

The background of the slide is a scenic photograph of the Washington Monument in Washington, D.C., viewed from across a body of water. The monument is a tall, white, obelisk-like structure that rises into a sky with soft, wispy clouds. In the foreground, a row of cherry blossom trees with pink and white flowers lines the water's edge. The water is calm, reflecting the monument and the sky. Overlaid on the left side of the image are three large, semi-transparent circles in blue, orange, and purple. A solid blue horizontal bar is positioned at the bottom of the slide.

**National Association of Student
Financial Aid Administrators**

Return of Title IV: Are You Up to Date?

Agenda

- Overview
- Determining when a student is a withdrawal from a payment period or period of enrollment (a period) that includes modules
- Applying new return of Title IV funds (R2T4) exemptions
- Counting the number of days the student is scheduled to attend during the period
- Choosing whether to have an R2T4 Freeze Date
- Successful completion and disbursements
- Other regulatory changes

► Overview



Overview

- 34 CFR 668.22(a)(1)—When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date...
- 668.22(e)(2)—Student earns 100 percent of Title IV aid upon completion of 60 percent of period

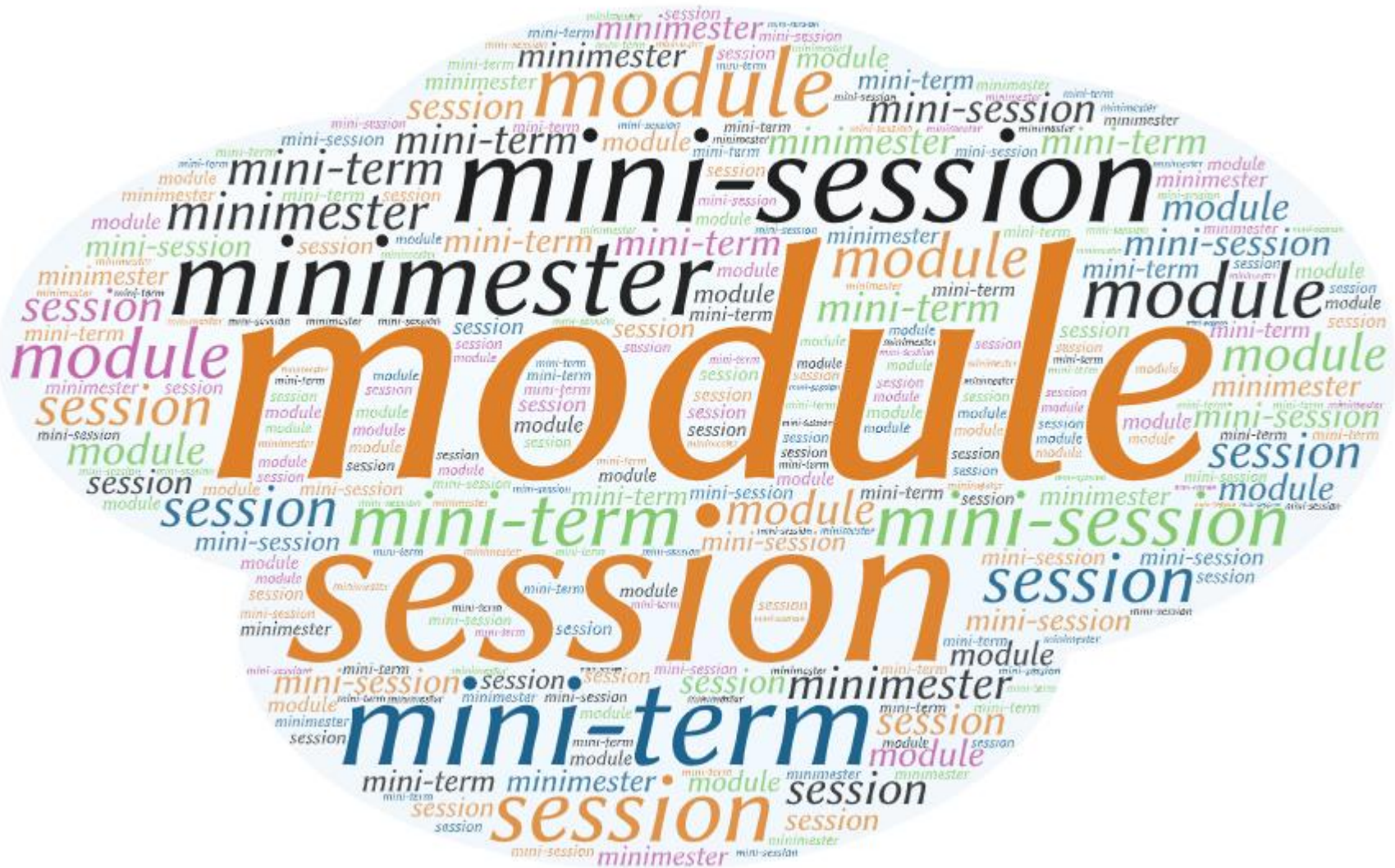
Overview

- Notice of Proposed Rulemaking (NPRM)—
April 2, 2020 *Federal Register*
- Distance Education and Innovation, Final
Rule—September 2, 2020 *Federal Register*
- R2T4 rules effective July 1, 2021, with option
for schools to early implement

