

READING HOSPITAL SCHOOL OF HEALTH SCIENCES POLICY NO. 631

SUBJECT: Return of Title IV/Refund Repayments

Responsibility of: Director of Financial Aid and Budget
Originated: July, 2012 Revised: July, 2014 Reviewed: July, 2014

SCOPE: Students enrolled at the Reading Hospital School of Health Sciences (RHSHS) who receive Title IV financial aid.

PURPOSE: To provide guidelines and policies for calculation of Return of Title IV Financial Aid funds when applicable. Note: Students seeking guidance for refund of tuition payments should review the Tuition Payment and Student Refund Policy.

POLICY: For any student who withdraws, stops attending, takes a Leave of Absence or is terminated from their program of study and received Title IV aid, RHSHS must determine the portion of aid received during the payment period in which they are enrolled that was earned as per federal regulations. Unearned Title IV funds must be returned to the appropriate Title IV program(s).

DEFINITIONS:

1. Earned and Unearned Title IV funds – Title IV funds are used to cover educational costs according to the length of time the student was enrolled before withdrawing. The amount of funds earned is directly proportional to the number of clock hours scheduled to have been completed in the payment period as of the student's withdrawal date, by the number of clock hours in the payment period. If the resulting percentage is greater than 60%, the student is considered to have earned all aid. If it is less than 60%, the student is considered to have unearned aid and the amount of Title IV funds awarded that have not been earned by the student must be returned to the appropriate program.
2. Withdrawal Date – the date the student began the withdrawal process or the date the student provided RHSHS with official notification of the intent to withdraw. For the student who does not initiate the withdrawal process or notify RHSHS of the intent to withdraw, RHSHS will determine the withdrawal date based on the last date of attendance as documented by faculty and/or the registrar.

PROCEDURE: A student who withdraws from courses, withdraws from the program, or is terminated from the program and who has received financial aid from Federal Title IV funds will have their federal financial aid refunds re-calculated as per federal regulations.

The refund policy is in accordance with the requirements of 34 CFR 668.22, code of Federal Regulations, which determine the amount of federal aid that has been earned and how much aid must be returned to any Title IV program by the student and the school. The responsibility to repay unearned Title IV funds is shared by RHSHS and the student. The student's share is the

difference between the unearned Title IV funds and RHSHS's share. RHSHS's share is allocated in the order of repayment of Title IV funds as listed below:

1. Federal Unsubsidized Stafford Loan
2. Federal Subsidized Stafford Loan
3. Federal Plus Loan
4. Federal PELL Grant
5. State Grant
6. Private Aid
7. The student

A student who received a refund of financial aid or who had a zero balance prior to withdrawing from RHSHS may owe the school a repayment of financial aid funds received once the Return to Title IV calculations are made. The student will be contacted by the Financial Aid office and the Student Accounts Office and will be given the option to pay the balance in full or be set up on a payment plan (PPO). Any outstanding balance due to the school must be repaid in full prior to a student returning to RHSHS classes.

Students with questions about Federal Title IV program funds, may contact the Financial Aid Office, or the Federal Student Aid information center at 1-800-4-FED-AID.

EDUCATION AND TRAINING: N/A

REFERENCES: CFR 668.22, DCL GEN -11-14, 668.43(a)(2 -4)

COMMITTEE AND COUNCIL APPROVALS: SHS Director's Meeting, 9/22/14

CANCELLATION: Reading Health System policies directly related to this topic shall supersede this RHSHS policy. This policy supersedes all previous policies, memoranda, and/or other communications pertaining to this policy.