



# Sam Houston State University

*A Member of The Texas State University System*

## FINANCIAL AID and SCHOLARSHIPS OFFICE

### Title IV Refunds (R2T4) Policy

It is important for students who receive any type of Federal Title IV student financial aid to be aware of the effect an official or unofficial withdrawal from Sam Houston State University (SHSU) will have on their pending and/or released aid, as well as their continued eligibility to receive future financial aid.

A student is considered to have withdrawn from a payment period or period of enrollment in which the student began enrollment if the student ceased attendance in all scheduled courses without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 a period.

For students enrolled in modules (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entire length of the payment period combined to form a term, for example, summer Parts of Term) a student is considered withdrawn if the student does not complete all of the days in the payment period that the student was scheduled to complete. SHSU tracks enrollment in each module/Part of Term to determine if a student began enrollment in all scheduled courses. If a student officially drops courses in a later module/Part of Term while still attending a current module/Part of Term, the student is not considered withdrawn. If a student drops all courses in the current module/Part of Term and is not enrolled in any other courses for other modules/Parts of Term the student is considered withdrawn and a R2T4 calculation must be performed. Use the following three questions to determine when a student is a withdrawal:

- 1. After beginning attendance in the payment period or period of enrollment, did the student cease to attend or fail to begin attendance in a course he/she was scheduled to attend?  
If the answer is no, this is not a withdrawal. If the answer is yes, go to question 2.
- 2. When the student ceased to attend or failed to begin attendance in a course he/she was scheduled to attend, was the student still attending any other courses?  
If the answer is yes, this is not a withdrawal (however other regulatory provisions concerning recalculation may apply). If the answer is no, go to question 3.
- 3. Did the student confirm attendance in a course in a module/Part Of Term beginning later in the period (can be no later than 45 days after the end of the module/Part of Term the student ceased attending)?  
If the answer is yes, this is not a withdrawal, unless the student does not return. If the answer is no, this is a withdrawal and the R2T4 requirements apply.

#### **A. Return of Title IV Calculation:**

The Federal Return of Title IV calculation must be performed for all students receiving Title IV aid (Pell Grant, Federal Supplemental Education Opportunity Grant (FSEOG), Teacher

Education Assistance for College and Higher Education (TEACH) Grant, Direct Subsidized, Unsubsidized and PLUS loans) who prior to the 60% point of the semester -

1. Withdraw from all courses (officially or unofficially)
2. Drop out of all courses, or
3. are expelled from the University

All unearned aid, as determined by the Federal Return of Title IV Calculation, must be returned to the applicable federal aid program(s).

Title IV aid recipients must be continuously enrolled for at least 60% of the term for which aid is disbursed in order to retain the financial aid issued each term. The 60% point will change with each semester as it is based on the number of days in the semester less any scheduled breaks lasting five days in length or longer (i.e. spring recess). After the 60% point the students are considered to have earned 100% of the Title IV funds disbursed to them in accordance with Federal Student Aid Regulations.

Therefore, it is in the best interest of aid recipients to maintain attendance and complete at least one class each term that they receive Title IV Financial Aid. (Note: Different requirements apply to maintain Satisfactory Academic Progress (SAP) for Financial Aid purposes.)

How the Return of Title IV Calculation works:

1. Determination of the withdrawal date or last recorded date of attendance: This date is based upon information provided on the *Resignation Request*, or the last recorded date of attendance as provided by the student's professor(s).
2. Determination of the percentage of the period completed: This is calculated by taking the total number of days completed and dividing it by the total number of days in the semester (less scheduled breaks).
3. Determination of the amount of Title IV aid earned by the student for the semester: This is determined by multiplying the Title IV aid disbursed, or that could have been disbursed, by the percentage of the period completed based on the withdrawal date.
4. Determination of the amount of Title IV aid to be returned (if any): This is done by subtracting the amount of Title IV aid earned from the total Title IV aid disbursed for the period.
5. Determination of the amount of unearned Title IV aid for the school to return: This is the lesser of:
  - a. The amount of unearned Title IV funds, or
  - b. The amount of institutional charges for the period multiplied by the percentage of unearned Title IV funds.

Title IV funds must be returned in the following order:

1. Direct Unsubsidized Loan
2. Direct Subsidized Loan
3. Perkins Loan
4. Direct PLUS Loan (Parent loan for dependent students)
5. Direct GRAD PLUS Loan (Graduate students)
6. Pell Grant

7. FSEOG Grant
8. TEACH Grant
9. Other State Aid- In order to earn State Grants (Texas Public Education Grant, Texas Grant, Bearkat Grant), a student must be enrolled through the 12<sup>th</sup> class day (4<sup>th</sup> class day for Summer Parts of Term). Withdrawals before the 12<sup>th</sup> (or 4<sup>th</sup>) class day will result in a full return of any grant money. This includes the University Transfer Scholarship.
10. Scholarships will be returned at the discretion of the individual donors/departments. (With the exception of the University Transfer Scholarship—see above).

A notification letter outlining the amount returned to the federal and institutional program(s) will be mailed to the student's permanent address listed with the Financial Aid & Scholarships Office. SHSU will return funds on the student's behalf to the appropriate federal and institutional aid program(s) and will subsequently bill the student's 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.