Determining if Student Has Withdrawn ▶ from Payment Period or Period of Enrollment That Includes Modules

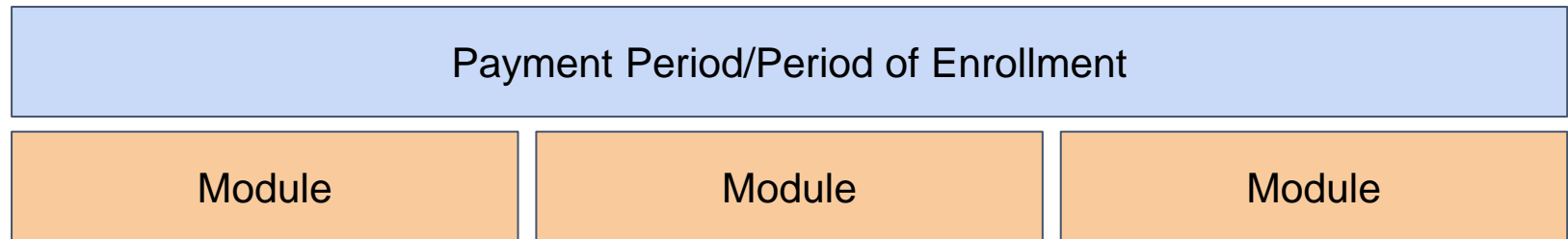


What Is a Module?



Program Offered in Modules

34 CFR 668.22(l) A program is “offered in modules” if **the program uses a standard term or nonstandard-term academic calendar, is not a subscription-based program, and a course or courses in the program do not span the entire length of the payment period or period of enrollment**



