

MSU Billings R2T4 Policy 2024-2025

Effective Date: Periods of enrollment beginning after July 1, 2024

An institution is required to determine earned and unearned portions of Title IV aid when a student ceases enrollment prior to the planned completion date. The withdrawal date is used to calculate the amount of earned and unearned aid.

12.1 Process Overview and Responsible Parties

A. Official Withdrawal Process

1. An official withdrawal process begins when the student begins the withdrawal process or first notifies the school of his intent to withdraw, which may occur by phone, fax, e-mail, or in person.

Responsible parties: Student/Academic Advisor
2. Signatures are obtained by the student or his/her designee from Advising, Financial Aid, and Business Services and submitted to Registrar's Office.

Responsible parties: Student/Advisor/Offices involved When the student (or representative of the student) brings the withdrawal form to the FA Office, the FA Officer signs and dates it, and makes a photocopy of the withdrawal form with any attachments, such as an email or a note from the student, parent, or advisor. If DocuSign withdrawal form, form is emailed to Advising, Business Office, Registrar and Financial Aid for electronic signature. If the student's award includes a Pell Grant, the Pell Grant is locked on ROAPELL. At this time, the student (or representative of the student) is counseled (if possible) about the consequences of the withdrawal:

 - possibility of overpayment of TIV and what this means
 - possibility of owing money to the school
 - suspension from financial aid
 - appeal policy and procedures
3. Registrar enters the withdrawal on SFAREGS. Each day a list of students who have withdrawn that day is sent to Financial Aid; a weekly cumulative list is sent on Friday

Responsible parties: Registrar
4. Financial Aid creates the withdrawal record on SFAWDRL, runs Return of Title IV Funds calculation on RPATIVC, prints 2 reports on RPRTIVI, then returns the aid, as necessary

Responsible parties: Financial Aid
5. FA gives one copy of the report to AR to inform them that the R2T4 has been made

Responsible parties: Financial Aid
6. If the Return creates a balance due, AR sends student a revised bill for the term

Responsible parties: AR
7. If the student has an overpayment of Title IV funds, AR notifies student that (s)he has 45 days to make payment through the MSUB Business Office, after which time the overpayment is reported to DOE on NSLDS

Responsible parties: AR
9. If student repays the overpayment within 45 days, Financial Aid returns the Federal Pell, IAG, or FSEOG to the appropriate programs.

Responsible parties: Financial Aid & AR
10. If the student does not repay overpayment in 45 days, AR reports overpayment to DOE via NSLDS

Responsible parties: AR

B. Unofficial Withdrawal Process

1. The Date of Determination is the date the school becomes aware that the student has ceased attendance. Usually, this occurs after grades have been posted for the term, FA identifies students with 0 credits earned. Non-passing grades are "F," "I," "W," and "X."
Responsible parties: FA
2. The list of students who earned 0 credits is checked manually because some grades, such as "T" grades, are considered passing, but Banner does not recognize it as such. The Financial Aid Office then notifies the Registrar to enter the unofficial withdrawal status (WZ) for each student.
Responsible parties: FA
3. Registrar enters unofficial withdrawal code on SFAREGS and notifies FA when the WZ codes have been entered
Responsible parties: Registrar
4. Financial Aid creates the withdrawal record on SFAWDRL, runs Return of Title IV Funds calculation on RPATIVC, prints 2 reports on RPRTIVI, and adjusts aid
Responsible parties: Financial Aid
5. FA sends one copy of the report to AR to inform them that the R2T4 has been made.
Responsible parties: Financial Aid
6. AR sends student a revised bill for the term.
Responsible parties: AR
7. If the student has an overpayment of Title IV funds, AR notifies student that (s)he has 45 days to return the overpayment through the Business Office before the it will be reported to DOE
Responsible parties: Business Office
8. If student makes payment within 45 days, Financial Aid reduces Title IV aid and runs disbursement. Aid is returned to the TIV programs.
Responsible parties: Financial Aid & AR
9. If the student does not repay overpayment in 45 days, AR reports overpayment to DOE via NSLDS.
Responsible parties: AR

12.2 General policies

1. R2T4 applies to a student recipient who actually received a disbursement of TIV grant or loan funds (OR who met the qualifications for a late disbursement of TIV funds) AND who withdraws entirely from or leaves school before completing the payment period, including a student who benefits from a Parent PLUS Loan.
2. The withdrawal process begins when the student first notifies the school of his/her intent to withdraw. Customarily, this is the Advising Center, but could be any person or office connected with the University.

