

MEDICAL CAREER COLLEGE OF NORTHERN CALIFORNIA

RETURN OF TITLE IV FUNDS POLICY

PURPOSE:

To inform students of the refund policy for the return of Title IV Funds, HEA (R2T4) funds if a student cancels an enrollment agreement

To inform students of the refund policy for the return of Title IV funds, HEA (R2T4) funds, if the student withdraws or is terminated after the commencement of classes.

SUPPORTING DOCUMENTS:

School Catalog
Application/Enrollment Agreement
Website

This policy applies to students who withdraw officially, unofficially, are dismissed from enrollment at the School. It is separate and distinct from the School's refund policy.

The calculation of the amount of Return of Title IV, HEA (R2T4) funds are determined are determined according to the following definitions:

The amount of Title IV, HEA aid earned is based on the amount of time a student spent in academic attendance, and the total aid received. Because the 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 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.

The payment Period for Semester credit hours programs is one-half of the academic year or program length (whichever is less)

The Date of Determination is the date that the institution determines the student has withdrawn from the program. The Withdraw Date is the Last Date of Attendance (LDA). The Date of Determination starts the clock for timely refunds of Title IV funds, within 45 days after the "Date of Determination".

The institution has 45 days from the date that the institution determines that the student withdrew to return all unearned funds for which it is responsible. The school is required to notify the student that if they owe a repayment via written notice.

The school must advise the student or parent that they have 14 calendar days from the date that the school sent the notification to accept a post withdraw disbursement. If a response is not received from the student or parent within the allowed time frame or the student declines the

funds, the school will return any earned funds that the school is holding to the Title IV, HEA programs.

Post-withdraw disbursements will occur within 90 days of the date the student withdrew.

The Calculation Formula:

Determine the amount of Title IV, HEA funds that was disbursed plus Title IV aid that could have been disbursed.

Calculate the percentage of Title IV HEA funds earned:

1. Divide the calendar days completed in the period by the total calendar days in the period (excluding scheduled breaks of five days or more **AND** days that the student was on an approved leave of absence).

COMPLETED DAYS

TOTAL DAYS IN THE PAYMENT PERIOD = % EARNED

(Rounded to one significant digit to the right of the decimal point, ex. .4493 = 44.9%)

2. If this percentage is greater than 60%, the student earns 100%.

3. If this percentage is less than or equal to 60% proceeds with calculation.

Percentage earned from (multiplied by) total funds disbursed or could have been disbursed
= AMOUNT STUDENT EARNED.

Subtract the Title IV funds earned from the total disbursed = AMOUNT TO BE RETURNED.

100 % minus percent earned = UNEARNED PERCENT.

Unearned percent (multiplied by) total institutional charges for the period = AMOUNT DUE FROM THE SCHOOL.

If the percent of Title IV funds disbursed is greater than the percent unearned (multiplied by) institutional charges for the period, the amount disbursed will be used in place of the percent unearned.

If the percent of unearned (multiplied by) institutional charges for the period are less than the amount due from the school, the student must return or repay one-half of the remaining unearned Federal Pell Grant.

The student is not required to return the overpayment if the amount is equal to or less than 50% of the total grant assistance that was disbursed—or could have been disbursed. The student is also not required to return an overpayment if the amount is \$50.00 or less.

The School will issue a grant overpayment notice to the student within 30 days from the date the school's determination that the student withdrew, giving student 45 days to either:

1. Repay the overpayment in full to MCCNC
2. Sign a repayment agreement with the U.S. Department of Education

ORDER OF RETURN

The School is authorized to return any excess funds after applying them to current outstanding Cost of Attendance (COA) charges. A copy of the Institutional R2T4 work sheet performed on your behalf is available through the office upon student request.

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

- Unsubsidized Direct Stafford loans (other than PLUS loans)
- Subsidized Direct Stafford loans
- Federal Pell Grant for which a Return is required
- Other Title IV Assistance

EARNED AID

Title IV, HEA funds is earned in a prorated manner on a per diem basis (clock hours) up to the 60% point in the semester, Title IV, HEA funds is viewed as 100% earned after the point in time. A copy of the worksheet used for this calculation can be requested from the financial aid director

OVERPAYMENT OF TITLE IV

Any amount of unearned grant funds that a student must return is called overpayment. The amount of grant overpayment that you must repay is half of the grant funds you received. You must make arrangements with the School or Department of Education to return the amount of unearned grant funds.

WITHDRAW BEFORE 60%

The institution must perform a R2T4 to determine the amount of earned aid through the 60% point in each payment period, the institution will use the Department of Education's prorated schedule to determine the amount of the R2T4 funds the student has earned at the time of withdraw

WITHDRAW AFTER 60%

After the 60% point in the payment period, a student has earned 100% of the Title IV, HEA funds he or she was scheduled to receive during this period. The institution must still perform an R2T4 to determine the amount of aid that the student has earned. The School measures progress in clock hours and uses the payment period of calculation.

POST WITHDRAW

If you did not receive all of the funds that you have earned, you may be due a post-withdraw disbursement. The School may use a portion or all of your post- withdraw disbursement for tuition and fees (as contracted with the School). For all other school charges, the School needs your permission to use the post-withdraw disbursement. If you do not give permission, you will be offered the funds. However, it may be in your best interest to allow the school to keep the funds to reduce your debt at the school. You must have the student's permission to disburse a loan as a post-withdrawal disbursement.

The post-withdrawal disbursement must be applied to outstanding institutional charges before being paid directly to the student.

REFUND VS. RETURN

The requirements for the Title IV, HEA program funds when the student withdraws are separate from any refund policy that the School may have to return to the school due to a cash credit balance. Therefore, the student may still owe funds to cover unpaid institutional charges. The School may also charge the student for any Title IV, HEA program funds that they were required to return on the student's behalf.

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