



University of Texas at El Paso

# Return of Title IV (R2T4) Policies and Procedures

## I. Purpose

The Return of Title IV policy is to establish the processes for returning federal funds for students who completely withdraw from the institution and/or withdraw from all courses in a given period of enrollment. As defined by the U.S. Department of Education, these students must have a Return of Title IV Funds (R2T4) calculation performed to determine the percentage of aid earned based on the amount of time the student was enrolled at the Institution.

## II. Institutional and Student Responsibilities

### *The University of Texas at El Paso (UTEP)'s responsibilities in regards to the Return of Title IV funds:*

1. To provide each student with the information in this policy;
2. To identify students affected by this policy and complete the Return of Title IV Funds (R2T4) calculation;
3. To inform the student of the result of the R2T4 calculation and any balance owed to the University of Texas at El Paso (UTEP) as a result of a required return of funds;
4. To return 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;
5. To notify the student and/or PLUS loan borrower of eligibility for a Post-Withdrawal Disbursement, if applicable.

### *Student's responsibilities in regards 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 University of Texas at El Paso (UTEP) 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.

### III. Withdrawals and Financial Aid

Federal financial aid (Title IV aid) is awarded under the assumption that a student will remain in attendance for the entire period of enrollment for which aid was awarded. When a student withdraws from all courses, regardless of the reason, the student may no longer be eligible for the full amount of the federal financial aid originally awarded. Instead, the student will only be eligible to keep a portion of the federal financial aid the student received for that term (semester).

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

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

- Completely withdraws from all classes;
- Stops attending before the semester's end;
- Does not complete all parts of term (modules) in which the student is enrolled as of the start date of the period of enrollment;
- Fails to earn a passing grade in any class

**Note:** UTEP's institutional tuition refund policy is separate from the federal R2T4 regulations to return unearned aid. Even though a student may receive a tuition/fee refund from UTEP, the student may still be required to return unearned financial aid to the U.S. Department of Education.

### IV. Exemptions

A student is not considered to have withdrawn if the student:

- **Completed Program of Study** (applies to ALL Students)

A student who completes all the requirements for graduation from their program before completing the scheduled days or hours in the period is not considered to have withdrawn.

- **Completed Half-Time Enrollment** (applies to modules ONLY)

The student must successfully complete Title IV-eligible coursework equal to or greater than what the school considers to be half-time enrollment.

- **Completed Modules Spanning 49% of Countable Days** (applies to modules ONLY)

A student is not considered to have withdrawn if the student successfully completes one module or a combination of modules that includes 49% or more of the number of the countable days in the payment period, excluding scheduled breaks of five or more consecutive days and all days between modules.

If a student meets any of the R2T4 exemptions, the student is considered a "completer" and is not considered withdrawn for Title IV purposes.

## V. How to Calculate Earned Aid

Students who receive federal financial aid must remain in their registered classes to “earn” the aid they originally received. The amount of federal aid earned is based on a pro-rated formula. Students who withdraw or do not complete all classes in which they were enrolled may be required to return some of the aid originally awarded to the student.

Institutions, in accordance with federal regulation 34 CFR 668.22, are required to determine the percentage of federal aid “earned” and return the “unearned” portion to the appropriate federal aid programs. 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 student’s withdrawal date divided by the total number of calendar days in the period of enrollment.
- The number of calendar days the student was scheduled to attend is composed of the student’s enrollment/registration at the time of the R2T4 Freeze Date (RFD). The RFD is parallel with UTEP’s census date for each main term.
- Breaks of 5 days or more that are common to ALL students are not included in the count of total days in the period of enrollment.

This calculation must be performed within 30 days of the date the school determines that a student has completely withdrawn. The institution must return the unearned funds within 45 days of the calculation.

When calculating the percentage the student completed in the period of enrollment, if a student attended more than 60% of the scheduled days in a period of enrollment, the student is considered to have earned 100% of the Title IV funds the student was to receive during that period.

