

## **Return of Title IV Funds (R2T4)-Policy & Recalculation of Aid Policy**

The following policy is used to determine how aid may be adjusted for recipients who have officially or unofficially withdrawn from all courses or who have dropped some of their classes but remain enrolled in others. If officially or unofficially withdrawn, the following federal sources of aid will be included in the R2T4 calculations (except FWS which is noted below). The return of funds in the R2T4 calculation will be rounded to the nearest dollar for all federal aid funds.

While state, institutional, and private aid will not be included in the R2T4 calculation, aid may be adjusted based on hours attending as of the census date. Amounts from all sources of aid that are adjusted based on official/unofficial drops and withdrawals will be included in the notification sent to the student.

For federal, state, and guaranteed MTSU scholarships, aid will be disbursed based on enrollment in coursework meeting an outstanding degree requirement, also referred to as Coursework toward Program of Study (CPoS). Unless stated otherwise, references to “enrollment”, “enrollment status”, or “credit hour” in this policy will be based on registration/academic engagement in eligible CPoS courses.

For Athletic Scholarships, other institutional sources of aid, and private sources of aid, disbursement of aid will be based on total enrollment whether it meets an outstanding degree requirement or not.

### **Federal Aid:**

#### **Loan Eligibility**

The following policy applies to Title IV recipients who have officially or unofficially withdrawn from all courses or have dropped classes in current or subsequent modules. If a loan is disbursed based on a minimum of half-time enrollment and has attended one day of at least one class, whether their enrollment status changes after being disbursed, the student establishes eligibility for a Federal Direct Loan. If the loan has been originated but not disbursed, the student may qualify for a post-withdrawal disbursement.

#### **Pell Grant and State Aid (e.g., state grant and Lottery Scholarship) Eligibility**

Students are awarded amounts based on the student’s enrollment. Students who drop a class before the census date or Pell Recalculation Date – PRD will have their grant and/or scholarship amount adjusted. Students who drop a class during a modular part of term before it begins will have their grant and/or scholarship amount adjusted.

#### **Federal Work-Study (FWS)**

FWS funds are not included in any of the calculations for the return of funds. Students are no longer allowed to work once they officially withdraw.

### **Supplemental Education Opportunity Grant**

Awarded students must be enrolled in at least 1 credit hour.

The following sources of aid are not included in the R2T4 calculation but aid may be adjusted and the amount returned due to the official/unofficial withdrawal.

### **State Aid (e.g., State Grant, Lottery Scholarship, etc.) Eligibility:**

Students are awarded amounts based on the student's enrollment. Students who drop a class before the census date will have their grant and/or scholarship amount adjusted. Students who drop a class during a modular part of term before it begins will have their grant and/or scholarship amount adjusted.

### **Institutional and Private Aid Eligibility:**

#### **Guaranteed Scholarships**

Unless granted a waiver, students must be enrolled full-time in coursework that meets an outstanding degree requirement as of the census date or the scholarship will be cancelled.

#### **Departmental/Foundation Scholarships**

A Departmental/Foundation Scholarship will be adjusted based on instructions from the donor or the department.

#### **Athletic Scholarships**

This policy does not address Athletic Scholarships, which is addressed in its own policy.

#### **Private Scholarships**

A Private Scholarship will be adjusted based on instructions from the private donor.

## **Steps In the Return to Title IV Funds Calculations (R2T4)**

### **1. Determining the Withdrawal Date**

#### **Official Withdrawal**

The withdrawal date for an Official Withdrawal will be the date the student began the withdrawal process unless a Last Date of Academic Engagement (LDA) is reported. The designated office for official withdrawal notification, both written and verbal, is the MT One Stop. The Withdrawal Coordinator in the MT One Stop processes withdrawal notification, including requests for backdated withdrawals.

#### **Unofficial Withdrawal**

An unofficial withdrawal occurs when the student does not begin the school's withdrawal process or notify the school of the intent to withdraw but has ceased engaging/attending all courses in a payment period. In this case, the withdrawal date is the midpoint of the payment period for which Title IV assistance was disbursed unless a more accurate date can be documented by academic records as reported by faculty.

Faculty are requested to report academic engagement by a specified date (i.e., published census date) of the semester. Faculty are not required to take attendance but can use documented academic activity to determine academic engagement. Therefore, MTSU is not a school required to take attendance.

Most unofficial withdrawals are identified when grades are reported at the end of the semester. Faculty members reporting a grade of F or I are required to report either 1) the midpoint date of the semester, if the last date of a documented activity is unknown, or 2) last date of a documented academic activity. A student with all FA grades for the semester will be considered an unofficial withdrawal.

