UMF Financial Aid

Withdrawal and Return to Title IV Funds (R2T4) Policy

How a Withdrawal Affects Financial Aid

Federal Title IV student financial aid programs are awarded under the assumption that a student will remain enrolled for the entire period (term) for which the funds were awarded.

When a student withdraws from all courses, regardless of the reason, s/he 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 a student earns financial aid in proportion to the length of time during which s/he remains enrolled. A pro-rated schedule determines the amount of federal student aid funds s/he will have earned at the time of full withdrawal. For example, a student who withdraws in the second week of the semester has earned less of his/her financial aid than a student who withdraws in the fifth week. Once the 60% point in the semester 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.

Federal regulations require a recalculation of financial aid eligibility if a student:

- Completely withdraws from the University;
- Stops attending before the term’s end;
- Does not complete all modules (mini-sessions) in which the student is enrolled as of the start date of the mini session.

UMF students who receive federal financial aid and who do not remain in attendance through the end of the term could be responsible for repaying a portion of the financial aid originally received.

Students who do not attend at all are not eligible for federal financial aid and must repay all aid originally received.

NOTE: UMF’s institutional tuition refund policy is separate from federal regulations to return unearned aid. Receiving a tuition/fee refund from UMF will have no impact on the amount of Title IV aid that the student may be required to return to the federal aid programs.

How Earned Financial Aid is Calculated

Financial aid recipients “earn” the aid they originally received by remaining enrolled. The amount of federal assistance earned is based on a pro-rated system. Students who withdraw or do not complete all courses in which they were enrolled may be required to return some of the aid originally awarded.
UMF is required to determine the percentage of TIV aid “earned” by the student and return the “unearned” portion to the appropriate federal aid programs. UMF is required to perform this calculation within 30 days of the date that UMF determines that a student has completely withdrawn. UMF must return the funds within 45 days of the calculation. The R2T4 calculation is completed by the Financial Aid Office.

The following explains the formula used to determine the percentage of unearned aid to be returned to the federal government:

- The percent earned is equal to the number of calendar days completed up to the withdrawal date divided by the total number of calendar days in the payment period.
- The payment period for most students is a full, 15-week fall and 15-week spring term or the full, 10-week summer term. However, for students enrolled in modules (mini-sessions), the payment period only includes those days for the module in which the student is enrolled.
- The percent unearned is equal to 100 percent less the percent earned.
- Breaks of 5 days or longer are not included in the count of total days in the payment period.

Institutional scholarship funds are not subject to the R2T4 policy. Return of State of Maine Grant funds are governed by the Finance Authority of Maine (FAME).

For Students Enrolled in Modules

A student is considered withdrawn if the student does not complete all of the days in the payment period that the student was scheduled to complete. UMF tracks enrollment in each module that does not span the entire 10-week summer term or 15-week fall or spring terms and combines them to form a term. If a student withdraws from a course in a later module while still attending a current module, the student is not considered as withdrawn based on not attending the later module. However, a recalculation of aid based on the change in enrollment status may be required.

If a student provides written notice to the Financial Aid Office at the time of withdrawal from a current module that s/he plans to attend a later module in the same payment period, s/he is not considered a withdrawal. If the student does not provide that written confirmation, the R2T4 recalculation of aid will be done. However, if the student does return in a later module in the same payment period, regardless of whether prior written confirmation was received, the R2T4 process will be reversed and the student will be awarded the funds that s/he is eligible to receive at the time of return.

R2T4 Process

- A copy of the withdrawal form, complete with appropriate signatures and indicating the last date of attendance, is received in the Financial Aid Office from the UMF Merrill
Center for Student Services. The latest date of attendance in the course(s) in which the student was enrolled will be used as the withdrawal date.

- The Financial Aid Office determines the amount of TIV aid originally awarded and whether it is “disbursed” or “could have been disbursed.”
- The Merrill Center for Student Services, in conjunction with the Director of Administrative Systems (a.k.a., to some as the “Bursar”) provides the student’s original tuition and fee and other charges. (This does not include bookstore charges.)
- An R2T4 worksheet on the “FAA Access to CPS” site is completed using the above data. The calendar for the payment period will have previously been entered and saved.
- The Financial Aid Office will post the recalculated amount of aid for which the student is eligible (as per the results of the R2T4 worksheet) to his/her Financial Aid package.
- A copy of the worksheet is maintained in the Financial Aid Office and electronically scanned and made part of the student’s record after the end of the semester.
- UMF will return funds to the federal programs on the student’s behalf and will bill the student.
- In the instance in which a student owes a federal grant repayment in addition to what UMF has returned to the federal programs, the student will be notified in writing and the amount will be reported by the Financial Aid Office as an overpayment.
- The student is responsible for all UMF charges and federal overpayments resulting from an R2T4 calculation.

