

NZCC Return of Title IV Policy

OVERVIEW

U.S. Federal Student Aid (FSA), also known as Title IV funding, is awarded and disbursed under the assumption that a student will complete course(s) for the entire semester and/or payment period for which the funds were awarded. When a student ceases attendance, officially and/or unofficially, the student may no longer be eligible for the full amount of Title IV funds originally awarded.

A student who withdraws from all courses and received Title IV funds must have a Return of Title IV calculation performed to determine the percentage of aid that was actually “earned” based on the amount of time the student was enrolled. Students are entitled to aid that was “earned”. NZCC will return any “unearned” aid to the appropriate Title IV program. This adjustment and process is most often referred to as performing the return of Title IV funds or simply “R2T4”.

Note: Under the College’s tuition/fees refund policy (see section 5.7 & 5.7.1 of Student Handbook), tuition and fees become payable in full once the student is enrolled beyond ten (10) working days of the semester or course start dates. The College’s policy is separate from the Return of Title IV regulations and withdrawing students may still owe funds to the school to cover unpaid charges which cannot be covered by FSA.

DEFINITIONS

Payment period – means the period for which the aid was certified and disbursed. For the College, the payment period equals semester. The end of the payment period is the last day of the semester in which the student is enrolled.

Withdrawal date- is used to calculate the amount of aid a student has “earned”. For the College the withdrawal date is always the last date of academic attendance as determined by the school from its attendance records.

Date of Determination- is the date that the College determined that the student ceased attendance. In all but exceptional circumstances this date will be no later than 14 days after the student’s last date of attendance as determined by the College from its attendance records. The 14 days includes holidays, breaks, and weekends.

TYPES OF WITHDRAWAL AND LEAVE OF ABSENCE (DEFERMENT)

Withdrawals

A “withdrawal” refers to a student’s intent to completely terminate studies at the College with no expectation of return. Students, who subsequently decide to return to their studies, must go through the Admissions process to be considered for re-enrolment.

Official Withdrawal

An Official withdrawal is where the College has received notice from the student they have ceased or will cease attending the College.

If a current student wishes to withdraw from the programme, they must apply to and meet with the Vice President Academics and then complete an “Application to Defer or Withdraw” form.

Unofficial Withdrawal

An unofficial withdrawal is one where the College has not received notice from the student that the student has ceased or will cease attending the College.

If a student stops attending classes without notifying the College, the withdrawal date will be the last date of academic attendance as determined by the College from its attendance records. Attendance records are reviewed every 14 days and sent by the Academic Assistant to the Financial Aid Administrator. If a student has been absent without due cause then the College's determination date of withdrawal for R2T4 calculation purposes will be no more than 14 days after the last date of academic attendance.

Leave Of Absence (LOA)

A LOA is a temporary interruption in a student's programme of study. LOA refers to the specific time period during a programme when a student is not in attendance and will return to complete the programme.

At the College a LOA is known as a deferment. All Students are encouraged to speak to the Financial Aid Administrator before submitting a LOA to understand potential impacts on any financial aid they are receiving and also visa implications in the case of international students.

All students must apply for an LOA by completing the Application to Defer or Withdraw form and submitting it to the Vice president of Academics (see section 2.7 Programme Deferment in the Student Handbook for details on the process for LOAs)

If a student's LOA is rejected they can then apply to withdraw from the programme should they want.

Approved Leave of Absence/Deferment

A student who is granted an approved LOA is considered to remain in an in-school status for Title IV loan repayment purposes.

Note: An LOA must meet the conditions below to qualify as an Approved LOA:

- The situation described as the reason for the LOA must be non-academic in nature and one that leads to a reasonable expectation that the student will return from the LOA within the allowed time frame.
- Students must apply in advance for a LOA unless unforeseen circumstances prevent the student from doing so (for example, injury or illness).
- A student returning from an LOA must resume study at the same point in the academic program that he or she began the LOA.
- The LOA together with any additional leaves of absence must not exceed a total of 180 days in any 12-month period including days in which school is not in session.

Note: A failure to return from an Approved LOA may affect loan repayment terms, including the expiration of the grace period.

Unapproved Leaves of Absence

The College may grant a student a LOA that does not meet the conditions above to be an approved LOA for Title IV purposes. However, any LOA that does not meet all the conditions for an approved LOA is considered a withdrawal for Title IV purposes with the withdrawal date being the last date of academic attendance as determined by the school from its attendance records.

Return of Title IV U.S. Financial Aid

The College is required to perform calculations in accordance with the US regulations for Return of Title IV funds and use the R2T4 worksheets provided by the U.S. Department of Education to determine the percentage of Title IV Aid “earned” by the student. The calculations must be completed within 30 days from the date it determines a student’s complete withdrawal. The College must return “unearned” FSA for which it is responsible as soon as possible but no later than 45 days from the determination of a student’s withdrawal. Up through the 60% point in the period of enrolment, a pro-rated schedule is used to determine the amount of FSA the student has “earned” at the time of withdrawal. After the 60% point in the period of enrolment, a student is considered to have “earned” 100% of the FSA they were scheduled to receive. For students who withdraw after the 60% point in time, there is no “unearned” FSA to be returned.

