

RETURN OF TITLE IV (R2T4)

The U.S. Department of Education specifies how the University of Louisville (UofL) must handle federal student aid Title IV funds when a recipient of such funds ceases to be enrolled prior to the end of a payment period or period enrollment. For Title IV aid recipients who are deemed to have 100% withdrawn from coursework after beginning attendance and/or participation, a calculation is performed to determine the amount of federal student aid assistance earned through a process called the Return of Title IV (R2T4). The federal student aid programs included in the R2T4 calculations are Federal Direct Loans (unsubsidized and subsidized), Federal Direct PLUS Loans (Graduate/Professional and Parent), Federal Pell Grant, Federal Iraq Afghanistan Service Grant, Federal Supplemental Education Opportunity Grant (FSEOG), and Federal TEACH Grant.

Determination of Aid Earned vs Unearned:

The formula used in the R2T4 calculation categorizes the aid disbursed to your [the student's] account into "earned aid" and "unearned aid". During the first 60% of the period of enrollment (semester), you "earn" Title IV funds in direct proportion to the length of time you remain enrolled. If you remain enrolled beyond the 60% point of the semester, you've earned 100% of the Title IV funds you were scheduled to receive for the semester.

UofL does not use a R2T4 freeze date, so the types of aid you are receiving determines the percentage of aid you get to keep. For a student enrolled in a standard, term-based program in all courses that expand the entire length of the term, the total days completed up to the student's withdraw date is used as the number of days completed in the numerator of the R2T4 calculation, and the denominator of the calculation is based on the number of days within the standard period, excluding any scheduled breaks of five or more days during the term. For a student enrolled in a standard, term-based program in a course(s) that does not expand the entire length of the term (a module course/courses) or is enrolled in the one non-term program at UofL, a series of questions are reviewed to determine if the student is considered a withdrawal during the period of enrollment (additional information below). If it is determined the student is a withdrawal for the term, the same method outlined above is used to determine the percentage of completed days for the numerator of the R2T4 calculation, and the denominator of the calculation will include all of the modules in which the student initiated attendance and, for Federal Direct Loans and FSEOG, any other modules for which the student was enrolled or registered on or after the first day of the period, even if the student did not attend the module, excluding any scheduled breaks of five or more days during this period. This calculation determines the percentage of aid earned for the term.

"Unearned" Title IV funds is the amount of disbursed aid that exceeds the amount of aid earned under the R2T4 calculation. If you are contemplating withdrawing from all

coursework PRIOR to completing more than 60% of the semester or if you are enrolled in a module course(s), then you should contact the Student Financial Aid Office to discuss how this will affect your federal student aid awarded.

If you receive (or UofL or your parent on your behalf) excess federal student aid program funds that must be returned, UofL must return a portion of the excess equal to the lesser of:

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

UofL must return this amount even if the amount of your federal student aid program funds were not kept.

If UofL is not required and does not return all of the excess funds, you may be required to return the remaining amount. For any Federal Direct Loan funds you must return, you (or your parent for a Federal Direct Parent PLUS Loan) will repay in accordance with the terms of the promissory note. That is, you make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned federal grant funds you must return is called an overpayment. At UofL, unearned federal grant funds are returned to the U.S. Department of Education on your behalf, potentially creating an outstanding balance that must be paid to the University.

If you did not receive funds you earned, you may be due a post-withdrawal disbursement. If the post withdrawal disbursement includes Federal Direct Subsidized, Unsubsidized, and/or PLUS (Graduate/Professional/Parent) Loan funds, UofL must get permission before those funds can be disbursed to your account at UofL or directly to the borrower. You (and/or your parent for Federal Direct Parent PLUS Loan funds) may choose to decline some or all of the Federal Direct Loan funds, so additional debt is not incurred. UofL will send a written notice outlining your eligibility for a post-withdrawal disbursement of federal loan funds within 30 days of the date determined you withdrew. You (and/or your parent for Federal Direct Parent PLUS Loan funds) will have 14 days to make your decision and respond to the University. UofL will automatically use all or a portion of your post-withdrawal disbursement of federal grant funds (Federal Pell Grant, Iraq Afghanistan Service Grant, and FSEOG) for tuition, fees, and room and board charges on your account. Your account will be credited with post-withdrawal disbursement within 180 days of the date of determination. For all other institutional charges, UofL will need your permission to use those funds to cover such charges, and if permission is not granted, you will be offered the funds. However, it may be in your best interest to allow UofL to keep the funds to reduce any outstanding charges owed to the University. For post-withdrawal grant disbursements not credited to your account at UofL to cover allowable charges, UofL will make the disbursement as soon as possible but no later than 45 days after the date of the determination that you withdrew.

