

FS Return to Title IV (R2T4) Regulations

The US Department of Education specifies how Frankfurt School of Finance & Management (FS) must determine the amount of Title IV program assistance (Direct Loans) that students earn if they withdraw from school. The Office of Financial Aid is responsible for calculating R2T4 and the Accounting Department is responsible for actually transferring the funds. The US Financial Aid Office uses worksheets and software provided by the US Department of Education to calculate the R2T4 funds. If you have questions about your Title IV program funds, students can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on Student Aid on the Web at www.studentaid.ed.gov.

Date of Withdrawal

When a student who began attendance withdraws during a payment period, the amount of Title IV program assistance that has been earned up to that point is determined by the date of withdrawal and with the use of a specific formula set forth by the US Department of Education.

Should the date of withdrawal be determined by FS, this determination will be made no later than 30 days after the end of the enrolment period.

If the student received (or FS received on the student's behalf) less assistance than the amount that was earned, the student may be able to receive those additional funds. If the student received more assistance than was earned, the excess funds will be paid back; FS will send these funds back to the Department of Education as soon as possible but no later than 45 days after date school determines student withdrew, and the student will return the funds to the lender according to the terms of the promissory note.

Official Withdrawals

The date of an official withdrawal is the date the student notified the Study Advisor or Program Director of their intent to withdraw or the date the student submitted the withdrawal form. In the case where a student notifies the Program Director or a faculty member that he or she intends to withdraw, the student must be informed of the need to complete the Official Withdrawal Form, and the date the student notified staff of withdrawal must be documented. In this case we would consider the student an official withdrawal.

Unofficial Withdrawals

In the case that a student stops attending without notifying FS, this student will be considered an un-official withdrawal. Without an official Withdrawal Form, FS will use the last date of attendance at an academically related activity or the midpoint to compute the R2T4 formula.

In the event a student receives all failing grades for a semester, the Program Director will contact the faculty members to determine if the "5.0" grades were earned or represent a lack of attendance, if the 5.0 grades were not earned, and reflect the student's lack of attendance, then this student will be considered an unofficial withdrawal. In the event it is determined that those grades were the result of non-attendance, this instance would be considered an unofficial withdrawal.

If the exact date cannot be determined, FS will assume a 50% attendance, and use that date as the last date of attendance. Students who do not attend even one class, are ineligible for Title IV funds and all of the loan proceeds will be returned to the lender.

Earned or Unearned Aid

The amount of assistance earned is determined on a pro rata basis. The payment period is the semester for which the loan was certified. The percent of attendance is calculated by dividing the number of days attended by the total number of days in the payment period. For example, if the student completes 30% of the payment period or period of enrolment, the student has earned 30% of the assistance they were originally scheduled to receive. Once the student

has completed more than 60% of the payment period or period of enrolment, all of the assistance that the student was scheduled to receive for that period is considered to have been earned. If the student did not receive all of the funds that were earned, he or she may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the student may choose to decline the loan funds so that additional debt is not incurred.

Post-Withdrawal Disbursements

FS will provide a written notification to the student, providing the student the opportunity to accept all or part of a post-withdrawal disbursement of Title IV loan funds to the student's account. Additionally this notification will inform the borrower if there are funds which exceed the outstanding current charges. Within this written notification, the type of student loan and amount the student is eligible to receive will be listed. Students or parents maintain the right to either accept all, part, or none of the total post withdrawal disbursement. All borrowers should keep in mind, that post withdrawal disbursements, must be paid back to the lender per the terms of the promissory note. This notification will occur within 45 days of the school's determination that the student withdrew. FS gives each student a total of 30 days to submit their response to receive a post-withdrawal disbursement. Should the student send this response in later than the specified 30 days, their request will be denied. Furthermore, should no response be received, no post withdrawal disbursement shall be made. FS may automatically use all or a portion of your post-withdrawal disbursement for tuition and fees. This post withdrawal disbursement will be made to the student's university or private account as soon as possible but no later than 180 days after the date school determined student withdrew, in accordance with requirements for disbursing Title IV funds, 34 CFR 668.164. For all other school charges, FS needs the student's permission to use the post-withdrawal disbursement. If the student does not give permission, the student will still be offered the funds. However, it may be in one's best interest to allow FS to keep the funds to reduce the debt at the school.

There are some Title IV funds that students were scheduled to receive that cannot be earned once a student withdraws because of other eligibility requirements. If the student receives (or FS receives on behalf of the student) excess Title IV program funds that must be returned, FS must return a portion of the excess equal to the lesser of:

1. The institutional charges multiplied by the unearned percentage of the funds, or
2. The entire amount of excess funds.

FS must return this amount even if it didn't keep this amount of the Title IV program funds. If FS is not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that must be returned, the student repays in accordance with the terms of the promissory note. Scheduled payments are made to the lender of the loan over a period of time. Students who have received a refund of their loan proceeds before withdrawing may be required to return part or all of those funds to the lender.

Title IV funds will be returned in the following order:

1. Unsubsidized Federal loans
2. Subsidized Federal loans
3. Federal PLUS loans

The requirements for Title IV program funds when students withdraw are separate from any refund policy that FS may have. Therefore, the student may still owe funds to FS to cover unpaid institutional charges. FS may also charge for any Title IV program funds that FS was required to return.