### ***Institutional Charges***

The institutional charges used in the calculation are the charges initially assessed to the student’s account for the period of enrollment. Initial charges may only be adjusted by those changes the institution made prior to the student’s withdrawal. The items to be included in the Institutional Charges for the period of enrollment include:

- Tuition
- Mandatory fees
- Course fees
- Special instruction fees

- Room and board (if contracted within the school)

The charges excluded from institutional charges for the period of enrollment include, but are not limited to:

- Parking permits
- Library fees
- Late payment fees
- Student refunds
- Meal plans
- ID card replacement fee
- Emergency Payment Plan fee
- Payment Plan fee
- Emergency Book Loan fee
- Housing damage
- Housing lock fee
- Housing deposit

## **VI. Students Enrolled in Parts of Term (Modules)**

For students that are enrolled in multiple parts of term, UTEP will combine all courses to form a period of enrollment. The R2T4 is calculated based on the parts of term within the enrollment/payment period.

A student is not considered withdrawn if the student meets all graduation requirements for their program of study, successfully completes enough Title IV-eligible coursework equal to or greater than what the school considers to be half-time enrollment, or attends 49% or more of the number of the countable days in the payment period. Please refer to section IV. Exemptions above.

If a student withdraws from a course in a later part of term while still attending a current part of term, the student is not necessarily considered as withdrawn based on not attending the later part of term. However, a recalculation of aid based on the change in enrollment status may be required.

Students who provide written confirmation to the Office of Student Financial Aid (OSFA) at the time of ceasing attendance in a part of term that they plan to attend another course later in the same payment period, and if the future course will be within 60 calendar days from the time the student ceased attendance, the student will not be considered to have withdrawn from the term.

Note: Written confirmation of a later class is required; registration alone does not meet this requirement. If the student does not provide written confirmation of plans to return to school later in the same payment period or term, and does not qualify for an R2T4 exemption, UTEP considers the student to have withdrawn and begins the R2T4 process. However, if the student does return to UTEP 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 and is eligible to receive the Title IV funds for which the student was eligible before ceasing attendance.

For calculation purposes, for a student that withdraws more than once in a period of enrollment, OSFA will calculate the percentage attended by adding only the calendar days attended in each part of term (numerator). The denominator will include all days the student was scheduled to attend during the period of enrollment, excluding scheduled breaks of 5 days or more.

## **VII. When a Student Fails to Begin Attendance**

Students who do not begin attendance in any of their scheduled classes are not eligible for federal financial aid and must repay all aid originally received. If the student does not pay the funds owed to UTEP, a financial hold is placed on the student's account by Student Business Services. This means he/she will not be permitted to register for classes or receive transcripts until the amount owed to UTEP is paid in full.

## **VIII. Official Withdrawals**

### **a. Reporting**

Each week, on Monday, an automated report is generated and sent to the Director of Outreach and Financial Education for Student Financial Services and a designated SFS Advisor. The report is used to identify those students who have officially withdrawn from all of their Title IV eligible courses in the period of enrollment. The designated SFS Advisor is the primary specialist for all R2T4's.

### **b. Students Withdrawing Prior to Census**

A student may add and/or remove courses before the census date. During this period, the OSFA will adjust the student's financial aid according to the student's new enrollment status in the period of enrollment.

## **IX. Official Withdrawal R2T4 Process**

- a. The student submits a completed Withdrawal Form to the Registration and Records Office at UTEP.
- b. The Registration and Records Office will update Banner to reflect the type of withdrawal (prior to census, after census, administrative withdrawal, military, etc.) and will enter the date of the withdrawal.
- c. UTEP's OSFA will complete an R2T4 calculation to determine the amount of federal financial aid the student earned.
- d. UTEP's OSFA will return funds to the federal programs, in the order according to federal regulations, on the student's behalf and the return will reflect as a charge on the student's UTEP account.
- e. OSFA will send an e-mail notification to the student's UTEP e-mail address indicating the outcome of the R2T4 calculation including additional information regarding repayment.