Whether credited to your account at UofL or disbursed directly to you or your parent, post-withdrawal disbursements are made from available grant funds before available loan funds. If eligible to be refunded a Title IV credit balance, a refund will be made to your (or your parent for a Federal Direct Parent PLUS Loan) utilizing the University's refund methods.

There are some federal student aid funds you cannot earn, even if scheduled to receive, once you withdraw because of other eligibility requirements.

For each federal Title IV aid recipient who withdraws, prior to the R2T4 calculation being performed and any potential post-withdrawal disbursement is determined, UofL first completes an evaluation to determine if any recalculation of federal student aid funds is needed. For Federal Pell Grant recipients, verification will be sought to determine if a student began attendance or academically participated in all courses for which their Federal Pell Grant is based upon. If attendance/participation is not verified, a recalculation occurs prior to the R2T4 calculation being performed.

Return of Unearned Federal Student Aid:

The total federal aid disbursed at the point of withdrawal less the earned amount constitutes the unearned aid that must be returned to U.S Department of Education as soon as possible but no later than 45 days after the date of determination of a student's withdrawal.

University of Louisville will allocate the return of unearned aid in the following order:

1. Federal Direct Unsubsidized Loan
2. Federal Direct Subsidized Loan
3. Federal Direct PLUS (Parent/Graduate/Professional) Loan
4. Federal Pell Grant
5. Federal Iraq Afghanistan Service Grant
6. Federal Supplemental Education Opportunity Grant (FSEOG)
7. Federal TEACH Grant

The total amount of aid returned may result in the student owing an outstanding balance to UofL, if the remaining earned aid does not cover charges for the same period of enrollment. Once the Student Financial Aid Office has completed the R2T4 calculation, if any aid is deemed unearned, a notice is sent via mail detailing the student's revised eligibility.

If after the R2T4 calculation is performed the student is eligible to be refunded a Title IV credit balance, a refund will be made to the student (or parent for a Federal Direct Parent PLUS Loan) as soon as possible and within 14 days from the date the R2T4 calculation, utilizing the University's refund methods.

Determination of Date of Withdrawal for Students who Officially Withdraw:

When a student withdraws from a term from which he/she received Title IV federal financial aid, since UofL is not a school required to take attendance, the Student Financial Aid Office will use the student's official withdraw date in the R2T4 calculation, unless a last date of attendance/participation is provided through some other means that is prior to the student's actual withdraw date. For information regarding the last day to officially withdraw from coursework during a term, please review the applicable academic calendar at <https://louisville.edu/calendars/academic/>.

The R2T4 calculation is separate from any tuition refund you may receive. For information on tuition refund periods, please visit the Registrar's Office published calendars at <https://louisville.edu/registrar/calendars/calendars>.

The Student Financial Aid Office will evaluate tuition/fee reductions to non-title IV aid programs on a case-by-case basis.

The University also monitors Title IV aid recipients enrolled in coursework that does not span the entire enrollment period of the applicable semester. Such coursework is known as modular session classes, and at UofL, are known as 'First Half of Term', 'Second Half of Term', or 'Special' course dates. ***It is always in your/the student's best interest to talk with the Student Financial Aid Office to discuss the implications of withdrawing during a period of enrollment.***

To determine if a student enrolled in a series of modules has withdrawn from our standard, term-based programs, UofL completes the following review, beginning with asking:

Did the student cease to attend, or fail to begin attendance in a scheduled course that was included in the institution's calculation of the student's Title IV awards for the payment period or period of enrollment?

- If the answer is **No**, the student has not withdrawn and no action is required.
- If the answer is **Yes**, ***when the student stopped attending or failed to begin attendance in a scheduled course, was the student currently attending any other course(s) applicable to the student's Title IV eligible program of study in the payment period or period of enrollment?***
 - If the answer is **Yes**, the student is not a withdrawal; recalculation of the Title IV aid per applicable program regulations and UofL's policies may apply.
 - If the answer is **No**, ***when the student ceased to attend or failed to begin attendance in a scheduled course, did the student complete all the requirements for graduation?***
 - If the answer is **Yes**, the student is not a withdrawal; recalculation of the Title IV aid per applicable program regulations and UofL's policies may apply.
 - If the answer is **No**, ***did the student successfully complete coursework applicable to the student's Title IV eligible program of study in one module or a combination of modules that equals 49% or more of the***

number of countable days in the payment period or period of enrollment?