MSUB is NOT required to take attendance by an outside entity nor by the institution itself. Therefore, the official withdrawal date will be the date that the student first notifies a school official of his/her intent to withdraw. Since gathering signatures on the withdrawal form may take several days, the official withdrawal date is the earliest date that appears on the withdrawal form; or the date of the e-mail; or date the school was notified by phone call or fax or other means.

A withdrawal date based on the student's last documented date of attendance in an academically-related activity may be used on a case-by-case basis, such as when the student dies, is hospitalized, or otherwise is unable to notify the school at the time s/he stops attending; or when there is reason to believe that the student has not been in attendance for a significant length of time prior to withdrawing.

Instructors who give students grades of F are required to report the LDA on Banner Grade book. In limited circumstances, the instructor may report the LDA by e-mail, fax or phone call. The LDA must be documentable from official records and must be a specific date of attendance, such as March 1, 2020. Unspecific times, such as "the end of October," "mid-term," "close to Thanksgiving," for example, will not be accepted as an LDA, although will be considered verification of class attendance.

3. Withdrawal dates, both official and unofficial, may be determined on a case-by-case basis with a documented Last Date of Attendance in an academically-related activity in lieu of the date of first notification. An academically-related activity may be a date of attendance, the date a test was taken, the date a paper or homework was submitted, the date the student attended a lab or study group (if organized by the instructor), or other class activity as documented in the instructor's permanent records. For on-line students, it includes answers, papers, assignments or tests taken on-line, participation in a class chat room, or other academically-related activity, as documented by the instructor's permanent records or computer records. Simply logging in online does not constitute an academically-related activity.
4. MSUB is not an institution required to take attendance by an outside entity, nor does the institution require attendance records. Therefore, the Unofficial Withdrawal date is generally the midpoint of the semester; however, a withdrawal date based on the student's last documented date of attendance or participation in an academically-related activity may be used instead.
5. The Registrar, Business Office, Vice Chancellor of Student Affairs or other college administrators may use a unique withdrawal date, change the official withdrawal date, or even cancel the entire attendance record. This does not affect the Return of TIV calculation based on the Official Withdrawal Date as determined by the first date that the student notified the school of the intent to withdraw; OR, on a case-by-case basis, the student's last documented date of attendance in an academically-related activity.
6. MSUB has no programs that are entirely offered in modules. However, some classes may be offered as a short session or module within the semester. In these cases, the R2T4 calculation will be performed in accordance with the federal regulations regarding modules.
7. If the student decides not to continue the withdrawal process after initiating it, and subsequently withdraws later in the semester, the FAO will use the date that the student FIRST notified the school of his intent to withdraw, or the actual last date of attendance, if the student subsequently attended after the first

notification.

8. If the student changes his mind or makes a mistake about the withdrawal (i.e., withdraws from the wrong semester), the student may be allowed to re-enroll at the discretion of the Registrar. To the extent possible, the student's TIV aid will also be reinstated.
9. Grades of "I" (Incomplete): Students enrolled in Student Teaching, Internships, and Study Abroad will not be processed as Unofficial Withdrawals initially, but will be monitored for completion for a reasonable period of time, but no more than 45 days past the date of determination.
10. Grades of "W" (Withdraw): Are considered Attempted but Not Earned.
11. In the case of a student's eligibility for a post-withdrawal disbursement, the FA office will notify the student (and parent, in the case of a Parent PLUS Loan) and make the PWD with the appropriate permissions within the time frames allowed under law. The school has 180 days to send the PWD to the student or parent.
12. The school will perform the R2T4 calculation, notify the student of a grant overpayment or eligibility for a PWD within 30 days from the Date of Determination, and will return the school portion of the Title IV return within 45 days.
13. For a student who withdraws after the 60% point-in-time, there are no unearned funds. However, MSUB will still perform the calculation to determine whether the student is eligible for a post-withdrawal disbursement (PWD).
14. The school generally will not perform a Return of TIV funds under the following circumstances:
 - a. If the student never began attendance in any class (including if the student indicates on the withdrawal form or informs the school that he has never attended a class, in which case, 100% of the Title IV funds will be returned by the school creating an accounts receivable);
 - b. If the student earned even one credit during the payment period, unless the student had courses that did not span the full length of the semester, in which case, the rules for courses offered in modules will apply;
 - c. If the student has not been awarded because the student did not meet eligibility requirements, or did not complete verification within the time allowed under federal law and school policy;
 - d. If the only Title IV aid for which the student qualifies is Federal work study and/or a federal direct student loan which has not yet been originated;
 - e. If, during the summer term, a student "withdraws" from only one mini-term, but retains a credit or credits in one of more of the other mini-

