



AMBI

AMERICAN MASSAGE &
BODYWORK INSTITUTE

Return of Unearned Title IV Funds “R2T4” Policy

Federal regulations stipulate that students may forfeit a portion of their federal student financial assistance if they fail to complete the program of study in which they were enrolled. This policy affects students who:

- a) Received or were eligible to receive federal student financial assistance authorized under Title IV of the Higher Education Act (HEA), i.e., Federal Pell Grants, Federal SEOG awards, or Federal Direct Student Loan (FDSL) program funds,
and
- b) Who withdrew or were terminated from the institution during the first 60% of any payment period

Students will be considered to have withdrawn from their program of study on the date of their official notification to the school of their intent to withdraw, or for unofficial withdrawals, after 14 consecutive calendar days of absence unless the student is on an approved leave of absence as otherwise stated in the institution’s policies. Eligible Title IV federal aid recipients whose last recorded date of attendance, per the institution’s attendance records, is within the first 60% of a payment period are considered to have earned federal aid only in an amount equal to the percentage of time that the student was enrolled during the payment period rounded to the nearest 1/10 of one percent (Example: 33.333% = 33.3%, 66.666% = 66.7%). Accordingly, a required calculation will be performed to determine if federal aid that has not been earned by the student has been disbursed, in which case the unearned portion must be returned to the U.S. Department of Education, or if federal aid that has been earned by the student has not yet been disbursed, in which case the student may be entitled to a post-withdrawal disbursement of earned federal aid. This calculation will be done before a tuition refund calculation is performed in accordance with the institution’s refund policy and will result in a determination of the amount of unearned aid that must be returned to the USDE by the institution, as well as the amount to be returned by the student. The institution will notify the student upon completion of this calculation if the student has any responsibilities to repay any federal funds beyond the scope of the student’s existing student loan repayment obligations. In many cases, any return of unearned Title IV funds will result in adverse financial consequences including the student owing tuition and fees to the institution that would otherwise have been paid with federal student



aid. Unearned Title IV, HEA funds that must be returned to the U.S. Department of Education will be returned first to Unsubsidized Direct Loans, followed by Subsidized Direct Loans, Direct PLUS Loans, Federal Pell Grant awards and lastly, to any Federal SEOG awards. Unearned funds to be returned to the U.S. Department of Education by the institution, and any unearned grant funds owed by the student, must be repaid within 45 days of the date the institution determined that a student has withdrawn. Unearned, Title IV funds owed by the student to a federal loan program must be repaid in accordance with the repayment terms of the student's loan.

In the event a student has earned federal aid in excess of the amount disbursed at the time of withdrawal, and is eligible to receive those funds, the school will process a post-withdrawal disbursement of such earned funds to the student in accordance with federal regulations and allowances.

The *Return of Unearned Title IV Funds Calculation Form* is used to assess final refunds due, or amounts owed, and accompanies this document to complete the policy.

AMBI must return title IV funds to the programs from which the student received aid during the payment period in the following order, up to the net amount disbursed from each source:

- ◆ Unsubsidized Direct Loans (other than Direct PLUS Loans)
- ◆ Subsidized Direct Loans
- ◆ Direct PLUS Loans
- ◆ Federal Pell Grants for which a Return is required
- ◆ FSEOG for which a return of funds is required
- ◆ TEACH Grants for which a Return is required
- ◆ Iraq and Afghanistan Service Grant, for which a Return is required.