- f. The student is responsible for any and all UTEP charges resulting from an R2T4 calculation.

## **X. Unofficial Withdrawals**

The University of Texas at El Paso is not required to take attendance. Therefore, if the student has not earned a passing grade in any class and the OSFA is unable to determine the last date of attendance, the OSFA will use the 50% point of the period of enrollment as the withdrawal date.

### **a. Reporting**

At the end of the main part of term (semester) and after grades are officially posted, a report is created to identify those students who did not earn a passing grade. This report will include the following grades N, F, W, F\*, NC, WC, I, I\*, U\*, U, WF. The report is sent to the Director of Outreach and Financial Education for Student Financial Services and the designated SFS Advisor.

### **Late Grade Reporting**

Federal regulation states an institution has 45 calendar days from the date of determination to confirm if the student earned a passing grade for an incomplete course and to complete or correct the R2T4 calculation.

For example:

- The student initially receives an incomplete, but completes the course before an R2T4 calculation is performed within the 45-calendar-day timeframe. The course completion is considered and if a student now meets an R2T4 exemption, an R2T4 calculation is not required.
- Students that complete a course after the R2T4 calculation has taken place, but is still within the 45 days of the date of determination, the course completion is considered and the institution must correct the R2T4 calculation.
- A course that is completed days from the date of determination will not be considered and the R2T4 calculation is considered. If the course remains incomplete by the 45-calendar-day timeframe, the OSFA will complete an R2T4 calculation using the last date of attendance (LDA) as per the instructor's records, or if a date cannot be determined, the OSFA will use the 50% point in the semester as the withdrawal date.

### **Study Abroad Courses**

Students who have enrolled in study abroad coursework (AFIL or EXCH course code) with a grade of I or N after grades have been posted for the term will appear on that term's list of unofficial withdrawals. A return calculation will not be performed at the end of that given term for these students, since external institutions may choose to report and post grades at a date later than UTEP's internal deadline. The list of these students will be held until the end of the following term, at which point they will be reviewed once more. Students whose grades have still not been posted will be considered unofficial withdrawals, and an R2T4 calculation will be completed.

**b. Earned F Grade vs Stopped Attending F Grade**

For students who received one or more F grades, the SHATCKN Banner screen will be reviewed to identify if the student earned the F grade, if the student stopped attending or never attended.

- If at least one F grade is listed as “EF” (student earned F) for a course in the main semester, the OSFA will not complete an R2T4 calculation because the faculty member confirmed the student attended until the last day of class to earn the F grade. If the student received an “earned F” for a modular course, further calculations will need to be completed to determine if the student has completed more than 60% of the period of enrollment.
- If one or more F grades are listed as “SA” (student stopped attending) and there are no earned F’s for a main semester course, or any passing grades, the OSFA will consider the student as an unofficial withdrawal, OSFA will use SFAALST Banner screen to determine a student’s LDA for any “SA” (stopped attending) F grades. Additionally, if a student has any dropped courses in the semester, OSFA will use the latter of the LDA of a “stopped attending F” course or the date of a previously dropped course. If an LDA cannot be determined, OSFA will use the 50% point in the semester as the withdrawal date.
- If one or more F grades are listed as NA (student never attended), the OSFA will recalculate the student’s awards prior to completing the R2T4 calculation.
- If all F grades are listed as NA (student never attended), the OSFA will return all aid at 100% since the student never began classes.

If a student has a “stopped attending” F grade but completed more than 50% of the period of enrollment, or if the student has a “never attended” F grade but did begin attendance, the student may submit to OSFA, within 14 calendar days from the date the student was notified by OSFA of the R2T4 calculation, dated documentation pertaining to an academically related activity to use as the withdrawal date. An academically related activity may include, but is not limited to, taking a test or exam, attending a class lecture; completing an academic assignment, paper, or project; or participating in an online discussion. Any academically related activity must be signed off by the instructor prior to submitting the documentation to the OSFA in order to be accepted.