Note: If a grade of Incomplete (I) is assigned allowing for an extension of time to complete the class, the faculty must assign a default grade that will be assigned if the student does not further engage. If the default grade is an F, then an LDA must be reported based on either the midpoint of the semester (if LDA is unknown) or use the date from the last documented academic record. If the student does not subsequently engage, the grade of F/FA will be based on the LDA. Otherwise, if the student subsequently engages, a grade of A – F will be assigned as appropriate. A student with all I's, that will revert to an FA at the end of the extension date, will also be considered unofficial withdrawals. A Return Calculation is processed. If the grade is changed within an allowable timeframe based on federal deadlines, then the R2T4 can be reversed and aid can be reinstated if the grade is later earned.

**For an unofficial withdrawal, only the midpoint or an LDA may be used to determine the withdrawal date.**

### **Return to Title IV and Coursework toward Program of Study**

In cases where students have withdrawn from all courses, except for course(s) that do not count toward their program of study, they shall be considered to be withdrawn for Title IV purposes. As such, a R2T4 calculation is required and the unearned percentage of aid will be returned according to the calculation.

### **Modular Withdrawals**

New modular rules were early implemented May 17, 2021. The definition of a module is

“Except for subscription-based programs and nonterm programs, a program is “offered in modules” if a course or courses in the program do not span the entire length of the payment period or period of enrollment.”

MTSU chooses not to use an *R2T4 Freeze Date (RFD)*. Use the following questions to determine if a drop is considered a modular withdrawal and a R2T4 calculation must be performed,

1. Has the student started attendance in at least one course in the payment period for which the student received TIV aid?
  - i. If no, not withdrawn. Cancellation of aid may be required.
  - ii. If yes, move to the next step.
2. Was the student currently attending any other courses in the payment period used to determine the student's eligibility for TIV aid?
  - i. If no, refer to R2T4 modular **exceptions**
  - ii. If yes, not withdrawn check for required recalculation.

### **Modular Exception Waiver Scenarios**

1. Did the student complete all requirements for graduation?
  - i. If yes, student has not withdrawn.
  - ii. If no, move to next step.
2. Did the student successfully complete 49% of the countable days (excluding breaks and any days between modules – cannot round up to 49%) in payment period. The 49% can be comprised of one or multiple modules.
  - i. If yes, not withdrawn.
  - ii. If no, move to next step.
3. Did the student successfully complete half-time?
  - i. If yes, not withdrawn.
  - ii. If no, move to next step.
4. Did the student confirm intent to attend a later module (within 45 days from the end of the module from which they withdrew)? Did the student add another class around the time of dropping?
  - i. If the student added another course the same or by the point the student's record is reviewed, not withdrawn and track to verify that the student engages. If the course in question was registered prior to the date of the drop, they must complete a letter of intent.
  - ii. If the student needs to confirm intent to attend a future module, not withdrawn if the student returns letter within 5 business days. Recalculate aid if necessary. Track to verify that the student engages.
  - iii. If no proof of intent to attend a future module, student has withdrawn. Complete R2T4 calculation.

**Note: successful completion requires that they have passed (A, B, C, D, P, S) the course, not simply earned a grade of F.**

### **Purged After First Day**

Federal regulations state that if a student attends even one day of one class, the student has earned some portion of financial aid. In the case that a student is purged after classes have started, it must be determined whether or not the student academically engaged in classes prior to the purge date. The school must have evidence to support engagement

from faculty, school systems, or records to verify engagement. If it is determined that a student has attended prior to the purge date, the student has earned some portion of their TIV aid, despite having received a 100% tuition adjustment and a R2T4 calculation is performed based on the purged date or based on date from a documented academic activity.

### **Backdated Withdrawals**

A student may have their withdrawal date backdated based on documented extenuating circumstances. If an R2T4 calculation has already been processed based on the original (and later) date, and a return made, the R2T4 calculation will not be changed based on the backdated date if 30 days has passed since the original R2T4. The Federal Student Aid Handbook states that an institution is never required to do a recalculation of a change that is not a correction (vol. 5, ch. 1.) In some cases, backdated withdrawals may result in the student receiving a tuition adjustment from the University. The Federal Student Aid Handbook also states that changes made to institutional charges after the student withdraws will not affect the charges for which the student was assessed, or the aid earned in the calculation (vol. 5, ch. 1.)

If the student has not already withdrawn, and is granted a backdated withdrawal by the university, the withdrawal date will be based on the date that the student began the withdrawal process (not the date that the student simply inquired about withdrawing) or provided official notification. In some cases, the withdrawal date may be based on the documentation used as a basis for the backdated withdrawal (e.g. hospitalization). This applies even if the student is granted a backdated withdrawal with an effective date before the first day of classes. Academic records will be maintained in such cases to verify that the student began attendance and was not reported as having ceased attendance prior to the point of withdrawal.

