

Return to Title IV (R2T4) Policy

The law specifies how CSPN must determine the amount of Title IV financial aid that a student earns if they withdraw from school. The Title IV programs that are covered by this law which CSPN participates in are Federal Pell Grants and Federal Direct Loans aka Stafford Loans.

When a student withdraws during their payment period or period of enrollment (CSPN defines each half of the program as a payment period) the amount of Title IV financial aid that they have earned up to that point is determined by a specific formula. If the student received (or CSPN or their parents received on their behalf) less aid than the amount that they earned, the student may be able to receive those additional funds. If the student received more aid than they earned, the excess funds must be returned by the school and/or the student.

The amount of aid that a student has earned is determined on a pro-rata basis. For example, if the student completed 30% of the clock hours in their payment period (450 total clock hours), they earn 30% of the aid they were originally scheduled to receive. Once the student has completed at least 60% of the clock hours in the payment period, they earn all (100%) of the aid that they were scheduled to receive for that period.

If the student did not receive (or the School did not receive on their behalf) all of the funds that they earned, the student may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, CSPN must get the student's permission before CSPN can disburse to them. The student may choose to decline some or all of the loan funds so they don't incur additional debt. CSPN may automatically use all or a portion of the student's post-withdrawal disbursement (including loan funds, if they accept them) for tuition and fees. For all other school charges, the school needs the student's permission to use the post-withdrawal disbursement. CSPN requires permission to be given at the time of accepting/denying aid on the initial award letter. However, it may be in the student's best interest to allow the school to keep the funds to reduce their debt at the school.

There may be some Title IV funds that the student was scheduled to receive that cannot be disbursed to them once they withdraw because of other eligibility requirements. For example, if the student is a first-time, first-year undergraduate student and they have not completed the first 30 days of their program before they withdraw, they will not receive any Direct loan funds that they would have received had they remained enrolled past the 30th day.

If the student receives (or CSPN on their behalf receives) excess Title IV program funds that must be returned, CSPN must return a portion of the excess equal to the lesser of:

1. The student's institutional charges multiplied by the unearned percentage of their funds, or
2. the entire amount of excess funds.

CSPN must return this amount even if CSPN did not keep that amount of the student's Title IV program funds.

If CSPN is deemed not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that the student must return, the student must repay in accordance with the terms of their promissory note. That is, the student makes scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that the student must return is called an overpayment. The amount of a grant overpayment that the student must repay is half of the grant funds they received or were scheduled to receive. The student must make arrangements with CSPN or the Department of Education to return the unearned grant funds.

Return to Title IV (R2T4) Policy (Continued)

The requirements for Title IV program funds when a student withdraws are separate from any refund policy that CSPN may have. Therefore, the student may still owe funds to CSPN to cover unpaid institutional charges. CSPN may also charge the student for any Title IV program funds that CSPN was required to return. If the student does not already know what CSPN's refund policy is, they can ask the Financial Aid Administrator for a copy or refer to their Enrollment Agreement.

Students are given a detailed summary of their post withdrawal financial and financial aid situations as well as a Post Withdrawal Authorization Form upon their withdrawal.

Students are required to respond to the Post withdrawal Authorization Form within 14 days. If a student fails to return unearned funds, CSPN will notify The Department Of Education's Debt Resolution Services office.

If the students have questions about their Title IV program funds, they are also provided with the following information: Students can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on Student Aid on the Web at www.studentaid.ed.gov.