Documentation that is not acceptable as proof of participation includes, but is not limited to, the student's self-certification of attendance that is not supported by school documentation, living in UTEP housing, participating in the school's meal plan, or participating in academic counseling or advising.

## **XI. Order of Return to Federal Aid Programs**

UTEP must return Title IV funds to the financial aid programs from which the student received aid during the payment period or period of enrollment, in the following order, up to the net amount disbursed from each source:

1. Federal Direct Unsubsidized Loan
2. Federal Direct Subsidized Loan
3. Federal Direct PLUS Loan

4. Federal Pell Grant
5. Iraq and Afghanistan Service Grant
6. Federal Supplemental Educational Opportunity Grant (FSEOG)
7. Teacher Education Assistance for College and Higher Education (TEACH) Grant

## **XII. Loan Repayment Information**

The loan grace period begins on the withdrawal date from the school or when a student ceases to be enrolled at least half-time. If the student does not re-enroll as a half-time student within 6 months of withdrawal or less than half-time enrollment, the loan(s) enters repayment. The promissory note signed by the borrower outlines the repayment obligations. The student should contact his/her loan servicer to make repayment arrangements.

## **XIII. Post-Withdrawal Disbursements (PWD)**

A post-withdrawal disbursement may be required if the total amount of the Title IV aid earned as of the withdrawal date is more than the amount that was disbursed to the student. To be eligible to receive a post-withdrawal disbursement, students must have a complete financial aid file (verification completed and all tracking requirements satisfied) and meet all eligibility requirements.

### **a. Grant PWD**

Grants from a PWD may be credited to the student's school account without obtaining student permission. However, it may only be credited for tuition, fees, and room and board (if the student contracts with the school) or disbursed directly to the student. UTEP must obtain the student's authorization to credit a student's school account for charges other than current charges.

### **b. Loan PWD**

The University must obtain confirmation from the student, or from a parent for a Direct Parent PLUS Loan, before making any disbursement of loan funds. Also, for a Direct Loan, the institution must have originated the loan prior to the withdrawal.

## **XIV. Consequences of Non-Repayment**

Students who owe the U.S. Department of Education for an overpayment of Title IV funds are not eligible for any additional federal financial aid until the overpayment is paid in full or payment arrangements have been made with the U.S. Department of Education.

Students who owe UTEP because of an R2T4 calculation will be placed on a financial hold by Student Business Services. Students will not be allowed to register for subsequent semesters or receive academic transcripts



until the balance is paid in full or until payment arrangements have been made with Student Business Services.

In addition, at the time the R2T4 calculation is completed, if the student received Federal Direct Loans, the OSFA will notify the student within 45 days of their dropped course(s) that they will need to complete the Exit Counseling.

## **XV. Future Eligibility**

A withdrawal may affect a student's completion rate and maximum timeframe. Please refer to the OSFA's Satisfactory Academic Progress (SAP) for additional information.

## **XVI. R2T4 Deadlines**

- a. Withdrawal date of determination without notification:
  - **30 days** after the end of the term
- b. Return of unearned Title IV funds:
  - No later than **45 days** after the date the OSFA determines the student withdrew
- c. Post-withdrawal disbursement for outstanding current allowable charges:
  - No later than **180 days** after the date the OSFA determines the student withdrew
- d. Written notification to students to accept PWD for loans:
  - Within **30 days** of the school's determination that the student withdrew
- e. Post-withdrawal disbursement to the student:
  - From the date school determined student withdrew:
    - Loans - No later than **180 days**, and
    - Grants - No later than **45 days**

## **XVII. Quality Assurance**

All official and unofficial R2T4's will be subject to review for accuracy by management.

***NOTE: This policy is subject to immediate revision based on any changes made to federal laws and regulations. If changes are made, the student will be held to the most current regulations.***