***\*\*\*This applies to federal aid only. State aid will be cancelled if the withdrawal date is backdated before the 14<sup>th</sup> day of the semester. \*\*\****

***Volume 5, chapter 1.***

## Changing or Correcting an R2T4 Calculation

Changes that aren't corrections are allowed only if the change can be made in time for the institution to meet any applicable R2T4 deadline.

**A change is not a correction if a calculation (R2T4/postwithdrawal disbursement) was correct at the time it was processed.**

For example, a school that used the midpoint as the withdrawal date may want to go back and revise an already processed R2T4 calculation to use a last date of attendance at an academically related activity past the midpoint. Such a change is not a correction because the use of the midpoint was not a mistake — unlike using the wrong amount of a Pell Grant disbursement. Similarly, the signing of a promissory note after a calculation is processed is not a correction because failing to sign a promissory note is not a mistake.

**An institution is never required to do a recalculation of a change that is not a correction.**

### 2. Determining the Percentage of the Period of Enrollment Completed

Once a withdrawal date has been established, the percentage of the payment period the student completed will be calculated to determine the portion of the period not completed. These percentages then determine the corresponding percentages of earned and unearned aid. The percentage completed is determined by dividing the total number of calendar days comprising the payment period for which assistance is awarded into the number of calendar days completed in that period as of the day the student withdrew.

Breaks of 5 days or more will be excluded from both the denominator and the numerator for the purposes of calculating the percentage of the period of enrollment completed.

### 3. Determining Institutional Charges

Institutional charges are used to determine the portion of unearned TIV aid that the school is responsible for returning. Schools must ensure that all appropriate fees, as well as applicable charges for books, supplies, materials, and equipment are included for coursework that is meeting an outstanding degree. Institutional charges for non-CPOS eligible courses are not included in the R2T4 calculation.

The institutional charges used in the calculation usually are the charges that were initially assessed for the entire payment period. Initial charges may only be adjusted by those changes the institution made prior to the student's withdrawal (for example, for a change in enrollment status unrelated to the withdrawal). If, at the time of the withdrawal or afterward, the school changes the amount of institutional charges or decides to eliminate all institutional charges, those changes do not affect the charges nor aid earned in the calculation.

The following educational expenses must be considered institutional charges:

- All charges for tuition, fees, and room and board (if contracted with the school). Note that application fees are excluded from institutional charges because they are not an educational cost.
- Expenses for required course materials (books, kits, tools, supplies, etc.) if the student does not have a real and reasonable opportunity to purchase the required course materials from any other unaffiliated source but the school.

Noninstitutional charges (not included in an R2T4 calculation) include the following:

- charges for any required course materials that a school can document a student had a real and reasonable opportunity to purchase elsewhere,
- charges to a student's account for discretionary, educationally related expenses (e.g., parking or library fines, the cost of athletic or concert tickets, etc.).

#### 4. Title IV Aid Disbursed

Title IV funds are considered disbursed once the student's account is credited. All Title IV funds (except for FWS) that are disbursed as of the withdrawal date is used in the R2T4 calculation so long as the disbursement was not an inadvertent overpayment. Inadvertent overpayments are an exception. Inadvertent overpayments—disbursements inadvertently made to a student after the student ceased attendance but prior to the date of the institution's determination that the student withdrew—are included in an R2T4 calculation as *Aid that could have been disbursed* rather than *Aid disbursed*. However, since inadvertent overpayments are not considered eligible late disbursements (refer to the Late Disbursement Policy section), the aid cannot be considered an eligible post-withdrawal disbursement and must be cancelled in full.

NOTE: Enter the *net amount* of any federal loan disbursed.

#### 5. Calculation of Title IV Assistance Earned

If the percentage of the payment period is less than or equal to 60.00%, this percentage becomes the percentage of earned assistance. If the percent of the payment period is greater than 60.01%, then 100% is used for the percentage of earned assistance.

The earned percentage is applied to the total amount of Title IV grant and loan assistance that was disbursed (and that could have been disbursed) to the student for the payment period for which it was awarded as of the determined withdrawal date. **Loans not disbursed at the time of the withdrawal date can only be considered as "aid that could have been disbursed" if the student has signed a promissory note.** In accordance with late disbursement rules, the amount that "could have been disbursed" is any awarded aid for which the student qualified as of the withdrawal date, but that had not yet been disbursed.

The school has 180 days from the date of withdrawal determination to make a post-withdrawal disbursement of earned aid.