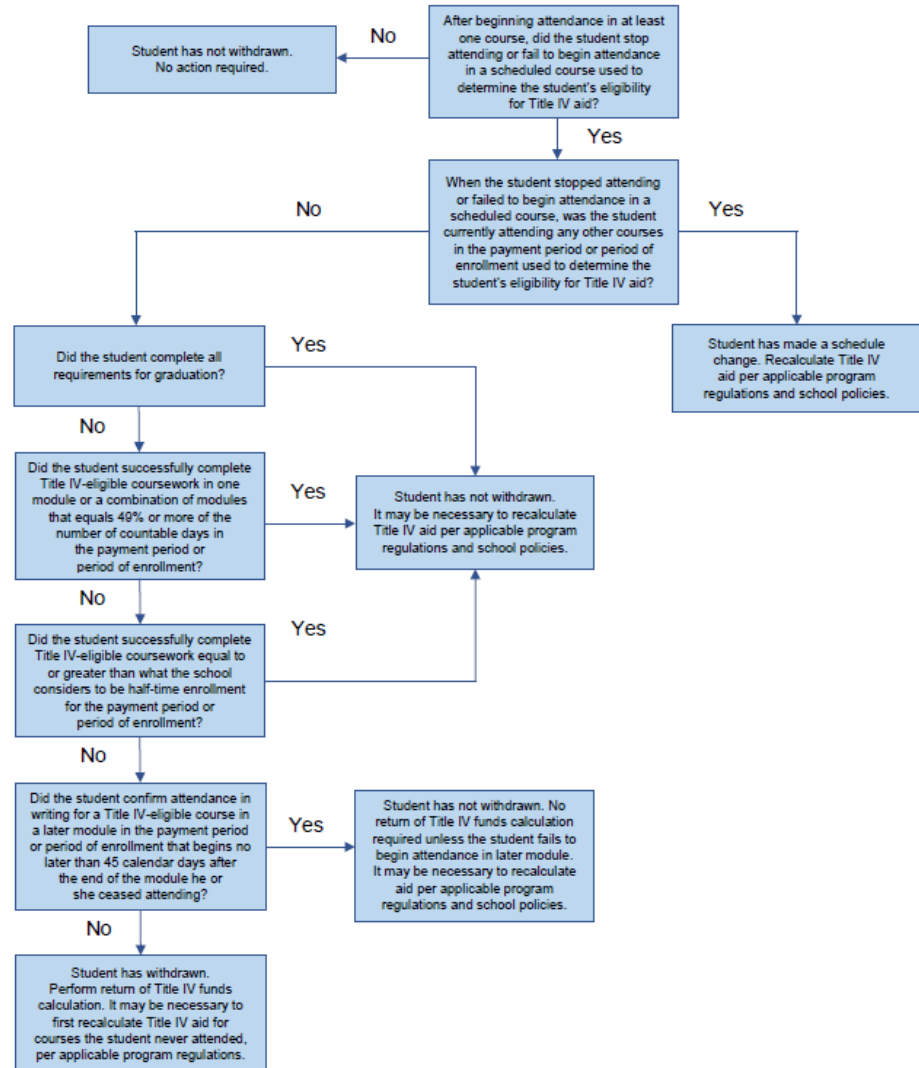
Determining if Student Has Withdrawn



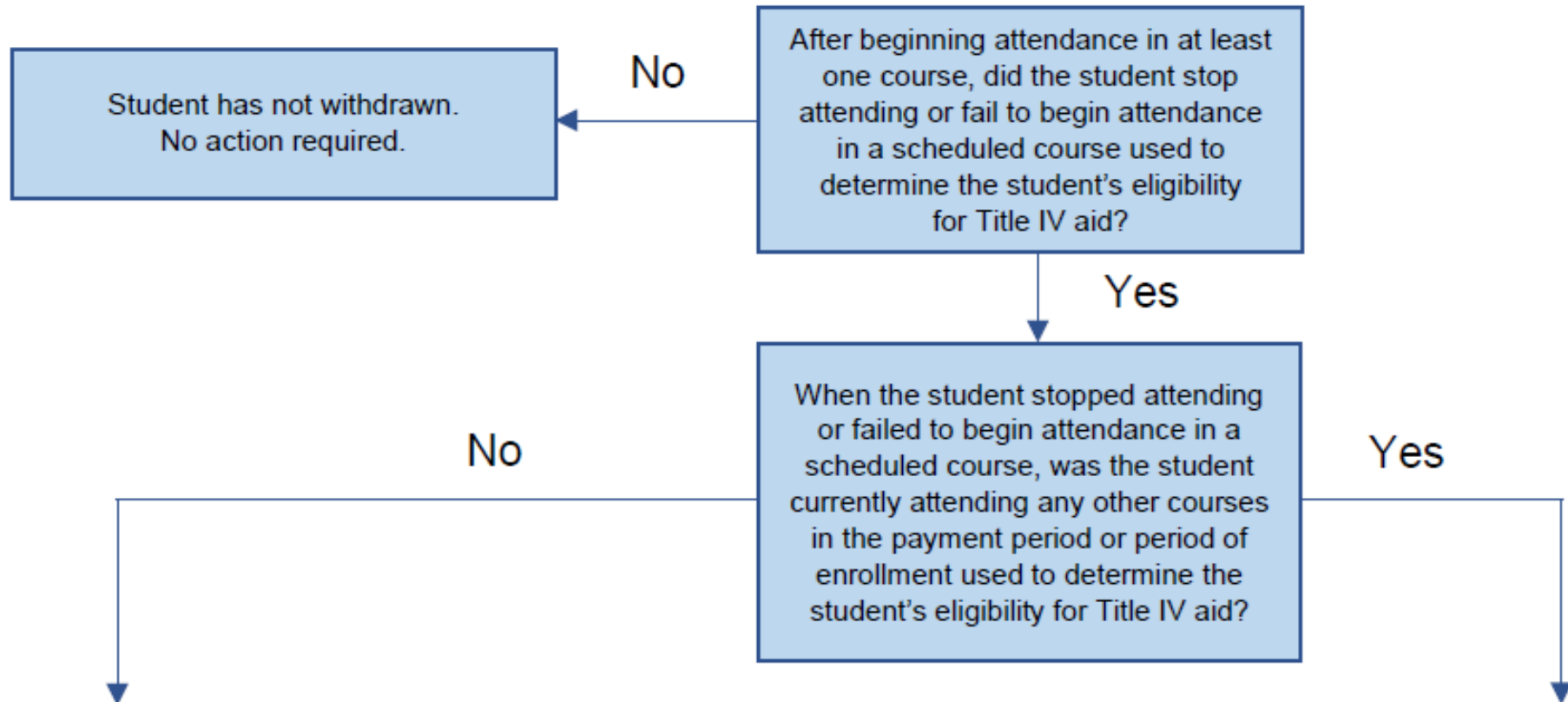
Determining Whether a Student Has Withdrawn from a Standard- or Nonstandard-Term Program Offered in Modules

