module that begins later in the same payment period or period of enrollment; and
- For standard and nonstandard-term programs, that module begins no later than 45 calendar days after the end of the module the student ceased attending;

Students are able to withdraw from classes through the Admissions and Records Office or online through their Laker Hub. Students may or may not notify the financial aid office that they have withdrawn from classes.

13.2 Withdrawal Date

Lake Land is not required to take attendance and does not have an approved leave of absence policy.

A student's official withdrawal date is determined by the date on which the student submits their withdrawal forms to the Admissions and Records Office or online through their Laker Hub account.

A student's unofficial withdrawal date must be determined no later than 30 days after the end of the earlier of:

- The payment period,

- The academic year, or

- The student's education program.

The withdrawal date used is the last date of attendance (if known) or the mid- point of the payment period.

In rare circumstances, a student may be withdrawn from Lake Land College by the discretion of the President's cabinet and/ or the Dean of Admissions. The unofficial withdrawal date is determined by the incident that led to the withdrawal and/ or the date that the student ceased attendance in courses.

Faculty are expected to withdraw students who are no longer attending using the last known date of attendance or the mid-point of the semester if unknown. For students who do not begin attendance see 11.4.

13.3 Formula Calculation

The COD R2T4 calculator is used to perform all Return of Title IV calculations and Post Withdrawal Disbursements. The amount of title IV grant or loan assistance that is earned by the student is calculated by determining the percentage of financial aid that has been earned by the student and then applying that percentage to the total amount of grant and loan assistance that was disbursed to the student for the payment period.

The percentage of the title IV financial assistance that has been earned by the student is equal to the percentage of the payment period that the student has completed if the date occurs before completion of 60% of the payment period. If the withdrawal date occurs on or after 60% of the payment period is complete, the student is considered to have earned 100% of their title IV grant and loan assistance.

The percentage of Title IV assistance that has not been earned by the student is calculated by determining the difference between the originally disbursed amount and the earned amount as described above.

13.4 Post-Withdrawal Disbursements

If the total amount of title IV grant or loan assistance that the student earned as calculated (described in section 13.3) is greater than the total amount that was disbursed to the student, than the difference between those amounts are treated as a post-withdrawal disbursement. A post withdrawal disbursement is made from available grant funds before available loan funds.

Loan funds are not automatically disbursed as part of a post withdrawal disbursement. Those funds are offered to a student (or parent PLUS borrower) within 30 days. The offer notice includes a request for confirmation from the borrower that the post withdrawal disbursement is accepted and details the type and amount of the loan and details the obligation of the borrower to repay the funds. The student (or parent PLUS borrower) must accept IN WRITING within 14 days for the loan funds to be disbursed as a post withdrawal disbursement.

If outstanding charges exist on the student's account, the post withdrawal disbursement will first be credited to the student's account up to the amount of the charges. Any amount of post withdrawal disbursement that is not credited to the student's outstanding charges is disbursed to the student no later than 30 days of the school's determination that the student withdrew. Refunds of credit balances are issued to the student as soon as possible but always within 14 days either via direct deposit (if elected) or via paper check sent through postal mail.

13.5 Returning Unearned Funds

The institution must return, the lesser of: the total amount of unearned title IV assistance to be returned as calculated or an amount equal to the total institutional charges incurred by the student for the payment period multiplied by the percentage of title IV grant or loan assistance that has not been earned by the student.

Unearned funds returned to the Department of Education by the student begin with Title IV loan assistance in the following order:

- Unsubsidized Federal Direct Loans

- Subsidized Federal Direct Loans

- Federal Direct PLUS loan received on behalf of the student

If unearned funds remain to be returned after repayment of all outstanding loans, Title IV grant assistance is returned in the following order:

- Federal PELL grants

- FSEOG program aid

Lake Land College returns unearned funds as soon as possible, but no later than 45 days after the determination that the student withdrew. Since Lake Land College returns "unearned" funds on behalf of the student immediately after Return of Title IV reductions are calculated, students will not owe the repayment to the Department of Education. The student bill will receive a negative disbursement of the Title IV return and the balance will be owed to Lake Land College by the student

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