

## **Refunds and Return to Title IV (R2T4)**

Student Financial Responsibility: Students are financially responsible for all tuition and fees charged by the school. Students who withdraw from the school or whose enrollment is terminated by the administration may be entitled to a refund of tuition paid in advance, or may owe funds to the school to cover unpaid tuition. Further, upon withdrawal or termination the student and/or the school may owe a refund of unearned financial aid to the Federal Student Aid Programs. The school reserves the right to pursue collection from the student of any funds that remain due on the student's account, including any amount that the school was required to return to the Federal Student Aid Program as a result of the student's discontinuance.

Cancellation Policy: A full refund will be made to any student who cancels the enrollment contract within 72 hours (until midnight of the third day excluding Saturdays, Sundays and legal holidays) after the enrollment contract is signed. A full refund will also be made to any student who cancels enrollment within the student's first three scheduled class days, except that the school may retain up to \$100 in administrative fees if the student had previously toured the school's facilities.

Tuition and Fees Refund Policy: Refund computations will be based on scheduled instructional time of class attendance through the last date of attendance. School holidays, leaves of absence, and other periods of non-attendance will not be considered as part of the scheduled class attendance.

The effective date of termination for refund purposes will be the earliest of the following:

- The last day of attendance, if the student is terminated by the school;
- The date of receipt of written notice from the student; or
- Ten school days following the last date of attendance.

If tuition and fees were collected in advance of entrance, and if after expiration of the 72 hour cancellation privilege the student does not enter school, not more than \$100 in nonrefundable administrative fees shall be retained by the school for the entire program.

If a student enters a program and withdraws or is otherwise terminated, the school will retain the \$100 Registration Fee. The school will also retain the pro-rata portion of tuition and fees through the last date of attendance for the program except that the school will retain 100% of the charges (no refund) if the last date of attendance represents 75 percent or more of the program.

More simply, the refund is based on the number of instructional hours the student has paid for, but not yet used, at the point of termination, up to the 75 percent completion mark, after which no refund is due.

Refunds for items of extra expense to the student, such as books, equipment, tools, or other supplies are handled separately from refund of tuition and other academic fees. The student will not be required to purchase instructional supplies, books, equipment and tools until such time as these materials are required. Once these materials are purchased, no refund will be made. Books,

equipment and supplies which have been billed, but not issued, will be fully refunded.

A student who withdraws for a reason unrelated to the student's academic status after the 75 percent completion mark and requests a grade at the time of withdrawal shall be given a grade of "incomplete" and permitted to re-enroll in the course or program during the 12-month period following the date the student withdrew without payment of additional tuition for that portion of the course or program.

A full refund of all tuition and fees is due and refundable if an enrollee is not accepted by the school; if the course of instruction is discontinued by the school preventing the student from completing the program; or if the student's enrollment was procured as a result of any misrepresentation in advertising, promotional materials of the school, or representations by the owner or representatives of the school. (A full or partial refund may also be due in other circumstances of program deficiencies or violations of requirements for career schools).

Refund Policy for Students Called to Active Military Service: A student who withdraws from the school as a result of the student being called to active duty in a military service of the United States or the Texas National Guard may elect one of the following options for each program in which the student is enrolled:

- if tuition and fees are collected in advance of the withdrawal, a pro rata refund of any tuition, fees, or other charges paid by the student for the program and a cancellation of any unpaid tuition, fees, or other charges owed by the student for the portion of the program the student does not complete following withdrawal;
- a grade of incomplete with the designation "withdrawn-military" for the courses in the program, other than courses for which the student has previously received a grade on the student's transcript, and the right to re-enroll in the program, or a substantially equivalent program if that program is no longer available, not later than the first anniversary of the date the student is discharged from active military duty without payment of additional tuition, fees, or other charges for the program other than any previously unpaid balance of the original tuition, fees, and charges for books for the program; or
- the assignment of an appropriate final grade or credit for the courses in the program, but only if the instructor or instructors determine that the student has satisfactorily completed at least 90 percent of the required coursework for the course/program; and demonstrated sufficient mastery of the course/program material to receive credit for completing.