Effective July 1, 2021 with Possible Early Implementation

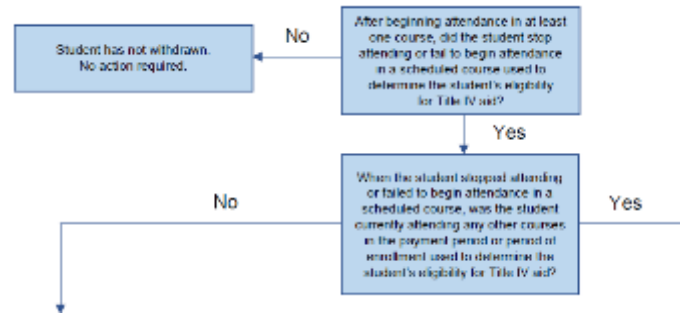
AskRegs Knowledgebase Resources



Determining if Student Has Withdrawn



Determining if Student Has Withdrawn



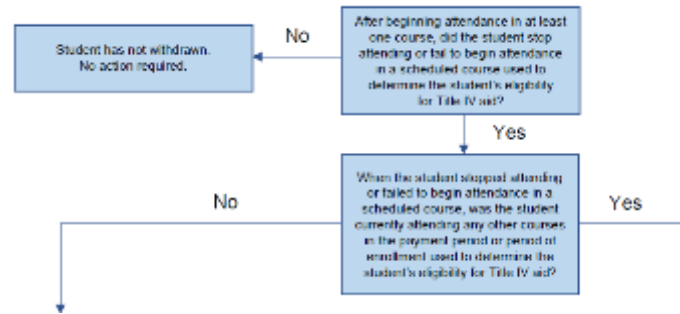
Old Question 1

*After beginning attendance, did the student stop attending or fail to begin attendance in a course he or she was **scheduled to attend**?*

New Question 1

*After beginning attendance in at least one course, did the student stop attending or fail to begin attendance in a scheduled course **used to determine the student's eligibility for Title IV aid**?*

Determining if Student Has Withdrawn



Old Question 2

When the student stopped attending or failed to begin attendance in a scheduled course, was he or she still attending any other courses?

Clarified Question 2

*When the student stopped attending or failed to begin attendance in a scheduled course, was the student currently attending any other courses in the payment period or period of enrollment **used to determine the student's eligibility for Title IV aid?***

Title IV-Eligible Coursework

- Only Title IV-eligible courses can be included in enrollment status and R2T4 calculation
- Title IV-eligible courses include only courses that count toward degree or certificate completion requirements (including required electives)
- Title IV-eligible courses do not include:
 - Optional courses that do not count toward degree completion requirements
 - Audited courses

R2T4 Exemptions

Yes

When the student stopped attending or failed to begin attendance in a scheduled course, was the student currently attending any other courses in the payment period or period of enrollment used to determine the student's eligibility for Title IV aid?

No

Did the student complete all requirements for graduation?

Yes

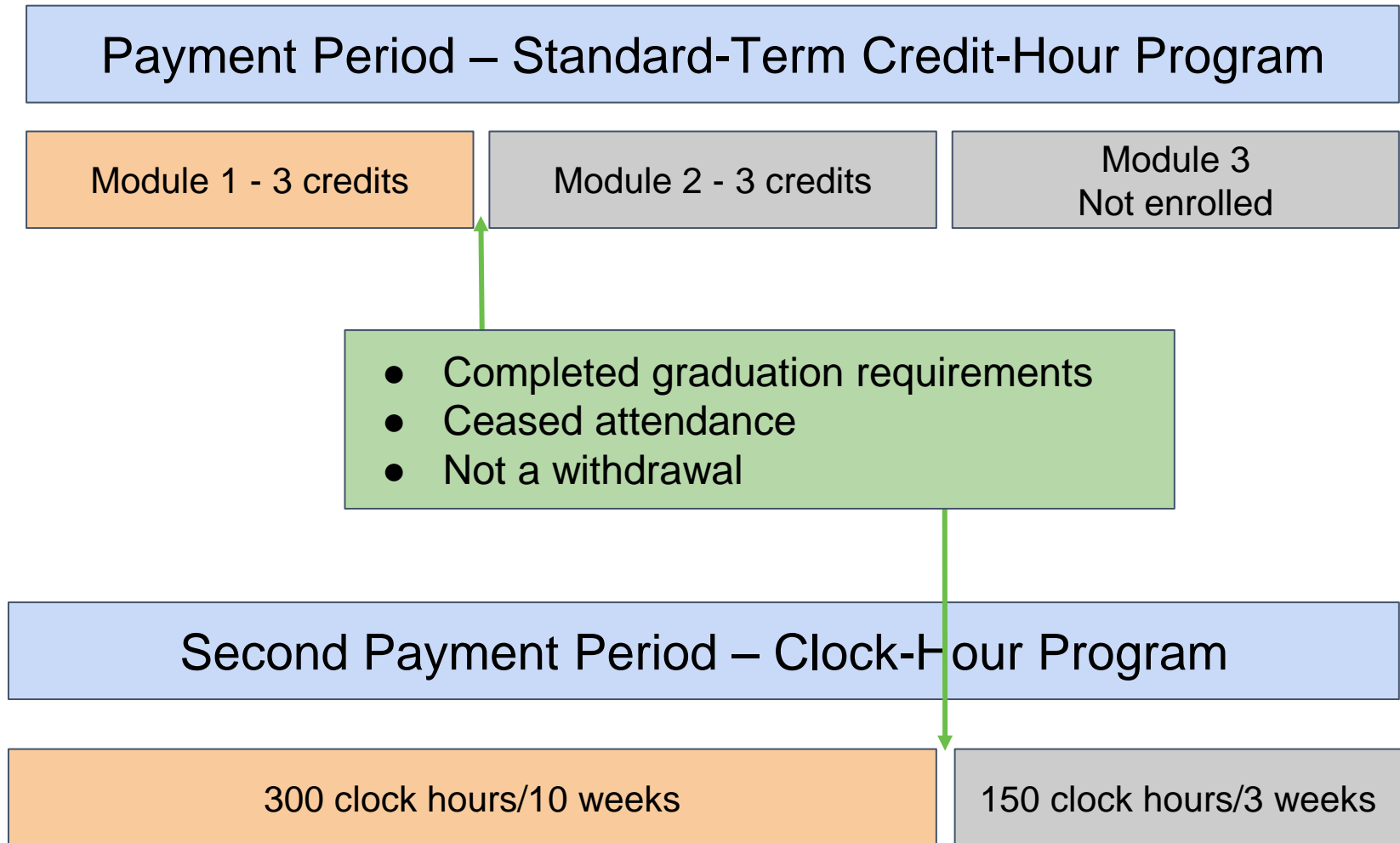
Student has not withdrawn.
It may be necessary to recalculate aid per applicable program regulations.

