



FINE Mortuary College

A Private Two Year College

www.fmc.edu

Withdrawal, Leave of Absence, and Return of Title IV Funds Policy

Introduction:

All Federal Student Aid is considered under the generic term 'Title IV funding': this is a reference to Title IV of the Higher Education Act of 1965 (HEA) which covers the administration of the United States federal student financial aid programs. This includes Federal Pell Grant, Direct Subsidized, Direct Unsubsidized and Parent PLUS Loans administered through FINE Mortuary College (FMC). Students in receipt of one or more of these types of funding are considered as 'Title IV-funded'.

Throughout their study, Title IV-funded students are considered as 'earning' funding based on the time they are enrolled in each disbursement period. When a student ceases study (by either Withdrawing or taking a break in their studies) they also cease to earn these funds. US federal regulations state that when a Title IV-funded student ceases study an assessment must be done to determine the amount of funds that the student received but did not earn within the relevant period. All unearned funds must be returned to the US Department of Education – this is known as 'Return to Title IV' or 'R2T4'.

For R2T4 purposes, a Leave of Absence that lasts, or is expected to last, for more than 180 days or an unapproved Leave of Absence is also deemed to be a withdrawal.

This policy is to ensure FMC is compliant with US Title IV Loans [Federal Regulations, 34 CFR 668.22 \(d\)](#), regarding the process for students withdrawing or requesting a Leave of Absence. Students wishing to apply for a Leave of Absence should submit their written request to Student Advising.

Withdrawal:

There are two types of withdrawals that fall under the Return of Title IV Funds (R2T4) regulations:

1. **Official Withdrawal:** Students may choose to voluntarily and formally withdraw from all classes enrolled at FMC. Academic penalties and financial obligations may occur. To voluntarily withdraw from FMC, a student must:
 - i. Provide a letter or email with intent to withdraw to the school Dean or Registrar.
 - ii. Complete, sign and date the FMC Drop/Add form with the Registrar.
 - iii. The official US postmark on the letter of withdrawal or the date on the email from the student to FMC will be used to calculate the R2T4 and the financial obligation to FMC, unless the student hand delivers the Drop/Add form and the letter to withdraw from the college.



FINE Mortuary College

A Private Two Year College
www.fmc.edu

2. **Unofficial Withdrawal:** If a student begins to attend class(es), receives Title IV funds, then ceases to attend the class(es) without official withdrawal from FMC, this is considered “unofficial withdrawal.” The withdrawal date for a student who unofficially withdraws is the last date of class participation as documented by the instructor in the attendance register.

R2T4 assessment:

Once a student has withdrawn an R2T4 calculation is performed. This R2T4 calculation is based upon the number of days the student attended minus any unscheduled leave that is 5 days or more, divided by the total number of days in the payment period.

The US Department of Education specify how FMC assesses the amount of Title IV funding that has been ‘earned’ and ‘unearned’. Funding is earned by remaining enrolled and attending classes. FMC’s third-party organization is responsible for calculating R2T4 amounts and uses a procedure which is based on the R2T4 calculation formula provided by the US Department of Education. This formula takes into consideration the start and end date of the payment period, the end date of the student’s study, the minimum time required to earn funding, the amount disbursed, and the different Title IV programs being used.

The start date of the payment period is the date that the funds were disbursed from the US Department of Education, usually the first day of each term. The end date of the payment period is the day before the next scheduled disbursement or, if all disbursements have been made, the end of the academic year. Where a student has received an additional disbursement outside of the dates registered with the US Department of Education they may be within two or more payment periods simultaneously – in this case an R2T4 calculation will be done for each payment period.

Since FMC is an attendance taking institution, for R2T4 purposes, the institution will use the date of withdrawal listed on the official withdrawal form submitted to the Registrar by the student as the last day of attendance (LDA) for the R2T4 calculation. FMC has up to 30 days after the end of the payment period term ends to determine if a student unofficially withdraw to start the R2T4 calculation using the LDA under the unofficial withdrawal policy listed above.

The minimum time required for students to earn the full Title IV funding is 61% of the payment period. Where enrollment is less than 61% of the payment period the amount of Title IV funding earned is calculated proportional to the actual percentage of enrollment, i.e. the number of calendar days completed up to the end date of study divided by the total number of days in the payment period:



FINE Mortuary College

A Private Two Year College
www.fmc.edu

Completed days/total days in payment period = percentage of enrollment

Title IV funding is earned in a specific order of the loan programs. This order is set by the US Department of Education and not by FMC.

