



EMILY CARR UNIVERSITY OF ART + DESIGN

Return of Title IV Funds for Direct Loan Programs administered by Financial Aid + Awards

Return of Title IV (R2T4) Regulations

The law specifies how ECU must determine the amount of Title IV program assistance (Stafford Loans) that students earn if they withdraw from school. See section on Withdrawals for specific information regarding Leaves of Absence (LOA) and the withdrawal process.

Financial Aid + Awards is responsible for calculating R2T4 and Financial Services is responsible for ensuring the funds are returned to the lender within 30 days of the last date of attendance. Financial Aid + Awards will use software provided by the US Department of Education to calculate the R2T4 funds. All funds must be returned to the lender within 30 days of the last date of attendance.

When a student withdraws during a payment period, the amount of Title IV program assistance that has been earned up to that point is determined by a specific formula. The date of withdrawal is the earlier of the date the student notified the Registrar's Office of their intent to withdraw or the date the student submitted the withdrawal form. If the student received (or the school received on the student's behalf) less assistance than the amount earned, the student may be able to receive those additional funds. If the student received more assistance than was earned, the excess funds must be returned by the school and/or the student.

ECU is not required to take attendance, although many professors will require a student to attend in order to receive a passing grade. Students are expected to regularly attend all of their classes. Faculty members will issue an automated Progress Alert if a student has not attended or ceases attending a class. These Progress Alerts are followed up by the Student Case Manager in Student Services where the student will be notified of the appropriate process to withdraw from the class. If the student fails to file an official withdrawal form, the last day of attendance or the date of the Progress Alert, whichever is earliest, will be used in the R2T4 calculation formula.

In the event that a student fails all classes in a semester, the Financial Aid + Awards Office will consult with the faculty member to determine if the 'F' grades were earned or represent a lack of attendance. If the failures were the result of a lack of attendance, the University will assume a 50% absence rate and calculate this date for the semester which will be used in the R2T4 calculation. A student that has attended no classes is ineligible for funding and all of the

loan proceeds will be returned to the lender.

The amount of assistance earned is determined on a prorated basis. The payment period is the term for which the loan was certified and the percent of attendance is calculated by dividing the number of days attended by the total number of days in the payment period. For example, if the student completes 30% of the payment period or period of enrollment, the student has earned 30% of the assistance they were originally scheduled to receive. Once the student has completed more than 60% of the payment period or period of enrollment, all the assistance that the student was scheduled to receive for that period is considered to have been earned. If the student did not receive all of the funds that were earned, s/he may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the student may choose to decline the loan funds so that additional debt is not incurred. Financial Aid + Awards will use the R2T4 software provided by the US Department of Education to determine how much of the loan may be retained and how much must be returned.

ECU may automatically use all or a portion of a student's post-withdrawal disbursement (including loan funds, if the student accepts them) for tuition and fees. For all other school charges, we require the student's permission to use their post-withdrawal disbursement to pay the outstanding balance. If the student does not give ECU permission to do so, the student will not be offered the funds. It may be in the student's best interest to allow ECU to keep the funds to reduce the debt at the school.

There are some Title IV funds that students were scheduled to receive that cannot be "earned" once a student withdraws because of other eligibility requirements. For example, if a first-time, first-year undergraduate student has not completed the first 30 days of the program before withdrawal, the student will not earn any loan funds that he or she would have received had the student remained enrolled past the 30th day. If the student receives (or the school receives on behalf of the student) excess Title IV program funds that must be returned, the school must return a portion of the excess equal to the lesser of:

1. The institutional charges multiplied by the unearned percentage of the funds, or
2. The entire amount of excess funds.

The school must return this amount even if it didn't keep this amount of the Title IV program funds. If the school is not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that must be returned, the student will repay in accordance with the terms of the promissory note. That is, scheduled payments are made to the holder of the loan over a period of time. Students who have received a refund of their loan proceeds before withdrawing may be required to return part or all of those funds to the lender.

Title IV funds will be returned in the following order:

1. Unsubsidized Federal Stafford loans
2. Subsidized Federal Stafford loans

The requirements for Title IV program funds when students withdraw are separate from any refund policy that the school may have. Therefore, the student may still owe funds to the

school to cover unpaid institutional charges. The school may also charge for any Title IV program funds that the school was required to return.

Leaves of Absence (LOA) and Withdrawals

Definitions:

Leave of Absence (LOA)

An LOA is a temporary interruption in a student's program of study not to exceed one year. LOA refers to the specific time period during a program when a student is not in attendance and will return to complete the program. Students returning from a LOA are not required to re-apply for admission but must re-register for their courses.