R2T4 Exemption—Completing Graduation Requirements

Not a withdrawal if student completes all requirements for graduation from his, her, or their program before completing the days or hours in the period the student was scheduled to complete

- Aid recalculation rules apply
- Applies to all programs (with or without modules), including clock-hour programs

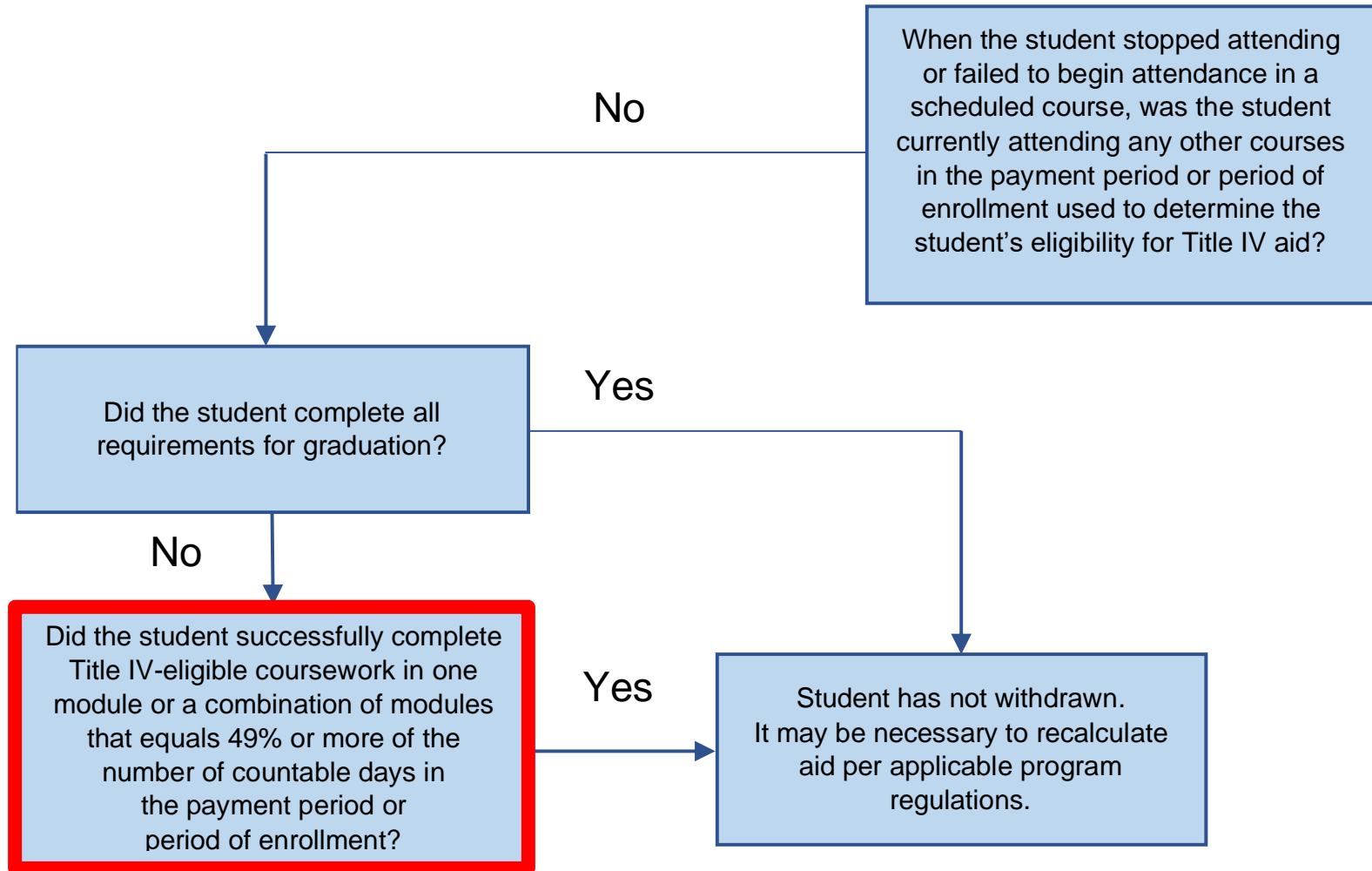
Term-Based and Nonterm Programs and Early Graduation