terms, because the student is considered to have dropped credits and is still enrolled in some of the other mini-terms (however, a recalculation of the financial aid award will be necessary);

- f. If the student has not applied for TIV aid or is not eligible for TIV aid;
- g. Completed Program of Study (applies to ALL Students) A student who completes all the requirements for graduation from their program before completing the scheduled days or hours in the period is not considered to have withdrawn.
- h. Completed Half-Time Enrollment (applies to modules ONLY) The student must successfully complete Title IV-eligible coursework equal to or greater than what the school considers to be half-time enrollment.
- i. Completed Modules Spanning 49% of Countable Days (applies to modules ONLY) A student is not considered to have withdrawn if the student successfully completes one module or a combination of modules that includes 49% or more of the number of the countable days in the payment period, excluding scheduled breaks of five or more consecutive days and all days between modules.

15. Post-withdrawal disbursement (PWD)

- a. A student may be eligible for a post-withdrawal disbursement (PWD) of aid already offered, but not disbursed. The student must have established eligibility for the aid at the time they withdrew. If the student is eligible for a PWD, grants will automatically be disbursed up to the earned portion within 45 days of the determined date of withdrawal. A written offer for loans will be made within 30 days of the date MSUB determined the student withdrew. The borrower has 14 days from the date of the notification to accept the loans. The PWD of loan funds will be made no later than 180 days of the date MSUB determined the student withdrew.
- b. PWD disbursements are applied to the student account first and any resulting credit balance will be disbursed to the student as soon as possible and no later than 14 days from the date of disbursement.

16. Credit Balance

- a. When a student withdraws with an outstanding Title IV credit balance, MSUB is first required to perform the R2T4 calculation to determine, among other things, whether adjustments to the credit balance will occur. For this reason, the existing 14-day payment requirement is placed on hold to determine the final amount of any Title IV credit balance. In order to allow the MSUB time to appropriately apply any credit balance after it has been recalculated, a new 14-day deadline is triggered when MSUB performs the R2T4 calculation. The new 14-day deadline begins on the date MSUB performs the return calculation, not the date MSUB performs any calculations required by its institutional refund policy.
- b. Any credit balance will be disbursed as soon as possible and no later than 14 days after the R2T4 calculation

12.3 R2T4 disclosures

Information about policies and procedures regarding withdrawals, refunds, and return of Title IV information is published in four places:

- the General Bulletin,
- information provided in the initial award
- the Student Handbook
- the MSUB website www.msubillings.edu

In accordance with the requirement that "*Each institution must make available to prospective and enrolled student information about the refund policy, requirements and procedures for withdrawal, and requirements for return of TIV HEA grant or loan aid,*" the website addresses below fulfill this requirement:

<http://www.msubillings.edu/finaid/Definitions.htm>
<http://www.msubillings.edu/reg/forms/WithdrawalForm.pdf>
https://www.msubillings.edu/finaid/pdf/Return_of_Title_IV.pdf

12.4. Definitions

Aid That Could Have Been Disbursed (ATCHBD) is federal aid for which a student was eligible at the time of withdrawal (must meet late disbursement requirements), but for which an actual transmittal had not yet been made to a student's account. Inadvertent overpayments (disbursements made *after* the student ceased attendance but *prior to* the institution's awareness of the withdrawal) should be included in ATCHBD, not disbursed aid, because the student was not actually in attendance to be eligible for the inadvertent disbursement. Please note one recent change: schools may not include as ATCHBD Pell or loan funds that would cause (in combination with previously received funds) the student to exceed maximum eligibility limits (LEU/SULA).

