**Return of Title IV (R2T4) Policy**

If a student finds it necessary to withdraw from a course (or courses), he/she would initiate the withdrawal process by completing the drop/add form. The drop/add form is available in the records office (937-395-6615). The student must secure signatures from the instructor of each course who will indicate the student’s last date of attendance (or academic activity) and grade at the time of the withdrawal, the student’s academic advisor, and the financial aid office before submitting the form to the records/registrar’s office for processing.

**How a Withdrawal Affects Financial Aid**

Federal Student Aid (FSA), also known as Title IV funding, is awarded under the assumption that a student will complete course(s) for the entire semester and/or payment period for which the funds were awarded.  When a student ceases attendance, officially and/or unofficially, regardless of the reason, the student may no longer be eligible for the full amount of Title IV funds originally awarded.

The return of funds to the federal government is based on the premise that financial aid is earned in proportion to the length of time during which the student attended.  A pro-rated schedule determines the amount of federal aid a student has earned while attending.   For example, a student who stops attending in the third week of the semester has earned less of his/her financial aid than a student who stops attending in the fifth week.

Once the 60% point in the semester/payment period is reached, a student is considered to have earned all of the financial aid originally awarded and will not be required to return any funds.

Financial aid that is processed for a student who never begins attendance or ceases attendance in classes prior to the end of the end of the 100% refund period will be canceled.

If a recipient of Title IV funds stops attending Kettering College after the 100% refund period, the amount of Title IV assistance earned by the student must be determined. If the amount disbursed to the student is greater than the amount the student earned, the unearned funds must be returned to the federal program(s). If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she is eligible to receive a post-withdrawal disbursement of the earned aid that was not received.

**Earned versus Unearned Title IV Funding**

If a student officially withdraws or ceases attendance and is administratively withdrawn from Kettering College, federal regulations require Kettering College to calculate the amount of Federal Title IV funds he/she has earned during the term from which the student withdrew.

For the purposes of calculating the amount of Federal Title IV funds earned during the term for a student withdrawing, the last date of attendance (or academic activity) as recorded on the student’s drop/add form by the course instructor will be used in the calculation.

The percent earned is equal to the number of calendar days completed up to the last date of attendance divided by the total number of calendar days in the semester/payment period.  Breaks of 5 days or longer are not included in the count of total days in the payment period.

Earned Percent = Number of Days Completed ÷ Total Days in Payment Period

Unearned Percent = 100% – Earned Percent

As a result of a withdrawal, students who received federal funds will be required to repay unearned aid. The repayment calculation is performed utilizing the federal government’s repayment worksheet see link below for access to the federal worksheet:

[**https://ifap.ed.gov/aidworksheets/attachments/CreditHourWorksheets2017.pdf**](https://ifap.ed.gov/aidworksheets/attachments/CreditHourWorksheets2017.pdf)

**Determination of Withdrawal Date vs. Last date of Attendance**

The return of Title IV funds process begins when the student submits a completed drop/add form to the records/registrar’s office to officially withdraw from his/her courses. The student’s last date of attendance or academic activity, as documented by the student’s instructor(s) on the drop/add form; will be used in the return of unearned federal student aid calculation. The determination of withdrawal date is the date the student submits the completed drop/add form to the records/registrar’s office for processing.  Any unearned federal aid will be returned to the appropriate federal program within 45 days of the determination of the withdrawal date.

**Administrative Withdrawal (Unofficial Withdrawal)**

Kettering College faculty will normally notify the records/registrar’s office after a student misses class two weeks in a row without any communication from the student. The records office will reach out to the student’s other instructors to see if the student is attending his/her other courses. If it is determined the student is not attending his/her other classes, and the records office has attempted to contact the student without success, an administrative withdrawal will be initiated. The records office will contact the student’s instructors to obtain his/her last dates of attendance (or academic activity), along with the grade the student was earning, and complete a drop/add form. The determination of withdrawal date on the administrative withdrawal will be the date the records office initiates drop/add form.

**Non-Attendance**

Instructors are required to report each term the students who do not begin attendance in a course. If a student does not begin attendance in a course or does not attend a course beyond the 100% refund period, that course must be taken out of consideration for Title IV funds. The Title IV funds will be recalculated excluding that course. Depending on the remaining credit hours, students may have their aid partially reduced or fully reduced.

**Post-Withdrawal Disbursements**

When the total amount of the Title IV assistance earned as of the last date of attendance is more than the amount that was disbursed to the student, the difference between the two amounts will be treated as a post-withdrawal disbursement.