## 6. Calculation of Title IV Assistance Unearned

If the student has earned 60.01% or greater, no return of funds is necessary. If the percentage earned is 60.00% or less, then that amount is subtracted for 100% and the result is the unearned percentage.

**School:** The school must return the lesser of: 1) the unearned amount of Title IV assistance; or 2) the amount equal to the student's total institutional charges for the period, multiplied by the unearned percentage. The school has **45 days** from the date of determination of withdrawal to return unearned Title IV funds.

**Student:** The student must return the unearned amount of Title IV assistance minus any funds the school returned. Grant funds to be repaid are limited to the amount by which the original overpayment amount exceeds half of the total grant funds received by the student. A student, or parent for a PLUS loan, is required to repay the calculated amount attributable to a Title IV loan program according to the terms of the Master Promissory Note (MPN). In essence, this means that when a repayment amount, due to a withdrawal, is calculated and attributed to a student's Title IV loan, the student is not responsible for immediately returning that amount. That amount will be repaid when the loan enters repayment status in accordance with the terms of the MPN.

## 7. Order of Required Returns by the Institution

The Department of Education requires that unearned funds be returned in a manner that is in the best interests of the student. Based upon the federal guidelines, unearned Title IV funds are to be returned in the following order:

1. Unsubsidized Direct Stafford Loan
2. Subsidized Direct Stafford Loan
3. Direct PLUS Loan (parent or graduate)
4. Federal Pell Grant
5. Iraq and Afghanistan Service Grant
6. Federal Supplemental Educational Opportunity Grant
7. Federal TEACH Grant

## 8. Post-Withdrawal Disbursements

When processing a R2T4 calculation, include any federal aid awarded but has not disbursed as "Could Have Been Disbursed". For federal loans that have been originated but not disbursed, include them in the calculation as "Could Have Been Disbursed"



whether the student is eligible to receive under late disbursement rules as a post-withdrawal disbursement (refer to Late Disbursement Policy). However, do not include these funds as “Could Have Been Disbursed” if the student has not signed their master promissory note.

The school is allowed to credit any Title IV grant funds to the student’s account as soon as possible but no later than **45 days** after the date of the school’s determination that the student withdrew (no confirmation from the student is required). If loan funds can be used to credit the student’s account, the school is required to notify the student (or parent in cases of PLUS loans) within 30 days of the school’s determination that the student withdrew. Regardless of the amount owed on the student account, the school must have student or parent authorization (PLUS Loan) to credit the student’s account with any Title IV loan funds.

If a student does not owe outstanding current semester charges, any post-withdrawal disbursement is offered to the student or parent (in cases of PLUS loans). The student/parent must be notified in writing within 30 days of the school’s determination that the student withdrew. The letter must identify the type and amount of the funds. If loan funds are available, the school must explain that the student/parent has the option to accept/decline all or part of the loan. The letter must also inform the student/parent that a response must be received within 14 days of the date of notice. If the school does not receive a response, no further disbursement is made. If the response is received in a timely manner, the funds must be disbursed within 180 days of the date the school determined that the student withdrew. Exceptions can be made at the discretion of the director for responses received after 14 days. If the request is denied due to a late response, the school will send the student/parent a letter.

Any Title IV credit balances created due to the post-withdrawal disbursement will be disbursed to the student’s account based on the timeframes indicated above and refunded to the student as soon as possible but no later than 14 days.

### **Additional Policies affecting Title IV Aid**

#### **1. Pell Recalculation & Academic Engagement/Attendance**

In cases where students have previously been reported as having ceased academic engagement in a course before the Pell Recalculation Date (PRD), and now wish to change that course for a different course, Pell will be recalculated and reinstated so long as the following conditions are met:

- a. The course is a TIV eligible course.
- b. The student’s enrollment status for TIV purposes as of the census date equals the student’s new enrollment status.
- c. The student has begun attendance in the new course.

## 2. **Late Disbursement Policy**

The late disbursement policy adheres to federal regulations to provide ineligible students, who would have been otherwise eligible, with a portion of their financial aid awards for the current or past period of enrollment. Students who qualify for a late disbursement did establish initial eligibility for their aid and met the terms of late disbursement eligibility as set forth in the Code of Federal Regulations (**34 CFR 668.164(g)**).

### **Conditions for a Late Disbursement**

#### **Pell Grant**

If a valid SAR with an eligible EFC has been received before the student's last day of enrollment but the student has been selected for Verification, the school has up to the earlier of either 120 days from the last date of enrollment or the last date provided by the Federal Register to make corrections and receive a revised ISIR. The student is entitled to a Pell grant disbursement that increased due to the verification process.