1. Standard term: A semester is 14-16 weeks
Academic Year: 30 weeks of instructional time in which at least one day of instruction or testing occurs

Breaks of 5 or more consecutive days cannot be included in the length of the payment period.
2. Withdrawal: If the student does not complete all days (s)he is scheduled to complete within a payment period; if there is no passing grade in the last scheduled course or any scheduled course, then MSUB must demonstrate that the student completed the semester and perform the R2T4 calculation.
3. Withdrawal date is:
 - a. For official withdrawals, the date the student begins the withdrawal process; generally, it is the date that the student obtains the signed or date-stamped withdrawal form from the advising office; or otherwise notifies the school of his intent to withdraw; or the earliest date on the e-mail, or fax, or documented phone call.

- b. For unofficial withdrawals, the withdrawal date is the midpoint of the semester.
 - c. In cases of either official or unofficial withdrawals, the withdrawal date may be the documented last day of attendance in any academically-related activity, as allowed by the laws and regulations.
 - d. The official withdrawal date may or may not be the same date the Registrar uses to determine a refund of tuition, fees, room and board, or other institutional charges. The student's official withdrawal date for university purposes, i.e., institutional refunds of tuition, room and board, fees, and/or for academic records, is generally the date that the Registrar's Office receives a completed withdrawal form, but with documented extenuating circumstances, the Registrar may use an earlier arbitrary date to allow for a greater refund of institutional charges than would ordinarily be possible. However, for R2T4 calculations, the official withdrawal date is the date of first notification or last date of attendance.
 - e. Students, who, because of extenuating circumstances, are unable to withdraw, are treated as an Administrative Withdrawals. These include, but are not limited to, death of a student, accident, hospitalization, expulsion from school, or another documentable event. The Official Withdrawal Date could be the date of the incident; the date that the school official made the decision to withdraw the student; or the LDA. However, the withdrawal date for academic records and/or institutional refunds is determined by the Registrar, Business Office, or Administrator according to the reason for the Administrative Withdrawal, and may be different from the official withdrawal date for R2T4.
 - f. MSUB does not offer a leave of absence.
2. The date of determination is the date that the school became aware of the student's withdrawal or intent to withdraw.
- a. For official withdrawals, the date of determination is the date that the student (or his representative) first notifies the school of the student's intent to withdraw.
 - b. For unofficial withdrawals, it is the date that the school became aware that the student has earned 0 credits for the payment period. This cannot be determined until grades are posted at the end of the semester, and a list of students who earned 0 credits for the semester is available. This occurs after the grades have been posted and corrections applied by the Registrar's Office, usually within 14 days of the last date of the semester, but never longer than 30 days after the last date of the semester.
3. The TIV recipient is one who has had aid disbursed from any TIV program or to whom aid *could have been disbursed* based on late disbursement regulations.
- a. Federal Pell Grant and IAG recipients: A SAR or ISIR with an official EFC must have been processed by the Department while the student was still eligible. In some cases, the school may have a SAR/ISIR with an official EFC processed while the student was enrolled but before the student listed MSUB on the FAFSA or ISIR. Subsequently, the school may have received a SAR/ISIR for the student with a processed date after the student ceased to be eligible. In this case, a copy of the earlier SAR/ISIR will be obtained to document eligibility for the late disbursement. However, the Federal Pell Grant and the IAG Grant cannot be disbursed until the school has a valid SAR/ISIR.
 - b. FSEOG recipients: Awarded while the student was still enrolled

- c. Federal Perkins Loan recipients: Awarded while the student was still enrolled. If the student has accepted the loan, but has not completed the promissory note, the loan will be included as "Aid that could have been received" and, if the student qualifies for all or part of it, student will be notified in writing and offered the loan upon completion of the Promissory Note within the appropriate time (180 days).
 - d. Federal Direct Stafford Loan recipients (includes PARENT PLUS LOANS): Loan must have been originated by the school while the student was enrolled. However, the loan will be disbursed only if the student has completed the Promissory Note before the R2T4 calculation is performed. MSUB is not subject to the 30-day delay for first-year, first-time borrowers.
 - e. SSIG funds are not identifiable as federal aid and are not subject to R2T4.
 - f. MSUB does not participate in the TEACH program.
4. Disbursement: the transfer of funds from the Financial Aid Office to the student's account
5. Offered in Modules: A course or courses in a program that do not span the entire length of the payment period
6. Allowable Institutional charges are tuition, standard student fees, contracted room and board and fees, certain course and lab fees charged to all students, liability insurance for medical students, tool room charges at City College, Professional Studies extension, materials, and practice fees.