A student will be considered for a post-withdrawal disbursement (and the parent for a parent PLUS Loan disbursement) if Kettering College receives a processed SAR/ISIR with an official EFC before the student becomes ineligible.  For purposes of determining eligibility for a post-withdrawal disbursement, the processing date on the SAR/ISIR will be used.

**Post-Withdrawal Disbursement of Pell Grant Funds**

If a valid SAR/ISIR is received for a student who is no longer enrolled, prior to performing a Return of Title IV Funds (R2T4) calculation, the student’s Pell Grant eligibility will be based on the student’s enrollment status as of the date the student ceased to be enrolled.

Kettering College will automatically credit the student’s account with a post-withdrawal disbursement of Pell Grant funds for current institutional charges (tuition, fees, MBS bookstore, and residence hall).  Excess funds will be refunded to the student.  The post-withdrawal disbursement will be made within 45 days of the date the institution determined the student withdrew.

**Post-Withdrawal Disbursement of Federal Loan Funds**

To receive a post-withdrawal disbursement of federal loan funds, the loan must be originated prior to the date the student becomes ineligible.

If a post-withdrawal disbursement includes federal loan funds, Kettering College must obtain the student’s, or parent’s if a PLUS loan, permission before it can be disbursed. The borrower will be notified within 30 days of the date of determination of withdrawal of the opportunity to accept all or a part of the post-withdrawal disbursement. The student or parent has 14 days from the date of notification to respond. Kettering College will disburse the loan funds within 180 days of the date of determination of the student’s withdrawal date.  Loan funds will be applied towards the outstanding semester charges on the student’s account and may pay up to the amount of the allowable charges.  Any remainder will be sent directly to the student or parent.

**Order of Return to Federal Aid Programs**

In accordance with federal regulations, unearned Title IV aid will be returned to the federal programs within 45 days of the student’s withdrawal in the following order:

* Federal Direct Unsubsidized Loan
* Federal Direct Subsidized Loan
* Federal Perkins Loan
* Federal Direct PLUS (graduate borrowers)
* Federal Direct PLUS for Undergraduate Students (parent borrowers)
* Federal Pell Grant

Unearned Title IV funds being returned will be distributed up to the amount disbursed from each federal aid program during that particular semester or payment period with the balance, if any, going to the next applicable program in the order.

**Student notification of Repayment**

The student and the school are both responsible for returning unearned federal financial aid to the federal government.  Kettering College will return funds on the student’s behalf to the appropriate federal programs and subsequently will bill the student for any balances owed back to Kettering College as a result of the return of Title IV funds. An email explaining the adjustment(s) to the student’s Title IV funds will be sent to the student. The student is responsible for any outstanding balance resulting from a Return of Title IV calculation.  Students are encouraged to contact the student accounts office to make arrangements for any outstanding and/or past due balance owed to Kettering College.

**Additional Loan Information to Consider When Withdrawing**

If the student is not enrolled at least half-time for more than 6 months, his/her loans will go into repayment. More specifically the student’s six (6) month grace period begins the day their enrollment status drops below half-time. The student must complete Exit Loan Counseling at [**www.studentloans.gov**](http://www.studentloans.gov/) and contact their servicer to make payment arrangements. Loans must be repaid by the loan borrower (student/parent) as outlined in the terms of the borrower’s promissory note. The student should contact the server if they have questions regarding their grace period or repayment status.

**Consequences of Non-Repayment**

Students who owe the US Department of Education for an overpayment (unearned due to not attending for more than 60% of the payment period) of Title IV funds are not eligible for any additional federal financial aid until the overpayment is paid in full or payment arrangements are made with the US Department of Education.

Students who owe the institution because of the return of Title IV funds calculation will not be eligible to register for subsequent semesters or receive academic transcripts until the balance is paid in full.

**How a Withdrawal Affects Future Financial Aid Eligibility**

Refer to the Satisfactory Academic Progress for Financial Aid Policy to determine how a withdrawal impacts aid eligibility.

 **Kettering College’s Tuition Refund Policy**

Refunds of tuition for full-semester courses are made upon the following basis:

|  |  |
| --- | --- |
| On or before the first day of class | 100% refund |
| Week 1 | 100% refund |
| Week 2  (through the 10th business day of the semester) | 100% refund |

After the end of the 10th business day of classes, no refunds will be made.

A comparable prorated refund schedule is calculated individually for summer sessions and other irregular terms.  Refunds for graduate programs taught in modules will be calculated individually.