

Return of Title IV Funds Policy

The Federal Return of Title IV funds formula (R2T4) dictates the amount of Federal Title IV aid that must be returned to the federal government by the school and/or the student. The federal formula is applicable to an eligible student receiving federal aid when that student withdraws at any point during the payment period.

If a student did not start or begin attendance at Health-Tech Institute of Memphis, the R2T4 formula does not apply.

Official Withdrawal Process: If a student wishes to withdraw from HTIM, they must notify the Academic Affairs Department by completing and submitting the Withdrawal Form. The date the notification is received is the date of determination. Academic Affairs must begin the withdrawal process.

Unofficial Withdrawal Process: For unofficial withdrawals a student's withdrawal date is their last day of physical attendance. Their date of determination is 14 days after they cease attendance.

The federal formula requires a Return of Title IV calculation if the student received or could have received (based on eligibility criteria) federal financial assistance in the form of Pell Grants, Direct Loans or Direct PLUS Loans, FSEOG, TEACH, and Iraq Afghanistan Service Grants (IASG) during the payment period. The percentage of Title IV aid earned is equal to the percentage of the payment period that was completed as of the withdrawal date if this occurs on or before the 60% point of time. After the 60% point of the period of enrollment the student is considered to have earned 100% of the aid for the period. The percentage that has not been earned is calculated by subtracting the percentage of Title IV aid earned from 100%.

The percentage of the enrollment period completed is calculated by the hours scheduled in the enrollment period as of the withdrawal date divided by the scheduled hours in the enrollment period.

The amount to be returned is calculated by subtracting the amount of Title IV assistance earned from the amount of Title IV aid that was or could have been disbursed as of the withdrawal date.

If a student receives less Title IV funds than the amount earned, the school will offer the student a disbursement of the earned aid that was not received at the time of their withdrawal which is called a post-withdrawal disbursement. Post-withdrawal disbursements will be made from Pell Grant funds first, if the student is eligible. If there are current educational costs still due the school at the time of withdrawal, a Pell Grant post-withdrawal disbursement will be credited to the student's account. Any remaining Pell funds must be released to the student without the student having to take any action. The funds must be released as soon as possible but no more than 45 days after the date of determination. Any federal loan program funds due in a post-withdrawal disbursement must be offered to the student and HTIM must receive the student's authorization before crediting their account.

If a credit balance still exists on the student's account after the R2T4 and institutional refund calculations are done, that credit balance must be used to pay any grant overpayment that exists based on the current withdrawal within 14 days from the date that the R2T4 (calculation was performed). The overpayment must be eliminated prior to offering a credit balance to a student.

The following Title IV return distribution is used for all FSA students.

Title IV Return Distribution for FSA students
1. Unsubsidized Direct Loans
2. Subsidized Direct Loans
3. Direct PLUS Loans (Parent)
4. Federal Pell Grant
5. Iraq Afghanistan Service Grant

Returns must be made as soon as possible to the federal programs but no later than 45 days after the date of determination.

The law requires that a student is responsible for all unearned Title IV program assistance that HTIM is not required to return. This is determined by subtracting the amount returned by HTIM from the total amount of unearned Title IV funds to be returned.