#### **Federal Stafford Loan & Plus Loan**

The following policy applies to recipients receiving Stafford and PLUS loans who have officially or unofficially dropped below half-time. To be eligible for the loan funds, the loan must have been originated before the student became ineligible and cannot be the second disbursement unless the student has successfully completed the days in the loan period.

### **Determining the Percentage of the Semester Completed**

The Financial Aid Office will determine how many days the student attended. The date used to determine how many days completed will be the last class the student dropped or reported as having ceased attendance. The number of days completed will then be divided by the total number of days in the semester. In the case of modular withdrawals, the total days of part of term in which the student began attendance and/or scheduled courses used to determine the student's eligibility for Title IV aid will be included in the denominator, and the completed days in the numerator. In some cases, however, the total number of days won't be included in the denominator. For example, if a student is enrolled in S1 and S2 courses and drops the S2 course while enrolled (and attending) the S1 course, the S2 dates will not be included in the denominator. This is only true for situations that involve an actual drop.

An unofficial drop occurs when the student does not formally drop the class but ceases to attend. Once the last date of academic engagement has been determined, the percentage is calculated using the above procedure.

The school has 180 days from the date that the student becomes ineligible to make a late disbursement. The school may credit a Federal Pell grant award to the student's account for tuition, fees, room, and board without the permission of the student or parent. A late disbursement of a Stafford or PLUS Loan cannot be credited to a student's account without documented proof of acceptance from the student and/or parent. If the student does not owe a

balance to the university but is eligible for a late disbursement of Pell grant, Stafford or PLUS Loan, the student must accept the late disbursement before the funds can be disbursed to the student/parent.

#### **Amount of Late Disbursement – Title IV Grant**

**School:** The school will credit the student's account with the amount of the award that corresponds with the EFC Number and eligible credit hours as of the date paying the funds.

#### **Amount of Late Disbursement – Title IV Loan**

**School:** The school will credit the student's account with the greater of: The amount of Institutional Charges owed Or The percentage of loan funds the student is eligible based on official withdrawal date or academic engagement (if reported) for that term.

### **3. Credit Balances**

If federal Title IV aid disbursements to the student's account are more than institutional charges, this creates a Title IV credit balance. The MTSU Bursar's Office pays the credit balance to the student by either sending the funds through direct deposit or by check no later than 14 days after the first day of class of a payment period or the date the balance was created if that date was after the first day of class.

### **4. Returning unclaimed Title IV balances (Refund Checks)**

When the Business Office notifies the Financial Aid Office that a student has a refund check that has not been cashed within 240 days, the Financial Aid Office returns the unclaimed funds in same order as stipulated by the federal Return calculation. Student's refund checks are only valid for 120 days; therefore, the Business Office can request that the funds be returned any time after 120 days but by 240 days.

Note: If the refund is a direct result of state aid, funds will be escheated to the state. If the refund is based on institutional, it is returned to the appropriate program.

### **5. Credit balances from on Tuition Refunds**

The following policy is based on published tuition refund guidelines in the Registration Guide each semester. Typically, if a student withdraws or drops a class within a specified time-period, the student may be granted either a 100, 75, or 25 percent tuition refund. Students with documented extenuating circumstances may request a backdated withdrawal date from the Withdrawal Coordinator that may result in a tuition refund. This policy addresses how financial aid will be adjusted and if the amount of the tuition refund is given to the student or returned to a specific program. Tuition refunds will first offset any charges owed due to aid adjustments.

## 1. Federal Aid

- a. **Pell Grant** - If a student drops or has an attendance issue that is before or on the Pell Recalculation Date (PRD), Pell Grant is adjusted based on enrolled/attending CPOS eligible hours as of the PRD. If the Pell Grant is based on enrollment in a later part of term and the student drops or never attends these hours, the Pell Grant will be reduced. If a student withdraws, a R2T4 calculation will be processed. Refer to the R2T4 policy for more details.

NOTE: The Pell Recalculation Date is either the latter of the published census date or the date the Pell Grant is first disbursed as this is the date that initial eligibility based on enrollment can be determined. In other words, if the Pell Grant is disbursed before or on the published census date, the PRD is the census date. However, if the Pell Grant is disbursed after the census date, the initial calculation will be based on CPOS eligible hours as of the date the Pell Grant is disbursed and becomes the PRD.

Any credit balance remaining will be given to the student.

- b. **Supplemental Education Opportunity Grant (SEOG)** – A student must be enrolled and attending in at least 1 CPOS eligible hour as of the census/PRD date to be eligible for an SEOG. If the student withdraws, a R2T4 calculation will be processed. Refer to the R2T4 policy for more details.

Any credit balance remaining will be given to the student.

