



Northwest Technical College
Bemidji, Minnesota

RETURN OF TITLE IV FUNDS POLICY AND PROCEDURE

Effective July 1, 2021

Repayment Requirements for Students Who Cease Enrollment Prior to the End of a Payment Period or Period of Enrollment: Financial aid recipients, who withdraw or cease attending all their classes prior to 60% of the semester or enrollment period (including courses with a grade of “F”, “FW”, and “FN” for non-attendance), are subject to the federal rules for Return of Title IV Funds (R2T4). A student who does not complete all days they are scheduled to complete in module courses (that is, courses that do not span the entire length of the semester) are also considered withdrawn and are subject to the Return of Title IV funds rules. Review Volume 5 in the Federal Student Aid Handbook for withdrawal exemptions for programs offered in modules. A student who withdraws from a module course but is scheduled to attend a module beginning later in the semester, must notify the Financial Aid Office in writing or the student will be considered withdrawn. For the Return of Title IV funds calculation, the percentage of unearned aid is equal to the number of calendar days remaining in the term (or numbers of days of attendance remaining in planned modules) after the withdrawal date divided by the total number of calendar days in the term (or total number of days in planned modules). The calculation of Title IV funds unearned has no relationship to the student’s incurred institutional charges as determined by the college’s refund schedule for students that officially withdraw from a term. The Records Office is the college’s designated office to accept notification of official withdrawals.

If the last date of attendance cannot be determined, the mid-point (50%) of the semester will be used. The Business Office will determine the repayment based upon federal and state procedures, the last date of attendance, type of aid awarded, and charges for tuition and fees. The repayment amount is considered unearned aid that a student was not eligible to receive because of not completing the term, necessitating the repayment of funds.

The college may have an obligation to return funds to an aid program that was previously applied to the student’s account. The timeline for returning these funds is 45 days from the date the school determined the student withdrew. The student may have an obligation to repay funds that were paid directly to the student. If the college returns funds that were applied to the student’s account, a balance due the college by the student will result. Federal student aid may not cover all unpaid institutional charges due to college upon withdrawal. Future Title IV funds cannot be used to pay a R2T4 balance due.

A student may be owed a disbursement of Title IV funds after the withdrawal date if the conditions for Post Withdrawal Disbursements are met according to the code of federal regulations 34 CFR 668-22(1)(2) and (3) and 34 CFR 690.61(a).

Actual Sample Withdrawal Case: Student received \$701 Federal Direct Subsidized Loan and attended 25.5% of the enrollment period. After performing the R2T4 calculation, the student was required to repay \$522 of the total \$701 received. A student may contact the Business Office to receive an estimation of the required financial aid repayment, if any.

As per Federal regulations, financial aid will be returned by NTC in this order:

- 1.) Federal Unsubsidized Direct Loans
- 2.) Federal Subsidized Direct Loans
- 3.) Federal Direct PLUS Loans (Parent or Graduate)
- 4.) Federal Pell Grant for which a return of Title IV funds is required
- 5.) Iraq and Afghanistan Service Grant for which a return of Title IV funds is required

- 6.) Federal Supplemental Educational Opportunity Grant (SEOG)
- 7.) Federal Teacher Education Assistance for College and Higher Education (TEACH)
- 8.) Other Title IV assistance

Non Federal Funds:

Once the Federal Return to Title IV Refund Policy is applied, students who receive financial aid funding from the State of Minnesota are also evaluated based on the Minnesota Office of Higher Education refund policies.