



Financial Aid Office Policy: Return of Title IV Funds (R2T4) 2022-2023 Academic Year

In cases where a student has received federal financial aid and withdraws from Mount Mary University on or before completing 60% of the semester, the university is required to follow the Federal “Return of Title IV Funds” Policy. The federal formula requires a return of Title IV aid received from federal financial aid assistance.

Refunds and the “Return of Title IV Funds”

Mount Mary University’s Refund Policy exists for calculating the refund of institutional charges. The federal “Return of Title IV funds” formula dictates the amount of Federal Title IV funds that must be returned to the federal government by the school and the student. The federal formula is applicable to a student who withdrew on or before completing 60 percent period of the term and received federal financial assistance in the form of a Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Perkins Loan or Federal Direct Loan or PLUS/Grad PLUS Loan programs. The percentage of the refund is equal to the number of calendar days completed in the semester divided by the number of calendar days in the semester. Scheduled breaks of more than four consecutive days are excluded.

The student may be eligible to receive a refund of a portion of the tuition, fees and room and board paid to Mount Mary University for that term. Students who withdraw from Mount Mary University may receive a prorated refund of educational fees and housing/meal fees, according to the university’s schedule. The university’s refund policy is found online at <http://mtmary.edu/costs-aid/cost-of-attendance/undergraduate-tuition.html>. If the student received financial assistance, a portion of the refund will be returned to the grant, scholarship or loan source from which that assistance was received.

A student withdrawing from the university should complete the official form for withdrawal of all courses. This will enable Mount Mary to refund the maximum possible institutional charges. The student is required to meet the financial aid office to sign off on the withdrawal form. At that time, the financial aid administrator counsels the student on the consequences of their financial aid at the time of withdrawal (which includes the Return of Title IV Aid policy, if applicable). This will enable the student to better understand the process of the financial aid return of funds policy. For the student who completes the withdrawal form, this student’s withdrawal date is determine by the Academic Dean’s office based on the last date of attendance. The student who withdraws unofficially, the date is determined by the last day of attendance (if available) or an approximate day of last day of attendance and processed as an unofficial withdrawal for the federal Return of Title IV Aid purposes.

Mount Mary uses the software provided by the Department of Education to calculate the return of title IV funds based on the withdrawal date provided on the form submitted. For unofficial withdrawals, the

same process is followed based on the last date of attendance determined by the Academic Dean's office. The Return of Title IV (R2T4) is processed by the financial aid office within 30 days of the date which the school has been notified that the student has withdrawn. All federal funds must be returned within 45 days from the date which the school has determined the student has withdrawn.

Three formulas exist for determining the amount of the refund: Mount Mary University's refund policy, state of Wisconsin grant refund policy and **the federal "Return of Title IV Aid" formula derived from the 1998 Reauthorization of the Higher Education Act** (defined above).

If a student withdraws after his/her financial aid was awarded, but prior to all aid having been disbursed, the unpaid aid will be included in the federal refund formula as aid that "could have been disbursed." If the refund calculation indicates that the student is still eligible for the undisbursed aid, the aid will be offered to the student via a post withdrawal disbursement, which will be sent to the student in a written statement.

Students or parents (for Direct PLUS loans) that qualify for a post-withdrawal loan disbursement will be notified of this in writing within 30 days of the school's determination that the student withdrew. This notification will include the following:

- The amount and type of funds to be disbursed
- The student's options to accept or decline some or all of the Title IV funds
- The obligation to repay any loan funds disbursed
- The timeframe to respond to the offer (response required for loans)

Students or parents must respond to their offer and accept the loan prior to disbursement. Students and parents are asked to respond to the offer of a post-withdrawal loan disbursement within 14 days of the date that we notify them.

Post-withdrawal grant disbursements will be applied to the student account within 45 days of the date that Mount Mary, determined that the student withdrew. If the student owes a balance of allowable charges, the funds will be applied toward that balance. If the student does not owe a balance to the university, or the post-withdrawal funds exceed the allowable charges, any excess grant or loan funds will be refunded to them through refund check within 14 days of disbursement.

Students not receiving federal aid will have their refunds calculated using Mount Mary University's refund policy and the state of Wisconsin grant refund policy, if applicable.

If any refund remains after the required return of Title IV aid, the refund will be used to repay Mount Mary's funds, state funds, other private sources and the student in accordance with state regulations first and then in proportion to the amount paid by each non-federal source.

Please Note: For purposes of repayment, if funds are released to a student because of a credit balance on the student's account, the student may be required to repay some federal grants, if the student withdraws

Allocating Refunds and Repayments

When distributing a refund or repayment, money must first be distributed in the following order as allocated by law. Federal dollars are returned in full up to the amount of the Title IV refund. Remaining monies are pro-rated and allocated among state, private and institution sources up to the refund percentage.

1. Direct Unsubsidized Loans
2. Direct Subsidized Loans
3. PLUS Loans
4. Federal Pell Grants
5. Federal SEOG
6. Other Title IV Assistance
7. State, Private, or Institutional Aid
8. The Student

The student would receive money only after all financial aid programs have been refunded. Typically, a student who received federal aid does not receive a cash refund. If a student owes unpaid charges to the school, the student's account will automatically be credited with a portion of the student's refund up to the amount owed by the student. If a student has a credit balance on the student account generated by Title IV funds, these funds will be provided to them through refund check within 14 days of disbursement.

Detailed rules and examples of the refund calculations, as defined by federal statute, are available on request from the financial aid office.