- c. **Federal Loan Programs** – A student must be enrolled half-time at the point of disbursement and attend at least 1 day in 1 course to establish “good intent” for the loan. If the student drops below half-time status starting on the first day of classes but academic engagement is verified in at least 1 class, the loan is not cancelled. If the student withdraws, a R2T4 calculation will be processed. Refer to the R2T4 policy for more details.

Any credit balance remaining will be given to the student.

**NOTE:** A Title IV credit balance cannot be paid to a deceased student’s estate. If the student is deceased, any Title IV credit balance remaining after the R2T4 is processed as normal is returned to the federal aid program based on the order of return used in the R2T4 calculation.

## 2. State Aid

- a. **Lottery Scholarship Programs (Hope, Aspire, Merit, Access)** - If a student drops or has an attendance issue that is by the published census date, Lottery Scholarships are adjusted based on enrolled/attending CPOS eligible hours as of the census date so long as they maintain half-time enrollment. If the Lottery Scholarship was based on enrollment in a later part of term and the student drops or never attends these hours, the Lottery Scholarship will be reduced. If a student withdraws by the census date, the Lottery Scholarships are cancelled. If a student withdraws after the census date, the Lottery Scholarships are not cancelled.

Any credit balance remaining will be given to the student.

- b. **Tennessee Student Assistance Award (TSAA)** - If a student drops or has an attendance issue by the published census date, TSAA is adjusted based on enrolled/attending CPOS eligible hours as of the census date so long as they maintain half-time enrollment. If the TSAA was based on enrollment in a later part of term and the student drops or never attends these hours, the TSAA will be reduced. If a student withdraws by the census date, TSAA is cancelled. If a student withdraws after the census date, the TSAA is not cancelled.

Any credit balance remaining will be given to the student.

- c. **Other Miscellaneous State Programs** – Adjustment of aid will be based on criteria for these programs. May not be required to be enrolled in CPOS eligible courses. Consult the financial aid personnel who is responsible for awarding/reconciling these programs.

Any credit balance remaining will be given to the student.

### 3. Institutional Scholarships

- a. **MTSU Guaranteed Scholarships** - Unless a waiver is granted by the Assistant Director of Scholarships, the student must be enrolled and attending full-time status in CPOS eligible coursework as of the census date. If the student drops below full-time or withdraws by the census date, the scholarship will be cancelled. If the student drops or withdraws after the census date, the scholarship is not cancelled.

Any credit balance remaining will be given to the student.

- b. **Departmental/Foundation Scholarships** - Adjustment of aid will be based on criteria for these programs. Typically, if drop or withdraw after census date, the personnel responsible for scholarship award at MTSU allows them to keep the funds. Not required to be enrolled in CPOS eligible courses. Consult

the financial aid personnel who is responsible for awarding/reconciling these programs.

Any credit balance remaining will be given to the student.

#### **4. Private Aid**

- a. Private Loans** – If the student drops below half-time status after the private loan is disbursed, private loan may be reduced based upon the credit balance and returned to the lender depending upon criteria of the loan program. Factors that will be considered is if the student dropped below minimum enrollment hours required by the loan program and if the student/parent paid for costs out of pocket. Not required to be enrolled in CPOS eligible courses.

Credit balance MAY be returned to private loan program.

- b. Private Scholarships** - Adjustment of aid will be based on the donor's decision. The donor can decide to cancel the scholarship in full or request the tuition refund amount be returned. Not required to be enrolled in CPOS eligible courses. Consult the financial aid personnel who is responsible for awarding/reconciling these programs.

Any credit balance remaining after making donor's decision will be given to the student.

#### **6. Tuition Refund Exceptions**

Refund exceptions occur when the school grants either a 100, 75, or 25 percent refund but does not retroact the withdrawal date. If the student withdraws before 60% of the term, compute the Return calculation as normal. If the student withdraws at 60.0% or after, the student has earned his aid for the semester. However, any refund exception given by MTSU at 60% or after is first used to repay any charges on the billing screen and any short-term loan(s).

#### **Examples of Return Calculations**

**(For simplification, the amounts used in the examples are not specific to any award year and are intended for example purposes only.)**

##### **Example 1 – Withdrawing from full term with in-state tuition and not living on campus**

Jane Doe is an undergraduate student. The semester begins January 12 and ends May 3. On February 1 (21 out of 104 days), she withdraws from all classes.