A complete list of fund codes and descriptions follows:

Allowable Institutional Charges: Tuition:

- TACT- Activity Fee
- TATH - Athletic Fee
- TBL1- Building Fee
- TBL2- Nonresident Building Fee
- TBL3- Academic Building Fee
- TBL4- CEHS Building Fee
- TCB1- Building/Maintenance
- TCCP- Computer Fee COT
- TCEP- Equipment Fee COT
- TCGN- Non-resident graduate COT
- TCGR - Resident Graduate COT
- TCIM - Instructional Material Fee COT
- TCMP - Computer Fee
- TCNP - Non-resident Post Bacc. COT
- TCNR - Non-resident Undergraduate COT
- TCPB - Resident Post Bacc. COT
- TCUI - Resident Undergraduate COT
- TCUS - Unsubsidized Cap COT
- TCWU - WUE COT

- TEQP - Equipment Fee
- TGNR - Non-Resident Graduate
- TGRD - Resident Graduate
- THSF - Health Fee
- TLIB - Library Fee
- TNPB - Non-Resident Post Bacc
- TNRF - Technology Replacement Fee
- TNWS - Technology Fee
- TPBA - Resident Post Bacc.
- TREG - Registration Fee
- TSUF - Student Union Fee
- TTFS - Technology Fee Subsi.
- TUIT - Resident Undergraduate
- TUNR - Non-Resident Undergraduate
- TUSB - Unsubsidized Cap
- TWUE – WUE tuition

Class Fees:

- LA79 - Art Fundamentals
- LA80 - Teaching Art - Elem.
- LA81 - Teaching Art - K-12
- LA82 - Drawing/Painting Lab
- LA83 - Printmaking
- LA84 - Lithography
- LA85 - Photography
- LA86 - Design
- LA87 - Sculpture
- LA88 - Ceramics Fee
- LA89 - Color and Design
- LA90 - Educ. Teaching Music
- LAIS - AIS Class Fee
- LBIO - Biology Lab
- LENG - English
- LGFL - Golf
- LINC - Cot Health Occ Insurance
- LINS - Liability Insurance
- LINT - Internet Class Fee
- LITV - ITV Class Fee
- LMRK - Marketing
- LMS1 - Music
- LMTH - Math
- LPHL - Philosophy
- LPOL - Political Science
- LPYC - Psychology
- LSCI - Science
- LSKI - Skiing Fee

- LSTT - Student Teaching Fee
- LTRV - Travel Fee
- LTST - Testing Fee

Other Institutional Charges:

- DBLR - Double Room
 - PPRD - Professional Practice
 - PSEC - Prof. Studies Extension
 - PSEM - Prof. Studies Materials
 - SGLR - Single Room
 - UCR1 - U Card Dining (Housing students' mandatory chg.)
 - XSOC - Social Fee (Housing students' mandatory chg.)
 - ZCTR - COT Tool Room Charges
7. Non-institutional charges include such items as books and supplies, student health insurance, childcare, U-card, fines, parking fees, service charges, late fees, cleaning fees, ID card fee, Admission fee, commuter meal plans, rentals, and deposits.
 8. Tuition and fee waivers are considered a financial resource to pay for tuition and fees actually charged to the student.

12.5 Timelines

1. Within 30 days of the date of determination (DOD), the R2T4 process will be performed and the student notified of the amount of any grant overpayment, that s/he must repay or make satisfactory repayment arrangements; or if the student is eligible for a post withdrawal disbursement.
2. Within 45 days of the DOD, the school will return the TIV funds for which it is responsible; and, if the student does not take action to resolve an overpayment within 45 days of being notified by MSUB, MSUB Accounts Receivable will report the overpayment to the NSLDS and referred to Debt Collection Services
3. Within 45 days of the DOD, the school will credit the student's account with an amount of PWD grant funds allowable and offer any PWD not credited to the student and/or parent.
 4. Within 180 days send the PWD of loan funds to the student/parent.
5. MSUB generally does not make arrangements for the student to repay overpayments after the 45 days from the date of the initial notification. However, in the rare instances that the school agrees to let the student make satisfactory arrangements to repay the overpayment, MSUB will require that the overpayment be paid in full by the end of 2 years from the DOD.
6. The Registrar reports the school's official withdrawal date through the National Student Clearinghouse five times per term.