Clock-Hour Programs and Early Graduation

- If a clock-hour student graduates without successfully completing all the established hours in the program:
 - Student is not a withdrawal
 - School must re-prorate the amount of Title IV aid
 - Only pay student for hours successfully completed
- Re-proration adjustment applies only to clock-hour programs when the student completes the hours early (not weeks)
 - Does not apply to credit-hour programs
- Additional ED guidance is forthcoming

R2T4 Exemption—Successful Completion of 49% or More Days in Period



R2T4 Exemption—Successful Completion of 49% or More of Days in Period

In program offered in modules, not considered a withdrawal if student successfully completes Title IV-eligible coursework in:

- One module that includes 49% or more of the number of **countable days** in the period; or
- Combination of modules that when combined contain 49% or more of the number of **countable days** in the period

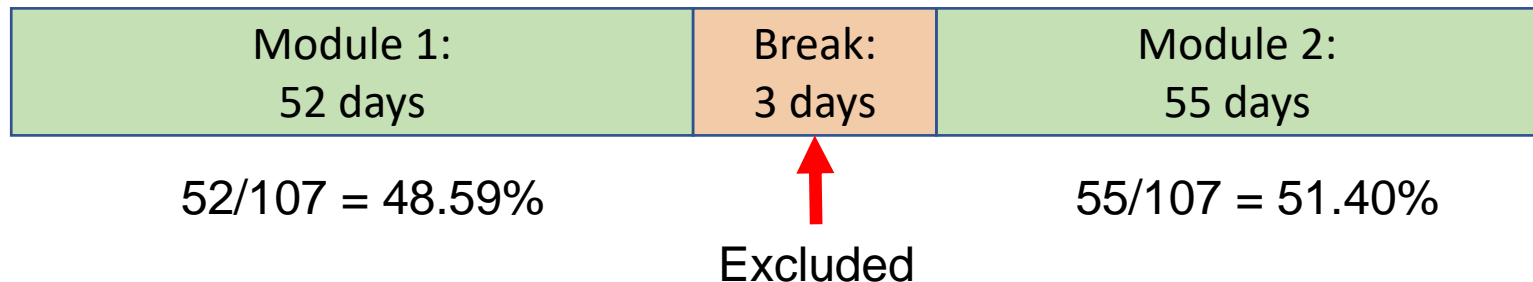
R2T4 Exemption—Successful Completion of 49% or More of Days in Period

Countable days in the period

- Includes all days in all modules offered during the period
- Excludes:
 - Scheduled breaks of five or more consecutive days
 - All days between modules
- Not same as calculation of days in period for R2T4 denominator

R2T4 Exemption—Successful Completion of 49% or More of Days in Period

- 49% cannot be rounded up
 - Example:
 - 107 countable days in the payment period
 - Module 1 is 52 days long
 - $52/107 = 48.59\%$ cannot be rounded up to 49%
- 49% is based on countable days in the entire period
 - Not based on 49% of modules the student was scheduled to attend or was enrolled in during the period



