

**NOTICE TO STUDENTS WHO RECEIVE FEDERAL
FINANCIAL AID FUNDS (TITLE IV FUNDS)
FOR THEIR EDUCATIONAL COSTS**

STUDENTS WHO DROP FROM SCHOOL MAY BE REQUIRED TO REPAY ALL OR PART OF ANY GRANTS OR LOANS THAT HAVE BEEN USED. THIS INCLUDES GRANTS OR LOANS THAT HAVE BEEN PAID TO THE SCHOOL FOR TUITION AND FEES.

STUDENTS WHO DROP FROM SCHOOL MAY BE RESPONSIBLE FOR A BALANCE DUE TO THE SCHOOL FOR TUITION THAT RESULTS FROM PREVIOUS GRANT OR LOAN FUNDS THAT HAVE BEEN RETURNED TO THE DEPARTMENT OF EDUCATION UNDER THIS NEW POLICY.

The Federal Return of Title IV funds (R2T4) dictates the amount of Federal Title IV aid that must be returned to the federal government.

The University of Spa & Cosmetology Arts is required to determine the earned and unearned portions of Title IV aid as of the student's withdrawal date based on the amount of time the student was scheduled to be in attendance. Up through the 60% point in each payment period (i.e., 900 clock hours for cosmetology), a pro rata schedule is used to determine the amount of Title IV funds the student has earned at the time of withdrawal. After the 60% point in the payment period, a student has earned 100% of the Title IV funds he or she was scheduled to receive during the period, this policy is used to determine if the student is eligible for any post drop disbursement. The term "Title IV aid" refers to the Federal financial aid programs such as: Direct Unsubsidized Loans, Direct Subsidized Loans, Direct PLUS (Parent) Loans and Federal Pell Grant.

The University of Spa & Cosmetology Arts must determine the student's withdrawal date. The withdrawal date is defined as:

Official withdrawals: A student's withdrawal date is the last day of physical attendance, determined once the school received notice from the student that they are withdrawing.

Unofficial withdrawals: A student's withdrawal date is their last day of physical attendance. The school's determination that a student is no longer in school for unofficial withdrawals is determined after 3 weeks of non-attendance or not returning from a leave of absence.

The calculation required determines a student's earned and unearned Title IV aid based on the percentage of the enrollment period completed by the student. **The percentage of the period**

that the student remained enrolled is derived by dividing the number weeks the student could have attended by the number of weeks in the payment period.

Earned aid is not related to institutional charges. The University of Spa & Cosmetology Arts refund policy and Return of Title IV Funds procedures are independent of one another. A student who withdraws may be required to return unearned aid and still owe funds to **The University of Spa & Cosmetology Arts**. The reverse is also possible: a student who withdraws may have no requirement to return aid, but still qualify for a refund under **The University of Spa & Cosmetology Arts'** refund policy. In this case, the student must inform **The University of Spa & Cosmetology Arts** in writing how they want the additional funds dispersed.

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. This is called a post withdrawal disbursement. Post withdrawal disbursements will be made from Pell grant funds first if 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 Pell grant funds in excess of current educational costs will be offered to the student. Any federal loan program funds due in a post withdrawal disbursement must be offered to the student and the school must receive the student's permission before crediting their account.

The following rules apply when **The University of Spa & Cosmetology Arts** is completing a R2T4 calculation:

1. A school must always return any unearned Title IV funds it is responsible for returning within forty-five (45) days of the date the school determined the student withdrew, and offer any post-withdrawal disbursement of loan funds within thirty days of that date.
2. A school must disburse any Title IV grant funds a student is due as part of a post-withdrawal disbursement within forty-five (45) days of the date the school determined the student withdrew, and disburse any loan funds a student accepts within one hundred and eighty (180) days of that date.
3. Unless a student subject to verification has provided all required verification documents in time for the school to meet the R2T4 deadlines, the school includes as Aid Disbursed or Aid That Could Have Been Disbursed in the Return calculation only those Title IV funds not subject to verification. If a student who failed to provide all required verification documents in time for the school to meet the Return deadline later provides those documents prior to the applicable verification deadline, the school must perform a new Return calculation on all of the aid the student qualified for based on the completed verification documents and make the appropriate adjustments.

The return of Federal aid is in the following order Direct Unsubsidized Loans, Direct Subsidized Loans, Direct PLUS (Parent) loans, Federal Pell Grants.