12.6 Formula Calculation

12.6.1 Policies

- A. The formula calculation is the responsibility of the FA Office.
- B. The formula is generally calculated through Banner, but occasionally will be calculated by hand using the Federal R2T4 worksheet found on IFAP website:
<https://fsapartners.ed.gov/sites/default/files/2022-01/2122FSAHbkVol5Appendix.pdf>.
- C. The formula is based on the payment period, which is a semester.

- D. The calculation is performed when a student officially or unofficially withdraws from school, as described previously in this document in (excruciating) detail.

12.6.2 Procedures

- A. In the case of an official withdrawal, the student brings the withdraw form to the school for a FA signature, a copy is made and given to the FAO who will calculate the withdrawal. The FAO then waits for the Registrar's Office to enter the appropriate withdrawal code in Banner. In the case of an unofficial withdrawal, a query on Banner will produce a list of students who received 0 credits for the semester.
- B. The data used to perform the calculation is derived from Banner, which tracks what has been disbursed for the semester, what has been awarded for the payment period and not yet disbursed, and whether the student has any aid that could have been disbursed for the payment period that has not been disbursed. Institutional charges are available in several places on Banner, specifically on SFAWDRL, which shows "Original Charges," and TSAAREV, which shows all charges, including Institutional Charges.
- C. Disbursements pending because of verification are treated in accordance with the federal regulations. MSU-B does not make interim disbursements; however, inadvertent disbursements prior to verification occasionally occur, as when a disbursement has been made to a student on an application Not Selected and the application is subsequently Selected.
- D. Copies of all worksheet calculations and the data used to make the calculation are printed and kept in the students' files. A copy is sent to AR for documentation and reference in the students' AR files. In this way, AR is also alerted to students who have Title IV Overpayments and/or owe the university.

12.7 Post-Withdrawal Disbursement

12.7.1 Policies

- A. The Financial Aid Office is responsible for notifying the student or parent of the eligibility for the PWD funds within 30 days after that date that the school determines that the student withdrew.
- B. Earned grant funds (Federal Pell, AIG and FSEOG) will be credited against outstanding tuition, fees, room, and board and minor prior year charges within 45 days of the institution's determination that the student has withdrawn, and any remainder sent to the student.
- C. The offer of a PWD disbursement of an eligible loan must be accepted by the student and/or parent and will be disbursed within 180 days.
- D. The FAO will obtain the student's or parent's written authorization to credit the account for charges other than those allowed in 12.4 (C) prior to crediting a PWD.

12.7.2 Notification

- A. Students and parents are notified by letter. Examples:

Example 1

March 14, 2024

**Terri Student
XYZ Avenue
Billings, MT 59101**

Dear Terri:

When you withdrew February 28, 2024, you had not yet received a disbursement of financial aid for Spring Semester. According to Federal law, we can credit your account for any financial aid for which you were eligible before you withdrew, if you had outstanding charges for Spring Semester. Since you do not have outstanding charges, your student account has been credited with Federal Pell Grant funds of \$724. This amount is a percentage of the Federal Pell Grant based on the number of days you were enrolled during Spring Semester, the amount of your institutional charges, and the amount of federal student aid for which you qualified.

A check in the amount of \$724 will be sent to you at your current mailing address on file at MSUB.

Sincerely,

Example 2



March 30, 2024

Monica Estudiante
Calle de Universidad
Billings, MT 59101

Dear Monica,

When withdrew from spring semester on March 25, 2024, you had not received the \$1750 Federal Direct Subsidized Stafford Loan nor the \$1000 Federal Direct Unsubsidized Stafford Loan because you did not complete the required Loan Entrance Counseling. Federal regulations require us to offer part or all of these loans to you now.

We cannot disburse these funds unless you confirm with the Financial Aid Office *in writing* that you want to borrow the money now AND complete the Entrance Counseling at www.studentloans.gov.

Please notify us whether you wish to accept or decline all or part of the loans. You may e-mail me by signing this form and scanning it to me at kporter@msubillings.edu, or return this form by mail to our office in person or by fax (406-657-1789).

- I do not want to accept** the Federal Direct Subsidized Stafford Loan.
 I do not want to accept the Federal Direct Unsubsidized Stafford Loan

(NOTE: It may be in your best interest to decline the loan in order to keep educational borrowing to a minimum and to avoid the consequences if you were to allow the loan to default. You do not owe the college any money at this time.)