Example R2T4 Calculation:

If a student completes 25 days of a payment period which lasts 100 days, the calculation will be as follows:

$$25/100 = 25\%$$

Therefore, if \$10,000 of aid was disbursed for that period, the student would be entitled to 25% of that:

$$10000/100 \times 25 = 2500$$

\$2,500 is the amount of earned Title IV funding. The remaining \$7,500 is unearned and must be returned to the US Department of Education.

Note: The policy will not apply to any student who:

1. Enrolled for class(es) but never began attendance in any class or
2. Enroll for class(es) but withdraw during the first week of classes, otherwise known as the add/drop period.
3. Withdraws from one or more classes but continues attendance in any other Title IV approved class(es).

Outcome of the R2T4 assessment:

The calculation will determine how much of the Title IV funding the student received was earned and how much was unearned. Where the student received unearned funds, the calculation will also determine the order in which the funds need to be returned to the relevant Title IV programs. The order of returned funds are as follows:

- Unsubsidized Direct Loan (up to the total net amount disbursed)
- Subsidized Direct Loan (up to the total net amount disbursed).
- Direct PLUS Loan (up to the total net amount disbursed).
- Federal Pell Grant



FINE Mortuary College

A Private Two Year College
www.fmc.edu

The Financial Aid Department will notify the student of the outcome of the R2T4 assessment by email upon completing the assessment.

If the student received more Title IV funds than they earned, these unearned funds must be returned:

- The Financial Aid Office instructs the Business Office/Bursar of any unearned institutional portion to be returned to G5. The US Department of Education requires FMC to return any amount of unearned Title IV funds for which it is responsible no later than 45 days after the date of the determination of a student's withdrawal from the College.
- The student is responsible for arranging the return to their loan servicer of the relevant portion of funds that were originally refunded to them by FMC as part of their disbursements (if any). The loan servicer will contact the student regarding this once they have received notification of the student's withdrawal status through NSLDS (National Student Loan Data System).

Post Withdrawal Disbursement:

In cases where the amount of Title IV aid disbursed is less than the amount earned, a post withdrawal disbursement will be made. Where this is the outcome of the calculation, if the student is eligible to receive student loans, the student will be notified within 30 days of the last date of attendance. The student will have 14 days following this to respond to this notification and confirm whether or not they wish to receive the disbursement. Grants will be disbursed within 45 days. Once FMC has received confirmation from a student or parent that a post-withdrawal disbursement is to be made, any credit balance resulting from the loan funds will be processed as soon as possible, and no later than 14 days after the R2T4 calculation has been completed. In the case of a late response FMC will use their discretion as to whether the disbursement is honored.

If the student/parent submits a timely response that confirms that they wish to receive all or a portion of a direct disbursement of the post-withdrawal disbursement of the loan funds or confirms that a post withdrawal disbursement of the loan funds be credited to the student's account, the institution will disburse the funds in the manner specified by the student, as soon as possible, but no later than 180 days after the date the institution determined that the student withdrew.



FINE Mortuary College

A Private Two Year College
www.fmc.edu

Please note:

This policy does not affect the amount of tuition fees a student may be charged by FMC upon withdrawing from the college. This amount will be assessed according to FINE Mortuary College's [Tuition Policy](#).

As a consequence of withdrawing during a disbursement period, a student may owe money to FMC for outstanding tuition & fees, where the R2T4 amount has left a fee deficit.

Approved Leaves of Absence

A Leave of Absence is a temporary interruption in your course of study, which may also be referred to as a break in studies. A student granted an approved Leave of Absence is not considered to have withdrawn, and no R2T4 calculation is usually required. For US Title IV purposes, a Leave of Absence cannot exceed 180 days (6 months) in any 12-month period and may have a serious impact on your Title IV Loan eligibility. If you are in receipt of US Title IV Loans, a Leave of Absence must meet certain conditions to be counted as a temporary interruption to studies, instead of being counted as a withdrawal (which would require FMC to do an R2T4 calculation).

Conditions required to meet US Federal Aid Loan rules

According to [Federal Regulations, 34 CFR 668.22 \(d\)](#), the following criteria outlines the requirements to process an approved Leave of Absence:

- The institution has a formal policy regarding leaves of absence;
- The student followed the institution's policy in requesting the leave of absence;
- The institution determines that there is a reasonable expectation that the student will return to the school;
- The institution approved the student's request in accordance with the institution's policy;
- The leave of absence does not involve additional charges by the institution;
- The number of days in the approved leave of absence, when added to the number of days in all other approved leaves of absence, does not exceed 180 days in any 12-month period;
- Upon the student's return from the leave of absence, the student is permitted to complete the coursework he or she began prior to the leave of absence; and
- If the student is a title IV, HEA program loan recipient, the institution explains to the student, prior to granting the leave of absence, the effects that the



FINE Mortuary College

A Private Two Year College

www.fmc.edu

student's failure to return from a leave of absence may have on the student's loan repayment terms, including the exhaustion of some or all of the student's grace period.