**Withdrawal from a Study Away Program**

The UMF Office of Student Exchange provides the withdrawn student’s last date of attendance to the Financial Aid Office for a student who had been participating in UMF outgoing student exchange programs before withdrawing completely in a specified payment period. Similarly, individual offices named in any contractual or consortium agreements for the host institutions are to provide the student’s last date of attendance to the Financial Aid Office for other UMF students who had been studying away prior to withdrawing completely in a specified payment period. Each official also, in turn, supplies the attempted and earned number of course credits completed as of the last date of attendance in a notification to the Records and Enrollment personnel in the UMF Merrill Center for Student Services. These data elements are used by the Financial Aid Office in completing the R2T4 worksheet on the “FAA Access to CPS” site.

The procedure continues as outlined above.

**Post-Withdrawal Disbursement of Loan Proceeds**

When the R2T4 calculation results in the student’s eligibility to receive either Federal Direct Stafford Subsidized or Unsubsidized Loan proceeds, s/he will be contacted via e-mail and US Mail by the Financial Aid Office. Written authorization from the student will be requested and is required before loan proceeds can be processed and awarded to the student.

**Determination of Withdrawal Date**
The withdrawal date used in the R2T4 calculation is the actual last date of attendance as provided by the UMF Merrill Center on the withdrawal form.

**Withdrawing Prior to the 60% Point of a Payment Period**

Unless and until a student completes 60% of the term in which financial aid was awarded, the student will be required to return all or part of the financial aid originally awarded for the term.

**When a Student Fails to Begin Attendance**

If financial aid is processed for a student who never begins attendance in any course for which s/he registered in a term, all aid will be canceled.

The Financial Aid Office uses information from the Registrar. One report is the equivalent of a “no show” form or report after the financial aid census date of the payment period to identify students who never attended after the enrollment period commenced. Another report is an enrollment confirmation roster generated by a database query that lists the students and the packaged credit hours (i.e., units) as well as the registered credit hours (i.e., units) at the time of the Financial Aid census at the end of the student schedule change period (a.k.a. “the add/drop” or “schedule change period”). This facilitates an “enrollment confirmation/credit check process” to manage aid based on changes in enrollment status. Financial aid originally awarded is canceled for students who failed to begin attendance in all classes in which they were originally enrolled and is adjusted for those who fail to begin attendance in a portion of the classes in which they were originally enrolled.

**When a Student Fails All Classes**

If a financial aid recipient who has not officially withdrawn fails to receive a passing grade in at least one class during the term, the Financial Aid Office will determine whether the student actually established eligibility for the aid originally awarded. Instructors will be contacted and asked to provide information on the student’s attendance. If the student did not begin attendance, or stopped attending during the payment period, the financial aid originally awarded will be canceled or adjusted.

**Order of Return to Federal Aid Programs**

In accordance with federal regulations, unearned aid will be returned to the federal programs in the following order:

- Federal Direct Loans: Unsubsidized, then Subsidized
- Federal Direct Parent Loans
- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant
Information Regarding Loan Repayment

The R2T4 calculation may result in the responsibility of a student and parent to return additional loan amounts directly to the US Department of Education.

The loan grace period begins on the withdrawal date from the school, or when a student ceases to be enrolled on at least a half-time basis. If the student does not re-enroll as a half-time student within 6 months of withdrawal or less than half-time enrollment, the Federal Direct loans enter repayment. The student should contact the loan servicer or the US Department of Education to make repayment arrangements. The promissory note signed by the borrower outlines repayment obligations. The student should contact the servicer or the US Department of Education with any questions.

Consequences of Non-Repayment

Students who owe the US Department of Education for an overpayment 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 UMF because of an R2T4 calculation will be placed on a financial hold and are assigned a negative service indicator. These students will not be allowed to register for subsequent semesters or receive academic transcripts until the balance is paid.

How a Withdrawal Affects Future Financial Aid Eligibility

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

NOTE: This policy is subject to revision without notice based on changes to federal laws and regulations or UMF policies. If changes are made, the student is held to the most current policy. This statement is intended to provide an overview of policies and procedures related to a complicated and very encompassing regulation. Additional information, including examples of R2T4 calculations, are available from the Financial Aid Office.