Steps in the return of Title IV funds are as follows:

1. Determining the student’s withdrawal date:

- The NZCC has a requirement that its lecturers/instructors take attendance for all classes.
- As such a student’s withdrawal date is always the last date of academic attendance as determined by the school from its attendance records.
- This date is used for all students who cease attendance by officially or unofficially withdrawing or taking an unapproved Leave of Absence.
- For those students who do not return from an approved Leave of Absence, the withdrawal date is the earlier of date of the end of the Leave of Absence or the date the student notifies the College that they will not be returning

2. Collating Students FSA information:

- the College will determine:
 1. The total amount of FSA disbursed for the payment period in which the student withdrew. A student’s FSA is counted as disbursed in the calculation if it has been applied to the student’s account on or before the date of withdrawal.
 2. The total amount of FSA disbursed plus the FSA that could have been disbursed for the payment period in which the student withdrew.

3. Calculating Percentage “Earned”

- 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 semester/payment period.
- Breaks of 5 days or longer are not included in the count of total days in the payment period.
- Percentage “Earned” = $\text{Number of Days Completed} \div \text{Total Days in Payment Period}$

4. Calculating the amount of Title IV Aid “earned” by the student:

- The amount of aid “earned” by the student is determined by multiplying the percentage of the payment period completed by the total amount of aid that could have been disbursed for the Payment period.
- If the percentage of the payment period completed is more than 60 percent, the student has “earned” 100 percent of the aid for that payment period.

5. *Amount of FSA to be Returned or Disbursed as a result of Withdrawal*

Total Disbursed Aid – “Earned” Aid = “Unearned” Aid to be Returned

- If the aid already disbursed **equals** the “earned” aid, then there is no “unearned” aid and no further action is required;
- If the aid already disbursed is **greater than** the “earned” aid, then the difference (“unearned” aid) must be returned to the lender within forty-five (45) days of the date of determination;
 1. Any “unearned” aid must be returned in the following order:
 1. Direct Unsubsidised loans
 2. Direct Subsidised loans
 3. Direct PLUS loans
- If the aid already disbursed is **less than** the “earned” aid, then the College will calculate a post withdrawal *disbursement* (see section 5 below)

6. *Written notification to student, or parent in case of parent PLUS loan of any return/repayment.*

- The student and the College are both responsible for returning “unearned” federal financial aid to the federal government.
- Once the College has determined the amount of each type of “unearned” aid that it must return, any remaining “unearned” funds that were disbursed are the responsibility of the student.
- The College must return any “unearned” funds it is responsible for no later than 45 days from the date of determination of the student’s withdrawal and in the order outlined above in section 5.
- If the College is required to return funds on the student's behalf to the appropriate federal programs, it will subsequently bill the student for any balances owed back to College as a result of the return of Title IV funds.
- The College must provide within 30 days of the date of the determination that the student withdrew, a written notification to the student, or parent in the case of parent PLUS loan indicating the type of loan, amount of the “unearned” Title IV aid and any actions to be taken.
- In addition, students who withdraw from the College while in receipt of aid are obliged to repay the disbursed funds to the US Federal Government in accordance with the terms of the loan and condition of the promissory note.

Post Withdrawal Disbursement (PWD)

- If the student did not receive all the FSA that was “earned” by the time of their withdrawal date, they may be eligible for a Post Withdrawal Disbursement (PWD) of these eligible funds.
- The student's R2T4 calculation will indicate if the student and/or parent may be eligible for a PWD.
- Within 30 days of the date of determination, the College will notify the student borrower (and parent in the case of a Parent PLUS loan) in writing prior to making any PWD of funds. The notification must specify as follows:
 - Explain that the borrower may accept or decline all or a portion of the PWD.
 - Request confirmation of any amount to be credited to the student’s account or directly disbursed to the borrower.
 - Specify a deadline of 14 days from the date the notification is sent for required response/confirmation from the borrower.
 - Specify that if no response is received by the College within 14 days, the College is not required to make the PWD.

- Explain the obligation to repay the loan.
- Students will have 14 days from the date of notification to respond in writing that they will accept or decline all or a portion of the post-withdrawal disbursement.
- If students accept the post-withdrawal disbursement, the loan funds will be disbursed to students' accounts within 180 days of the date of determination that the student has officially withdrawn.
- For any post withdrawal disbursement not credited to the students account, the college must make the disbursement as soon as possible but not later than 45 days after the determination date that the student withdrew.
- For post withdrawal disbursements of Parent PLUS Loans, notification will be made through the student, and the response to accept or decline all or a portion of the post-withdrawal disbursement must be made by the parent in writing. Parents should note that any post-withdrawal disbursements that they accept will still be disbursed to the students' accounts.

Treatment of Title IV credit balance when a student withdraws:

If a credit balance exists on the student's account after applying institutional refund policy and the R2T4 calculation, the institution will disburse the credit balance to the student as soon as possible but no later than 14 days from the date the school performs the R2T4 calculation