If a student takes an Approved Leave of Absence from their studies, then any further loan disbursements will be put on hold for the duration of the absence. Please note that these payments will not be paid retrospectively once the student returns to their studies.

Requesting an Approved Leave of Absence

In addition to the general procedure for requesting a Break in Studies, a student who wishes for their Leave of Absence to be considered an approved Leave of Absence for the purposes of their Title IV aid must contact Student Advising, prior to the start of the Leave of Absence.

All written requests should be emailed to studentadvising@fmc.edu and include the reason for the request as well as the intended period of the Leave of Absence. Once your request has been reviewed and has been deemed to meet the criteria in the section above, you will receive an email from administrative staff requesting a meeting to confirm the approval of your Leave of Absence and explaining how the Leave of Absence will be applied. We will also inform you of your loan obligations, amendments, deferment options and consequences of failure to return. These may impact your loan repayment terms, including the use of some or all of your loans grace period (you can check this with your loan servicer). You will also be informed of the financial consequences if you fail to return from a Leave of Absence.

Impact of a Leave of Absence on your Title IV Loans

If you are taking a Leave of Absence or withdrawing from FMC, you are advised to be aware of the impact this may have on your Title IV Loans.

If a student is looking to take one term off due to medical reasons and plans to return after one term, they may request a Leave of Absence. If the leave is permanent or due to finances or personal reasons, they may withdraw from the Program. In certain cases, the student may not need to re-apply to the program if they return within a previously discussed timeframe.

If a student takes an approved Leave of Absence but fails to return within the agreed timeframe, then for the purposes of US Federal Student Aid processes the student is deemed to have withdrawn from their program, retrospectively, from the first day of the Leave of Absence.



FINE Mortuary College

A Private Two Year College
www.fmc.edu

Administration will send a Leave of Absence or Withdrawal Request Form to the student to complete and sign. Administration will record the Last Day of Attendance and sign off. The Director of Financial Aid will be copied on the document so that they may complete any financial paperwork such as an R2T4. The Director of Financial Aid must report the leave or withdrawal to Global Financial Aid within 7 days and complete the relevant Exit paperwork.

Students planning to return to the subsequent term will be added to an email group so that they do not miss important school announcements or registration. Upon leave, all FMC accounts will be deactivated except their email address. Upon withdrawal, all FMC accounts will be deactivated.

Approved Leave of Absence – 180 days (6 months) or less

- Title IV Disbursements will not be made during a Leave of Absence.
- Your Title IV loans will enter into their grace period. Title IV loans have a 6 month grace period (you are advised to check this with your individual loan servicer(s)).
- During a grace period, you are not required to make repayments on your Title IV loans.
- If you return to your studies at FMC (registered as at least half time or more in attendance) within the grace period, your Title IV loans will change to an “in School” deferment status. You are not required to make repayments on your Title IV Loans with this status.

Leave of Absence – greater than 180 days (6 months) or a withdrawal of studies

- Title IV Disbursements will not be made following a Withdrawal, and a Return to Title IV (R2T4 calculation) will be made.
- Title IV loans will enter repayment.
- If you are unable to make repayments, you are advised to contact your loan servicer(s) to determine if you qualify for a deferment or forbearance to postpone repayments. If you do not qualify for a deferment or forbearance, then you may be eligible to have your monthly payment amount reduced based on different repayment plans.
- You can find out who your loan servicer is by visiting studentaid.gov.

Grace Periods

- You only qualify for one grace period per Title IV loan. Once the grace period has been exhausted, you must make payments unless you have been approved for a deferment or forbearance.



FINE Mortuary College

A Private Two Year College

www.fmc.edu

- You are given a 6-month grace period on most types of Title IV loans starting from the date enrollment ceases or is less than half time. During this time, lenders will treat your loans as if you are still enrolled full-time at the college.
- Once a grace period has expired, it will not be given again. At the end of the 6 months grace period, you will be required to enter repayment on your Title IV loans until you return to studies. However, deferment or forbearance options may still be available to you if you made a request for this to be considered to your lender.