- If the answer is **Yes**, the student is not a withdrawal; recalculation of the Title IV aid per applicable program regulations and UofL's policies may apply.
- If the answer is **No**, **did the student successfully complete coursework applicable to the student's Title IV eligible program of study equal to or greater than what the school considers to be half-time enrollment for the payment period or period of enrollment?**
 - If the answer is **Yes**, the student is not a withdrawal; recalculation of the Title IV aid per applicable program regulations and UofL's policies may apply.
 - If the answer is **No**, **did the student confirm attendance in writing for a course applicable to the student's Title IV eligible program of study in a later module in the payment period or period of enrollment that begins no later than 45 calendar days after the end of the module the student ceased or failed to begin attending?**
 - If the answer is **Yes**, the student is not a withdrawal; recalculation of the Title IV aid per applicable program regulations and UofL's policies may apply. No R2T4 calculation is required unless the student ceases to attend or fails to begin attendance in a later module.
 - If the answer is **No**, the student has withdrawn, and a R2T4 calculation will be performed. Recalculation of the Title IV aid per applicable program regulations and UofL's policies may apply prior to the R2T4 calculation being performed.

UofL has one non-term program. To determine if a student enrolled in the non-term program has withdrawn, UofL completes the following review, beginning with asking: **After beginning attendance in at least one course, did the student stop attending or fail to begin attendance in a scheduled course applicable to the student's Title IV eligible program of study?**

- If the answer is **No**, the student has not withdrawn and no action is required.
- If the answer is **Yes**, **when the student stopped attending or failed to begin attendance in a scheduled course, was the student currently attending any other course(s) applicable to the student's Title IV eligible program of in the payment period or period of enrollment?**
 - If the answer is **Yes**, the student is not a withdrawal; recalculation of the Title IV aid per applicable program regulations and UofL's policies may apply.
 - If the answer is **No**, **when the student ceased to attend or failed to begin attendance in a scheduled course, did the student complete all the requirements for graduation?**
 - If the answer is **Yes**, the student is not a withdrawal; recalculation of the Title IV aid per applicable program regulations and UofL's policies may apply.

- If the answer is **No**, *did the student confirm in writing that he or she will resume attendance in coursework applicable to the student's Title IV-eligible program of study within 60 calendar days after ceasing attendance?*
 - If the answer is **Yes**, the student is not a withdrawal; recalculation of the Title IV aid per applicable program regulations and UofL's policies may apply.
 - If the answer is **No**, the student has withdrawn, and a R2T4 calculation will be performed. Recalculation of the Title IV aid per applicable program regulations and UofL's policies may apply prior to the R2T4 calculation being performed.

Unofficial Withdrawals (F-grades):

A student who fails to officially withdraw and/or drop a course but ceases attendance in their coursework will be considered an "unofficial withdrawal". Such students are assigned all unearned F-grades (UF) or have a combination of UF, a never/non-participation F-grade(s) (NP), and/or a withdraw(s) (W) as the final grade(s) recorded for the semester. UofL uses the greatest date reported by the instructor of an academically related activity in which the student participated as the withdraw date. If no date is provided for a course for which the student received a UF grade, the midpoint of the term will be used as the withdraw date for the R2T4 calculation. The same R2T4 calculation utilized for students who officially withdraw is used for students who unofficially withdraw.

The chart below describes the implemented grade types instructors are required to record when a F-grade is reported. All F-grades are required to be documented internally as earned (EF), unearned (UF), or never/non-participation (NP), all of which will reflect on the grade report as an 'F'.

UofL Code	When the Grade is Assigned by an Instructor	How the Grade Affects Federal/State Financial Aid Assistance
EF (Earned F)	If the student completed the course and all required work, then the student's grade shows as an earned F-grade	No R2T4 calculation required if the student received all EFs or combination of EF/UF/NP/W grades

<p>UF (Unearned F)</p>	<p>If the student began attendance and participated in the class up to some point, but then walked away and never completed the course, it is considered an 'Unofficial Withdrawal' from the course; the last date of the student's participation in any academically related activity for the course must be recorded</p>	<p>If all of the student's grades for the term are UFs or a combination of UF/NP/W grades, the student is deemed an unofficial withdrawal and a R2T4 calculation will be performed</p>
<p>NP (never participated)</p>	<p>If the student never began attendance nor participated in any academically related activity</p>	<p>A recalculation of the student's aid for applicable programs will occur, excluding the hours associated with the course(s) for which the NP-F grade(s) was received; if all grades for the term are NP-F grades, all federal aid is evaluated for cancellation; if all of the student's grades for the term are a combination of UF/NP/W grades, the student is deemed an unofficial withdrawal and a R2T4 calculation will be performed</p>

The Student Financial Aid Office must identify federal Title IV aid recipients who unofficially withdraw and determine the withdraw date within 30 calendar days from the earliest of the end of the term, the academic year, or the student's education program.