Timing of Refund Transactions: The payment of refunds will be completed such that the refund has been negotiated or credited into the proper account(s), within 60 days after the effective date of termination.

Return To Title IV (R2T4): When a student withdraws or his/her enrollment is otherwise terminated, the school will not only calculate the amount of tuition/fees that will be refunded to the student (if any), but also the amount of federal financial aid (aka "Title IV") that must be returned to the Federal Student Aid Programs (if any). This process is referred to as "Return to Title IV" (R2T4). The calculation of R2T4 has no relationship to the tuition and fees that the student may owe to the school. The R2T4 calculation is performed using forms and/or software provided by the U.S. Department of Education for that purpose.

R2T4 Calculation Information: Title IV funds are earned in a prorated manner based upon scheduled clock hours in the program. R2T4 is required up to the 60% point in the payment period based upon the pro-rata methodology. (The “payment period” is generally one-half of the student’s scheduled program at McAllen Careers Institute). After the 60 percent point in the payment period, a student is considered to have earned 100 percent of the Federal Student Aid funds they were eligible to receive for that payment period.

The percentage of the payment period completed is the total number of scheduled clock hours in the payment period for which the assistance has been awarded, divided into the number of clock hours scheduled to have been completed as of the date of withdrawal (last date of attendance).

If, based on the calculation, the student has earned less than the amount of Title IV funds disbursed, the unearned funds must be returned. The school must return the lesser of:

- the amount of federal financial aid funds that the student has not earned, or
- the amount of institutional charges that the student incurred for the payment period multiplied by the percentage of federal financial aid funds that was not earned.

The student (or parent, in the case of a PLUS loan) must return or repay, as appropriate:

- any remaining Federal Direct Student Loan Program or Federal Direct PLUS loan funds, earned or unearned, not already returned by the school, in accordance with the contracted terms of the loan, and
- the remaining unearned federal grant funds (not to exceed 50 percent of the grant owed) as an “overpayment” of the grant (see below).

R2T4 Refunds are calculated according to applicable federal laws and regulations. All returned funds for which the school is responsible will be issued by the Student Accounts Office promptly after the school has determined that the student has withdrawn and the applicable return calculations have been completed (generally within 30 days of the determination date, but never more than 45 days).

Overpayments: Any amount of unearned federal grant funds that a student must return directly is called an “overpayment”. The maximum amount of a grant overpayment is one half of the grant funds received or scheduled to be received. While this occurs very rarely, students in this circumstance must make arrangements with the school and/or the U.S. Department of Education to return the unearned grant funds. Failure to do so will result in loss of future eligibility for Federal Student Aid and potential other legal actions by the U.S. Department of Education.

Financial Aid Programs R2T4 Refund Sequence: Unearned funds returned by the school must be credited to outstanding balances on Title IV loans made to the student or on behalf of the student for the payment period for which a return of funds is required. Those funds will be credited to outstanding balances in the following order:

1. Unsubsidized Federal Direct Stafford Loan,

2. Subsidized Federal Direct Stafford Loan, and
3. Federal Direct PLUS Loan received on behalf of the student.

If unearned funds remain to be returned after repayment of all outstanding loan amounts for the payment period, the remaining excess must be credited to any amount awarded for the payment period in the following order:

1. Federal Pell Grant.
2. Federal SEOG, and
3. Other grant or loan assistance authorized by Title IV of the Higher Education Act

Post-Withdrawal Disbursement: The school may disburse Federal Pell Grant funds that had not yet been disbursed at the time of the student's withdrawal/termination, but for which the student remains eligible under the R2T4 calculation. In the case of student or parent loan funds, the school will calculate the student (or parent's) eligibility for a "post-withdrawal disbursement". The Financial Aid Office will advise the student and/or parent borrower of the amount(s) available and the fourteen calendar day deadline to accept or decline the post-withdrawal disbursement. If a response is not received from the student and/or parent within the permitted time frame or the student declines the funds, the school will not request the funds from Title IV programs. If the post-withdrawal disbursement is accepted, the funds will first be used to settle any outstanding financial obligation to the school.