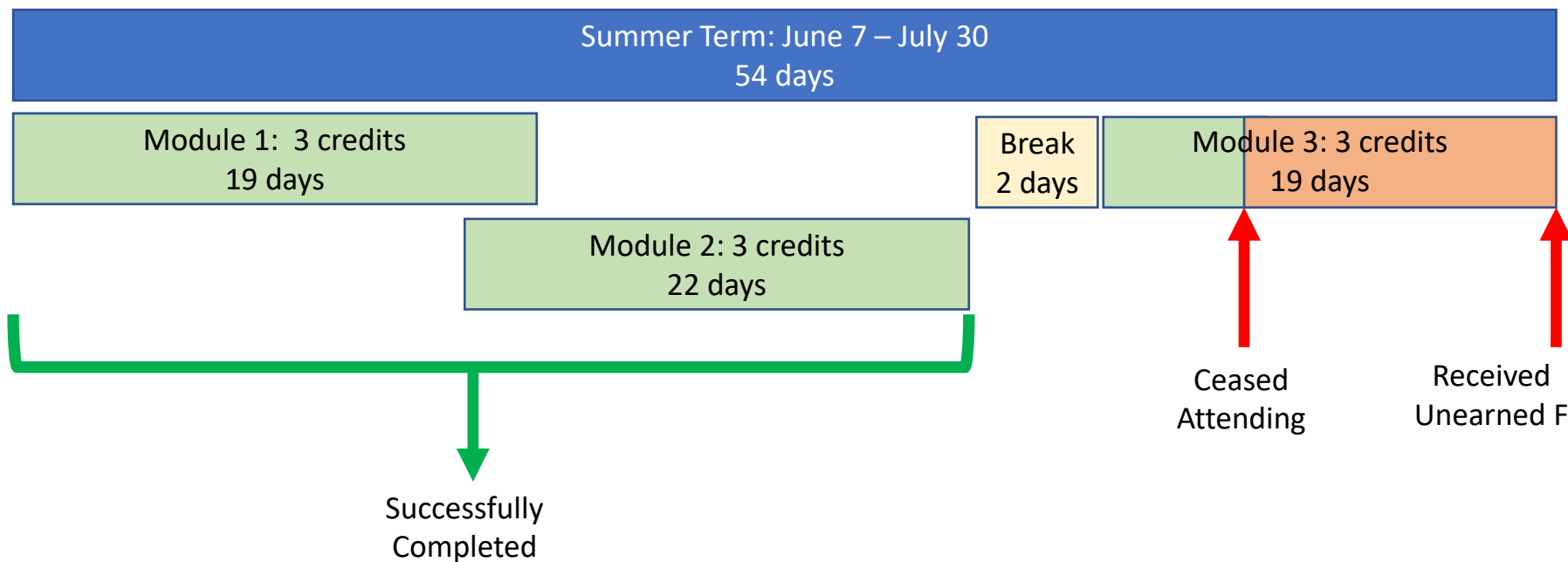
Successful Completion

- Successful completion means the student earned a passing grade
- Incomplete and similar grades (no matter what they're called) are not successful completion
 - Clinicals, thesis, dissertation, etc., are not successfully completed when no passing grade is assigned upon completion of the module
- Failing grades are not successful completion
 - Earned "F" is assigned when student completes a course but fails to achieve course goals
 - Unearned "F" is assigned when a student stops attending the course and as a result does not complete the course

Scenario—Kalen

- School offers a summer term with 3 modules:
 - Term: June 7 - July 30
 - Module 1: June 7 - 25
 - Module 2: June 18 - July 9
 - Module 3: July 12 - 30
- Kalen is an undergraduate enrolled in one 3-credit course in each of the three modules
- Full-time is 12 credit hours
- He earned passing grades in Module 1 and Module 2
- However, at the end of Module 3, the school discovered Kalen stopped attending the module and received an “unearned F”

Scenario—Kalen



Is Kalen a withdrawal?

Pop Quiz—Kalen

Is Kalen a withdrawal?