- I want to accept** the Federal Direct Subsidized Stafford Loan for \$_____.
 I want to accept the Federal Direct Subsidized Stafford Loan for \$_____.

(If you accept this disbursement, you will receive the loan funds because you do not owe any money to MSUB. However, you should never borrow more than you need; you also have the option to decline the funds or borrow less than \$1750 Subsidized Stafford Loan and \$1000 Unsubsidized Stafford Loan. **Please be aware that this is a federal loan that must be repaid according to the terms of the Master Promissory Note (MPN). Failure to repay will result in damage to your credit, ineligibility for federal student aid, garnishment of wages or future tax refunds.**

Signature _____ **Date** _____

- ✿ **To receive the Stafford Loan, you must notify our office by May 1, 2016.**
✿ **In addition you must complete the Master Promissory Note and Entrance Counseling at www.studentloans.gov**

Thank you for your prompt attention to this matter.

Kalie Porter
Financial Aid and Scholarships

- B. Because there are very few PWD's, FAO tracks this by electronic calendar, which has a notification feature.
- C. If a favorable response is received, the PWD amount is disbursed to the student's account. If a non-favorable response (or NO response is received within the 120-day deadline after date of withdrawal), the remainder will be sent to the student by state warrant or direct deposit.

12.8 Returning Unearned Funds Policies

- A. The institutional and student shares of unearned aid are determined according to the federal calculation using the Banner module for R2T4.
- B. The returns are calculated for the payment period, and the institutional share is returned in the order mandated by federal regulation:
 - Unsubsidized Federal Direct/FFEL
 - Stafford Loan Subsidized Federal
 - Direct/FFEL Stafford Loan
 - Perkins Loans
 - Federal Direct/FFEL Graduate PLUS Loans
 - Federal Direct/FFEL
 - Parent PLUS Loans
 - Federal Pell Grants
 - Iraq and Afghanistan Service Grant
 - FSEOG
 - TEACH Grants

Procedures

- A. The Financial Aid Office returns the required institutional share of the overpayment to the appropriate programs within 45 days (by entering a negative disbursement in Banner), as specified by regulation. This has the effect of immediately billing the student's account for the return.
- B. If there are student loans, the Clearinghouse (and the Business Office, if there is a Perkins Loan) is notified of the student's LDA and the cancellation of any remaining loan disbursements.
- C. Although work study is not included as part of the R2T4 calculations, the work study coordinator will notify the student's job supervisor to terminate the student's work study employment.
- C. The Business Office applies any refunds of institutional and other charges to the student's account.
- D. If the student owes a grant overpayment, the Financial Aid Office notifies the Business Office by means of the R2T4 report that is generated in Banner and the Business Office then notifies the student in writing of the options by the Business Office within 30 days.
- E. The Financial Aid Office enters an Overpayment Code into the Tracking Requirements on Banner. This will send a computer-generated letter to the student immediately that informs them of the overpayment and prevents disbursement of any other TIV aid to the student. Although MSU-B recognizes

that the student has continued TIV eligibility for 45 days, the code can easily be removed temporarily if the student qualifies for a PWD of funds, if the student repays the overpayment within the 45 days, or if the student's institutional refund is sufficient to cover the overpayment.

- F. If the student pays the overpayment to the Business Office within 45 days after the notification was sent, the Business Office notifies the Financial Aid Office of the payment, and the Financial Aid Office will apply the repayment by to the appropriate grant fund. The Financial Aid Office will remove the Overpayment Code on Banner.
- G. At the end of the 45-day period, if the student does not repay the overpayment or make a satisfactory repayment agreement with the Business Office, the student's eligibility for federal financial aid ends and the Business Office will refer the overpayment to the Department for collection and report the overpayment to NSLDS.
- H. Overpayments of less than \$25 will be billed, but if the student fails to make the payment, no further action will be taken.

