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RETURN OF TITLE IV FUNDS (R2T4) POLICY

In accordance with federal regulations (34 CFR §668.22), NewU University administers the Return of Title IV Funds (R2T4) policy to determine the amount of federal student aid earned by a student who withdraws during a semester in which they received Title IV financial aid.

1. Overview

Title IV funds include federal student financial assistance programs such as the Federal Pell Grant, Federal Direct Loans (Subsidized and Unsubsidized), Federal PLUS Loans, and other Title IV programs. These funds are awarded under the assumption that the student will attend classes for the entire semester or payment period.

If a student withdraws before completing more than 60% of the semester, the institution must calculate the portion of Title IV aid the student earned up to the withdrawal date. The unearned portion must be returned to the U.S. Department of Education.

2. Withdrawal Date Determination

The withdrawal date used to calculate the return of funds is determined as follows:

- **Official Withdrawal:** The date the student communicates to the Registrar's Office as the intended date to withdraw.
- **Unofficial Withdrawal:** The last date of academic activity (e.g., class attendance, assignment submission, etc.). If this cannot be determined, the midpoint of the semester is used.

3. Calculation of Earned Aid

The percentage of Title IV aid earned is calculated by:

(# calendar days completed) divided by (total # calendar days in the semester);
(excluding scheduled breaks of 5 days or more)

- If more than 60% of the semester has been completed, the student is considered to have earned 100% of the Title IV aid.
- If 60% or less has been completed, the unearned portion must be returned.

4. Return of Unearned Funds

If the total amount of Title IV funds disbursed exceeds the amount earned, the difference must be returned by the institution and/or the student.

Funds are returned in the following order, as required by federal regulation:

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. Other Title IV funds, if any

5. Institutional and Student Responsibilities

NewU University is responsible for:

- Calculating the R2T4 amount.
- Returning any unearned funds to the U.S. Department of Education within 45 days of the date of determination.
- Notifying the student of any resulting balance due to the institution.

The student is responsible for:

- Repaying any Title IV funds they are required to return.
- Paying any balance owed to NewU University due to the return of Title IV funds.

6. Post-Withdrawal Disbursements

If a student earned more aid than was disbursed prior to withdrawal, they may be eligible for a post-withdrawal disbursement.

- **Grant Funds:** Automatically disbursed within 45 days of withdrawal determination.
- **Loan Funds:** The institution must obtain confirmation from the student (or parent for PLUS loans) before disbursing. Notification must occur within 30 days, and disbursement within 180 days.

7. Notification to Students

Students who withdraw during a semester in which they received Title IV aid will receive written notice (typically via email) detailing:

- The results of the R2T4 calculation,
- The amount of Title IV aid returned,
- Any balance owed to the institution or to the U.S. Department of Education.

[End]