Jane's institutional charges are as follows:

Instate Tuition	\$4,000
Fees	\$ 500
Total	\$4,500

Jane's financial aid package consists of:

Net Unsubsidized Direct Federal Loan	\$3,000
Net Subsidized Direct Federal Loan	\$2,700
Total	\$5,700

**Amount refunded to Jane by Direct Deposit: \$1,200 (\$5,700 - \$4,500)**

As Jane has completed only 21 days of the semester, she earned 20.2% of the \$5,700. According to the federally mandated calculation, 79.8% of the total aid equals \$4,549 (which is her unearned aid) and 79.8% of her institutional charges equals \$3,591 (which is her unearned charges).

MTSU is required to return the lesser of the unearned aid or the unearned charges. Therefore, \$3,591 is returned to the following federal programs:

Net Unsubsidized Direct Federal Loan	\$3,000
Net Subsidized Direct Federal Loan	\$591
Total	\$3,591

Because Jane withdrew during a 25% tuition refund period, she will receive a credit of \$1,125. Therefore, if she subtracts \$1,125 from the \$3,591 (amount of aid returned), she will owe \$2,466 to MTSU. The MTSU Bursar's Office will place a hold on her account which will prevent her from registering, receiving grades, and receiving academic transcripts. The hold is removed after all charges owed to MTSU are paid in full. Jane can pay by credit card on PipelineMT, or she can contact the MTSU Bursar's Office for other payment options.

### **Example 2 – Withdrawing from full term with in-state tuition and on-campus housing**

Jane Doe is an undergraduate student. The semester begins January 12 and ends May 3. On March 1 (50 out of 104 days), she withdraws from all classes.

Jane's institutional charges are as follows:

Instate Tuition	\$4,000
Fees	\$ 500
On Campus Housing	\$3,000
On Campus Meal Plan	\$2,000
Total	\$9,500

Jane's financial aid package consists of:

Net Unsubsidized Direct Federal Loan	\$ 990
Net Subsidized Direct Federal Loan	\$2,700
Federal Pell Grant	\$4,000
Total	\$7,690

**Amount paid out-of-pocket by Jane: \$1,810 (\$9,500 - \$7,690)**

As Jane has completed only 50 days of the semester, she earned 48.1% of the \$3,699. According to the federally mandated calculation, 51.9% of the total aid equals \$3,991 (which is her unearned aid) and 51.9% of her institutional charges equals \$4,930 (which is her unearned charges).

MTSU is required to return the lesser of the unearned aid or unearned charges. Therefore, \$3,699 is returned to the following federal programs:

Net Unsubsidized Direct Federal Loan	\$ 990
Net Subsidized Direct Federal Loan	\$2,709
Total	\$3,699

Because Jane withdrew after the published tuition refund dates, she will not receive any refunds on her tuition. However, Jane must contact the Housing and Meal Plan Offices to determine if housing or meal plan charges may be prorated. If her housing or meal plans are not prorated, she will owe

\$3,699 to MTSU. The MTSU Bursar's Office will place a hold on her account which will prevent her from registering, receiving grades, and receiving academic transcripts. The hold is removed after all charges owed to MTSU are paid in full. Jane can pay by credit card on PipelineMT, or she can contact the MTSU Bursar's Office for other payment options.

**Example 3 – Withdrawing from full term with out-of-state tuition and not living on campus**



Jane Doe is an undergraduate student. The semester begins January 12 and ends May 3. On Feb 15 (35 out of 104 days), she withdraws from all classes.

Jane’s institutional charges are as follows:

Out-of-State Tuition	\$10,000
Fees	\$ 500
Total	\$10,500

Jane’s financial aid package consists of:

Net Unsubsidized Direct Federal Loan	\$4,000
Net Subsidized Direct Federal Loan	\$2,000
Federal Pell Grant	\$3,000
Total	\$9,000

**Amount paid out-of-pocket by Jane: \$1,500 (\$10,500 - \$9,000)**

As Jane has completed only 35 days of the semester, she earned 33.7% of the \$9,000. According to the federally mandated calculation, 66.3% of the total aid equals \$5,967 (which is her unearned aid) and 66.3% of her institutional charges equals \$6,962 (which is her unearned charges).

MTSU is required to return the lesser of the unearned aid or unearned charges. Therefore, \$5,967 is returned to the following federal programs:

Net Unsubsidized Direct Federal Loan	\$4,000
Net Subsidized Direct Federal Loan	\$1,967
Total	\$5,967

Because Jane withdrew after the published tuition refund dates, she will not receive any refunds on her tuition charges. Therefore, she will owe a balance of \$5,967 to MTSU. The MTSU Bursar’s Office will place a hold on her account which will prevent her from registering, receiving grades, and receiving academic transcripts. The hold is removed after all charges owed to MTSU are paid in full. Jane can pay by credit card on PipelineMT, or she can contact the MTSU Bursar’s Office for other payment options.

