

## Federal Aid Title IV Refund Policy - Return of Title IV (R2T4)

- The law specifies how Montage Academy must determine the amount of Title IV program assistance earned if a student receiving financial aid withdraws. The Title IV programs covered by this law include: Federal Pell Grant, Direct Subsidized Loan, Direct Unsubsidized Loan, PLUS Loan (Parent and Graduate), Federal Supplemental Educational Opportunity Grant (FSEOG), and Federal Perkins Loan. The Title IV programs available to eligible students at this school include the Federal Pell Grant and Federal Direct Loans (subsidized, unsubsidized, and Parent PLUS).
- When a student receiving financial aid withdraws, the amount of Title IV program assistance earned is determined by a preset formula. If the student received less assistance than the amount earned, the student may be able to receive additional funds. If the student received more assistance than the amount earned, the excess funds must be returned by Montage Academy and perhaps by the student.
- Withdrawal date will be the student's last date of attendance at Montage Academy. The date of determination that a student withdrew is the date the school becomes aware that the student has ceased attendance or the date the student gives notification of withdrawal to the Montage Academy. The date of determination is the later of the student's withdrawal date or the date of notification of withdrawal.
- The amount of assistance earned is determined on a prorated basis. For example, if the student completed 30% of the required attendance for the payment period, the student earns 30% of the assistance he/she was scheduled to receive.
- Students attending beyond the 60% point of the payment period or period of enrollment will have earned 100% of Title IV funds received. If a student falls below the 60% period the student will have unearned funds that must be returned to the Title IV program(s).
- The Return of Title IV (R2T4) calculation will be completed within 30 days of the date of determination that a student withdrew. The calculation determines if Title IV funds paid to a student (or to his or her account at the school) are either earned or unearned based on the percentage of student's completion of the scheduled clock hours in the payment period.
- Unearned Title IV funds will be returned within 45 days after the date Montage Academy determines student withdrew.
- If a student withdraws or is dropped and did not receive all of the funds earned, the student may be due a post-withdrawal disbursement.
- Post-withdrawal disbursement of Title IV grant funds may be disbursed without obtaining the student's permission to cover current charges for tuition and fees.
- If the post-withdrawal disbursement includes loan funds, Montage Academy will notify the student and/or parent (for a PLUS loan) to obtain permission prior to disbursement. The student and/or parent (for a PLUS loan) may choose to decline the loan funds so he/she does not incur additional debt. Montage Academy may use all or a portion of the loan post-withdrawal disbursement to cover current charges for tuition and fees.
- Montage Academy must obtain the student's and/or parent's (for a PLUS loan) permission to credit the post-withdrawal disbursement (grant or loan funds) for other current charges related to educational activities. If the student does not give permission, the student will be offered the funds. However, it may be in the student's best interest to allow Montage Academy to keep the funds to reduce the balance owed to the school.
- Post-withdrawal disbursements from grant funds must be paid within 45 days and loan funds must be paid within 180 days from the date of determination that the student withdrew.
- Some scheduled Title IV funds cannot be earned once a student withdraws because of other eligibility requirements. For example, if the student is a first-time, first-year undergraduate student and has not completed the first 30 days of the program before withdrawing, the student will not earn any Federal Direct Loan funds.
- The amount of unearned, Title IV program funds due by Montage Academy is the lesser of the school's charges for the payment period multiplied by the percentage of unearned Title IV aid, or the entire amount of Title IV excess funds.
- The order in which Title IV program funds are returned is as follows:
  - Federal Direct Unsubsidized Loan
  - Federal Direct Subsidized Loan
  - Federal Direct PLUS
  - Federal Pell Grant
- If the school is not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that the student must return, you (or the student's parent for a PLUS Loan) must be repaid in accordance with the terms of the promissory note.
- Any amount of unearned grant funds (for example, Pell) that must be returned is called an *overpayment*. The maximum amount of a grant overpayment that must be repaid is half of the grant funds received. If the student owes \$50 or less, the overpayment does not need to be repaid. Arrangements must be made with the school or the Department of Education to return the unearned grant funds.
- The Return of Title IV requirements when a student withdraws are separate from any institutional refund policy that the school may have. Therefore, the student may still owe funds to Montage Academy to cover unpaid institutional charges. The school may also charge a student for any Title IV program funds that Montage Academy was required to return.