Official Withdrawal

A "withdrawal" refers to a student's intent to completely terminate studies at the University with no expectation of return. A student who subsequently decides to return to their studies, must re-apply for admission through the Admissions Office. Students who submit an official withdrawal will receive a grade of 'W' on their transcript which is GPA neutral.

Unofficial Withdrawal

An unofficial withdrawal is one where ECU has not received notice from the student that the student has ceased or will cease attending the school. Students who do not submit an official withdrawal will receive an "F" grade on their transcript. For further information, please see Satisfactory Academic Progress regulations.

LOA and Withdrawal Request Forms

The forms required in order to request a LOA or a Withdrawal are available on the ECU website or in the Student Services Office.

Approved LOAs For Title IV Direct Loan Purposes

An LOA must meet certain conditions to be counted as a temporary interruption in a student's education instead of being counted as a withdrawal requiring a school to perform an R2T4 calculation. If an LOA does not meet the conditions then the student is considered to have ceased attendance and to have withdrawn from the school, and the school is required to perform an R2T4 calculation.

In order for an LOA to qualify as an approved LOA:

1. All LOA requests must be submitted in writing to Student Services and include the reason for the student's request. The form must be signed and dated by the student and specify the date the student wants the LOA to begin and end.
2. Students must apply in advance for an LOA unless unforeseen circumstances prevent the student from doing so.
3. The situation described as the reason for the LOA must be generally non-academic in nature and must be one that leads to a reasonable expectation that the student will return from the LOA within the allowed time frame.

4. The LOA together with any additional leaves of absence must not exceed a total of 180 days in any 12-month period including days in which school is not in session.

All requests for LOAs will be reviewed by the Director of Records, Registration and Advising and the Associate Registrar – Awards + Advising. The student will be notified in writing by the Director of Records, Registration and Advising of the University's decision.

During the LOA, the institution will not assess the student any additional institutional charges, the student's financial need will not increase, and therefore, the student will not be eligible for any additional disbursements of Federal Student Aid.

If the student is a Stafford Loan recipient, the school will explain to the student, prior to granting the LOA, the effects that the student's failure to return from an LOA may have on the student's loan repayment terms, including the expiration of the student's grace period.

A student granted an LOA that meets the criteria stated above is not considered to have withdrawn, and no R2T4 calculation is required. Upon the student's return from the leave, s/he continues to earn the Federal Student Aid previously awarded for the period.

Completion of coursework upon return

In as much as approved leaves of absence are viewed as temporary interruptions in a student's attendance, and since the academic programs at ECU are considered term-based programs where the payment period is the term, a student returning from an LOA must do so at a time when s/he can complete the term in order to complete the payment period and be eligible to receive a second or subsequent disbursement. Therefore, for students enrolled in credit-hour term programs, in order for an LOA to be an LOA, the school must allow a student returning from an LOA to complete the coursework that he or she began prior to the LOA.

Students who return earlier than anticipated

The school may permit a student to return to class before the expiration of the student's LOA in order to review material previously covered. However, until the student has resumed the academic program at the point where he or she began the LOA, the student is considered to still be on the approved LOA. The days the student spends in class before the course reaches the point at which the student began his or her LOA must be counted in the 180 days maximum for an approved leave of absence. A student repeating coursework while on LOA must reach the point at which he or she interrupted training within the 180 days of the start of the student's LOA.

Student who fails to return from an LOA

If a student does not return to the school at the expiration of an approved LOA (or a student takes an unapproved LOA), the student's withdrawal date is the date the student began the LOA.

Explanation of consequences of withdrawal to loan recipients

A student who is granted an approved LOA is considered to remain in an in-school status for Title IV loan repayment purposes. If a student on an approved LOA fails to return, the school must report to the loan holder the student's change in enrollment status as of the withdrawal date. One possible consequence of not returning from an LOA is that a student's grace period

for a Title IV program loan might be exhausted. Therefore, in order for a LOA to be an approved LOA, prior to granting a leave of absence, a school must inform a student who is a Title IV loan recipient of the possible consequences a withdrawal may have on the student's loan repayment terms, including the exhaustion of the student's grace period.

Unapproved LOAs

A school may grant a student an LOA that does not meet the conditions to be an approved LOA for Title IV purposes (for example, for academic reasons). However, any LOA that does not meet all of the conditions for an approved LOA is considered a withdrawal for Title IV purposes. The student's withdrawal date is the date the student begins the LOA. An unapproved LOA is treated as an official withdrawal since the school would have previously granted an LOA. Therefore, the school would know immediately that the student had ceased attendance for Title IV purposes, and must use the specified withdrawal date in the R2T4 calculation.