12.8.1 Over award Resolution Policies

- A. If the student repays the overpayment in full within the allowable 45 days, MSUB will reduce the student's award by entering a negative disbursement in the amount of the payment, which will be reported through COD as a reduced Pell Grant for the semester, for example.
- B. MSUB usually will not enter into a payment arrangement with the student. The entire overpayment must be paid in full within 45 days.
- C. If the student contacts the school at any time within the 45 days and indicates that he or she cannot pay the full overpayment within 45 days, the Business Office will immediately report the overpayment to NSLDS and refer the overpayment to ED Collections.
- D. If the student does not repay within 45 days, the student's eligibility for future federal student aid is restricted and MSUB will place a hold on the student's transcripts. The student is notified of these actions in writing by the Business Office.

The Business Office is responsible for completing the Overpayment Referral form, reporting to NSLDS, and clearing repayment of overpayments on NSLDS when the student has repaid the overpayment to MSUB.

12.9 Modular Programs

Procedures in R2T4

Financial Aid Specialist I:

- 1. Signs Form
- 2. Makes a copy, pulls file, gives to Officer

3. Locks Pell, at least within the first 15 class days to avoid Pell un-disbursing
4. Counsels' student, if student comes in person Associate Director or Director:
5. ROAENRL, Screen 2: Write number of credits on WD Form and whether any are modules
6. RPAAWRD: Fix fed aid award to reflect what the student actually received or was eligible for receive at the time of WD:
 - a. Correct Pell Grant, Perkins, SEOG for enrollment status
 - b. Cancel any loans not received, if they could not have been disbursed at the time of withdrawal, or if there is no MPN on file
 - c. Cancel any future disbursements if not for the current semester and current semester disbursements not eligible to be Aid That Could Have Been Received
7. SFAWDRL, Screen 1: Determine WD Date and enter on SFAWDRL, note on Request for WD Form the date of determination/LDA for R2T4 and, if different from Registrar, why there is a different date
8. SFAWDRL, Screen 2: Check that tuition and fees and all other institutional charges are correct. Within the refund time period, the process of withdrawal adjusts the tuition and fees so they will not be the original charges. FAO must correct by checking or unchecking the actual institutional charges to reflect enrollment status at the time of withdrawal
9. SFAWDRL, Screen 3: Check to see if any instructors put down LDA (for unofficial withdrawals, there will always be Instructor's LDA)
10. RPATIVC: Simulate, Check for accuracy, Calculate & Save
11. GLAEXTR – Enter students' ID's
12. RPATIVI – Print two copies of the Withdrawal calculation form
13. RLADLOR: Return aid for semester and cancel future disbursements of all loans. (Note gross amount of loans for ease of adjustment on RPAAWRD)
14. RPAAWRD: Adjust returns for Pell, SEOG, PERK
15. Applicant Immediate Process: Authorize or Disburse for applicable semester
16. RPAAWRD: Adjust Direct Loans (subtract gross amount returned from semester gross amount on RPAAWRD (Award Schedule))
17. Double check Gross – fees = Net on award and check against the RPATIVI report
18. Triple check correct amount returned on TSAAREV
19. Tracking: Enter LTERM = E
20. Eligibility: Immediate Future Term = LZERO (check to lock)
21. Lock Pell Disbursement on ROAPELL to prevent possible future changes to enrollment status by Registrar via approved Appeal for Refund due to Extenuating Circumstances
22. Message to student explaining the Return calculation results
23. RHACOMM – WD Date used and explanation if different from Registrar; reason student listed on Request for WD Form, if any; Amount of return Note OVERPAYMENT – amount and type, if present
24. File copy of R2T4 calculation in student's file
25. Second copy to Business Office, AR

Resources

Federal Student Aid Handbook, Volume 5:

[Withdrawals and the Return of Title IV Funds | 2020-2021 Federal Student Aid Handbook](#)

R2T4 Regulations (34 CFR Sec. 668.22 Treatment of Title IV Funds When a Student Withdraws):

https://www.ecfr.gov/cgi-bin/text-idx?SID=6f55ad74ca9d552ab6be8c794bb8830b&node=se34.3.668_122&rgn=div8

NASFAA's Student Aid Index (requires NASFAA login):

[Student Aid Reference Desk | Return of Title IV Funds \(R2T4\) \(studentaidrefdesk.org\)](#)

FSA Assessments: [Return of Title IV Funds | Knowledge Center](#)

FSA Online Training Module—Return of Title IV Funds: [FSA Training Center \(ed.gov\)](#)

2021 FSA Conference Session

[Return of Title IV Funds: New Regulations and Q&A | Training \(ed.gov\)](#)