**Example 4 – Enrolled in module courses: Drop a course while not attending a course and no Letter of Intent to Attend a Future Module Course on file in the Financial Aid Office.**

Jane Doe is an undergraduate student. She is enrolled in 2 module classes for the Summer term (3 credit hours in S2-June part of term and 3 credit hours in the S3-July part of term). On July 1 (28 out of 52 days which started from the first day of the first module and ends with the last day of the last module), she drops the 3 credit hour class from the S3-July part of term (she earned a grade of ‘A’ in the course from the S2-June). Because she did not complete all the scheduled classes used to determine aid eligibility for the Summer term, a Return Calculation must be performed.

Jane’s institutional charges are as follows:

Instate Tuition	\$2,500
Fees	\$ 500
Total	\$3,000

Jane’s financial aid package consists of:

Net Unsubsidized Direct Federal Loan	\$1,000
Net Subsidized Direct Federal Loan	\$2,000
Federal Pell Grant	\$2,000
Total	\$5,000

**Amount refunded to Jane by Direct Deposit: \$2,000 (\$5,000 - \$3,000)**

Because Jane did not start the 3 credit hour class in the S3-July part of term, her Pell award must be reduced from \$2,000 (6 hours award) to \$1,000 (3 hour award). This reduces the total of her financial aid from \$5,000 to \$4,000 (\$5,000 - \$1,000 reduced Pell eligibility). Jane has completed only 28 days of the Summer term. Therefore, she earned 53.8% of the \$4,000 of total aid. According to the federally mandated calculation, 46.2% of the total aid equals \$1,848 (which is her unearned aid) and 46.2% of her institutional charges equals \$1,386 (which is her unearned charges).

MTSU is required to return the lesser of the unearned aid or unearned charges. Therefore, \$1,386 is returned based on the Return calculation and \$1,000 is returned due to dropping a class before it started.

Net Unsubsidized Direct Federal Loan	\$1,000
Net Subsidized Direct Federal Loan	\$ 386
Federal Pell Grant (Because she dropped the 3 credit hour class in the S3-July part of term before it started, her Federal Pell Grant is reduced: \$2000 – \$1000 = \$1000 )	\$1,000
Total	\$2,386

Because Jane dropped the 3 credit hour class before it began, she dropped during a 100% refund period for the S3-July part of term. She will receive a credit of \$1,500. Therefore, if she subtracts \$1,500 from the \$2,386 (amount of aid returned), she will owe \$886 to MTSU. The MTSU Bursar’s Office will place a hold on her account which will prevent her from

registering, receiving grades, and receiving academic transcripts. The hold is removed after all charges owed to MTSU are paid in full. Jane can pay by credit card on PipelineMT or she can contact the MTSU Bursar's Office for other payment options.

**Example 5 – Enrolled in Module Courses: Earned Half-Time Enrollment**

Jane Doe is an undergraduate student. She is enrolled in 3 module classes for the Summer term (3 credit hours in S1-May part of term, 3 credit hours in S2-June part of term, and 3 credit hours in S3-July part of term). On June 30<sup>th</sup>, Jane drops her S3-July part of term class. (She earned an A in her S1 and a B in her S2 classes). Because she earned (passed) 6 hours, she is not considered withdrawn for federal aid purposes. If she received a Federal Pell Grant based on 9 hours (which included the 3 hours for the course in S3 – July part of term), her Pell Grant would be reduced to a half-time award.

**Example 6 – Enrolled in Module Courses: Drop a course while attending a current course before the census date**

Jane Doe is an undergraduate student. She is enrolled in 2 module classes for the Summer term (3 credit hours in S2-June part of term and 3 credit hours in the S3-July part of term). On June 15, while attending current S2-June part of term, she drops the 3 credit hour class from the S3-July part of term. Because she dropped the S3-July part of term course while attending a current course, no Return Calculation is required. However, her enrollment status has changed and her financial aid must be adjusted.

Jane's institutional charges are as follows:

Instate Tuition	\$2,000
Fees	\$ 500
Total	\$2,500

Jane's financial aid package consists of:

Net Unsubsidized Direct Federal Loan	\$1,000
Net Subsidized Direct Federal Loan	\$2,000
Federal Pell Grant	\$2,000
Total	\$5,000

**Amount refunded to Jane by Direct Deposit: \$2,500 (\$5,000 - \$2,500)**

Because Jane did not start the 3 credit hour class in the S3-July part of term, her Pell award must be reduced from \$2,000 (6 hours award) to \$1,000 (3 hour award). However, no Return Calculation is required.

MTSU is required to return \$1,000 to the Federal Pell Grant program:

Federal Pell Grant	\$1,000
Total	\$1,000