## **B. Types of Withdrawals:**

### 1. Official Withdrawals:

To officially resign (withdraw from all your classes) from the University, you must notify the Registrar's Office, Estill Bldg. 331, and process a *Resignation Request* in person, by mail (Box 2029, Huntsville, TX 77341) or fax (936) 294-1737. The Resignation Request must have a written signature and becomes effective the date received by the Registrar's Office. This is the date used to determine any applicable tuition refunds as well as the date used to process the Return of Title IV calculation.

### 2. Unofficial Withdrawals:

Students who do not continue their class attendance and fail to officially withdraw from SHSU will receive the grade of "F" for each course in which they are enrolled. The University's automated drop/add program will allow students to drop all but one class. In order to be officially resigned, the student must formally resign the last class with the Registrar's office. In accordance with Federal Student Aid regulations, students receiving all "F's" for the semester are considered to have "unofficially" withdrawn from the university. The Return of Title IV calculation will be processed for those students who fail to receive at least one passing grade in the courses for which they are enrolled. This calculation will be based upon the last recorded date of attendance provided by the student's professor(s). Those students with a last recorded date of attendance on or after the 60% point of the semester are considered to have earned 100% of their aid in accordance with Federal Student Aid regulations.

## **C. Post-withdrawal Disbursements:**

Upon a student's withdrawal from SHSU (official or unofficial), the amount of Federal Title IV grant or loan assistance earned by the student must be determined. If the amount of Title IV aid earned is more than the amount disbursed, the student may be eligible for a post-withdrawal disbursement. Post-withdrawal disbursements will be made from eligible grant funds (Pell, TEACH, and FSEOG) before loan funds are used.

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Per Title IV regulations, the University is permitted to credit a post-withdrawal disbursement to a student's account for outstanding institutional charges without the permission of the student (or parent in the case of a PLUS loan) up to the amount of any outstanding charges.

A student or parent authorization (Student Disbursement Authorization and/or Parent Disbursement Authorization) received prior to the withdrawal permits the University to credit the student's account for educationally related expenses.

Offers of post-withdrawal disbursements not credited to a student's account will be made in writing to the student (or parent in the case of a PLUS loan). The purpose of written notification is to allow the student (or parent) to make an informed decision as to the acceptance of the post-withdrawal disbursement.

The student (or parent) will have 14 calendar days from the date the notification is sent to accept or decline any post-withdrawal disbursements offered. Failure to respond within this time frame will invalidate any post-withdrawal disbursement(s) offered. Post-withdrawal disbursements not accepted within the specific time frame, or those declined by the student (or parent) will be returned to the applicable program(s).

The student and/or parent will be sent a written or electronic notification if post-withdrawal disbursements will not be made. This notification will also include the reason(s) why the University has chosen not to make the post-withdrawal disbursement.

#### **D. Time Frames:**

- Determination of the withdrawal date when a student officially withdraws :  
The student has officially withdrawn from SHSU the date the Resignation Request form is received in the Registrar's office. For Title IV purposes the date of determination that the student has withdrawn from the University is the later of:
  - a. The student's withdrawal date, or;
  - b. The date the student provides official notification to the University of the intent to withdraw.
- Determination of the withdrawal date when a student fails to officially withdraw (fails to earn a passing grade for a period of enrollment):  
For unofficial withdrawals the date used is the last recorded date of attendance provided by the student's professor(s). If multiple dates are given (for one or more classes), the latest date will be used.
- The Return of Title IV calculation will be performed no later than 30 days from the time the University receives notification of withdrawal (official & unofficial).
- Return of unearned Title IV funds to the applicable program(s):  
The University will make every effort to return the unearned funds to the program(s) as soon as possible. But, the funds will be returned no later than 45 days from the date the withdrawal was determined.

- Post-withdrawal disbursement(s) to a student's account for current (allowable) outstanding charges:  
The University will make every effort to disburse any post-withdrawal disbursement(s) to a student's account for outstanding current charges as soon as possible. However, the post-withdrawal disbursement will be made no later than 120 days from the date the University determined that the student withdrew.
- Written notification of student's eligibility for post-withdrawal disbursement in excess of outstanding educationally related charges :  
The University will notify the student (or parent in the case of a PLUS loan) within 30 days of the date the school determined the student withdrew (officially or unofficially) of any eligibility for a post-withdrawal disbursement in excess of any outstanding current charges. This notification will be sent in writing.
- Notification of student grant overpayment:  
The student will be notified in writing of any grant overpayments due to the university within 30 days of the date the University determined that the student withdrew. The University must receive payment, or payment arrangements within 45 days of the student's notification of the overpayment. Failure to make payment, or payment arrangements with either the University, or the Department of Education, will result in the student being reported to the National Student Loan Database and referred to the Department of Education. Once the referral is made, the student will no longer be eligible for Financial Aid at any institution.

**E. School responsibilities in regard to the Return Policy and Process:**

- Providing each student with the information given in this policy
- Identifying students affected by this policy and completing the Return of Title IV Funds (R2T4) calculation
- Informing the student of the result of the R2T4 calculation and any balance owed to the University as a result of a required return of funds
- 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
- Notifying student and/or PLUS borrower of eligibility for a Post-Withdrawal Disbursement, if applicable

**F. Student's responsibilities in regard to the Return Policy and Process:**

- Becoming familiar with the R2T4 policy and how withdrawing from all courses affects eligibility for Title IV aid
- Resolving any outstanding balance owed to the University resulting from a required return of unearned Title IV aid

- Resolving any repayment to the U.S. Department of Education as a result of an overpayment of Title IV grant funds

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