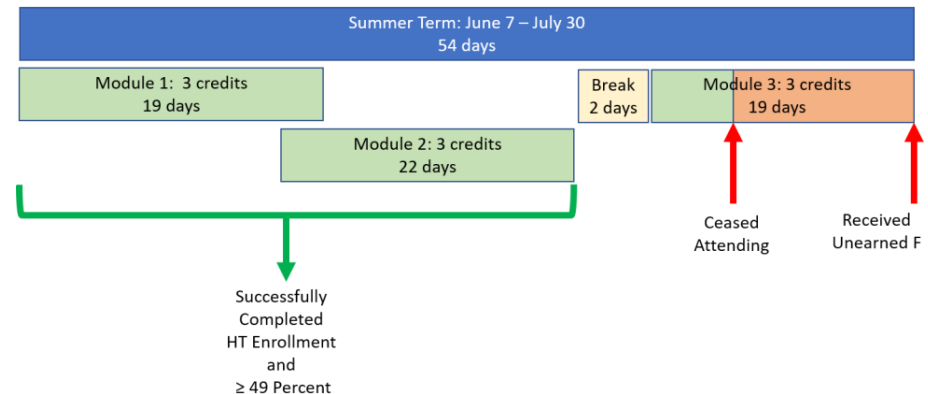
☐ Yes

☐ No

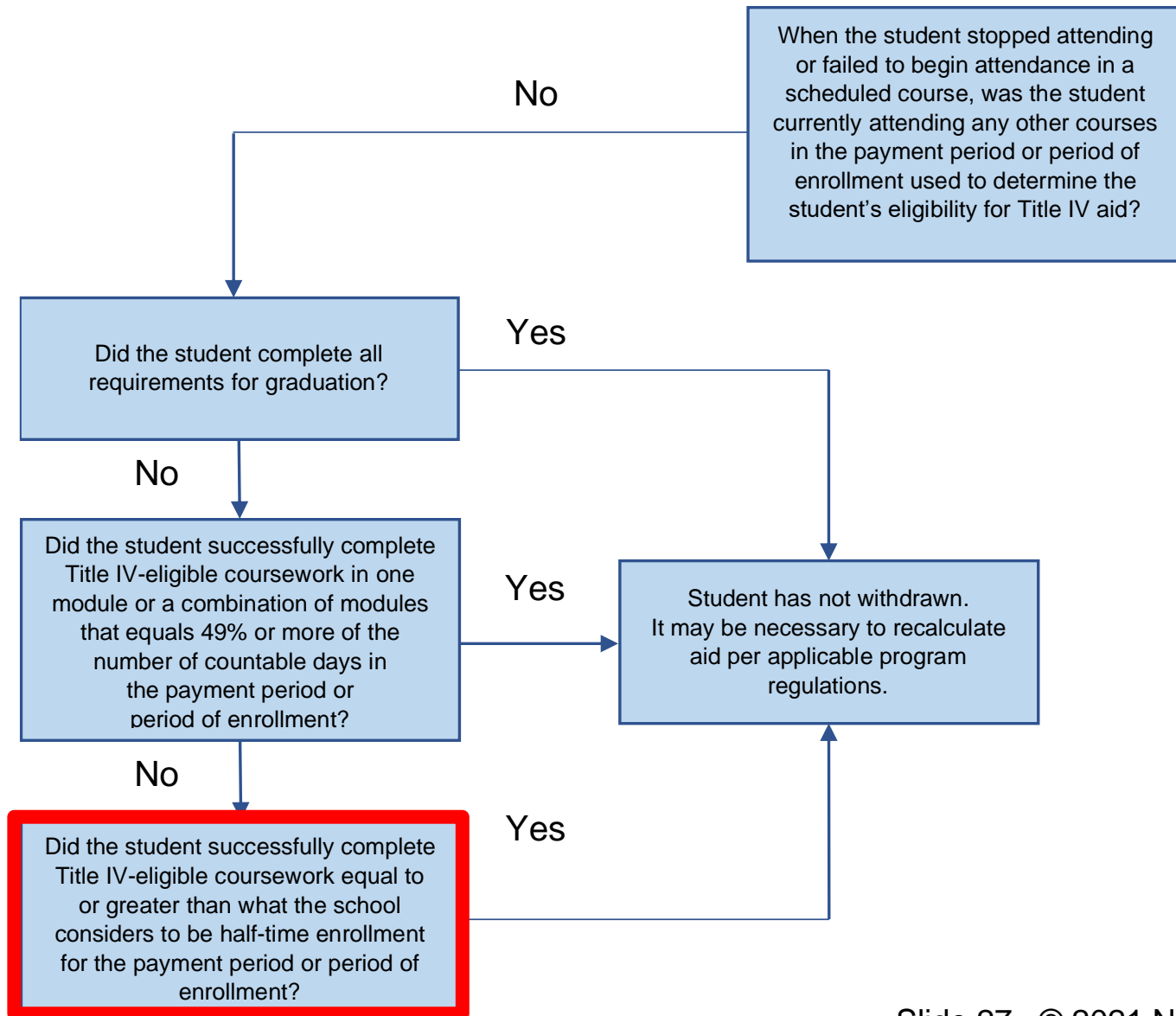
☐ It depends

Scenario—Kalen

- No
- Although Kalen stopped attending Module 3 at some point during the module, he had already successfully completed Module 1 and Module 2
- When combined, Module 1 plus Module 2 included more than 49% of the countable days in the payment period
- Because Module 1 and Module 2 overlap, Kalen completed June 7 through July 9, which is 33 countable days
 - $33 \div 52 = 63\%$
- Kalen is not a withdrawal even though he ceased attending Module 3



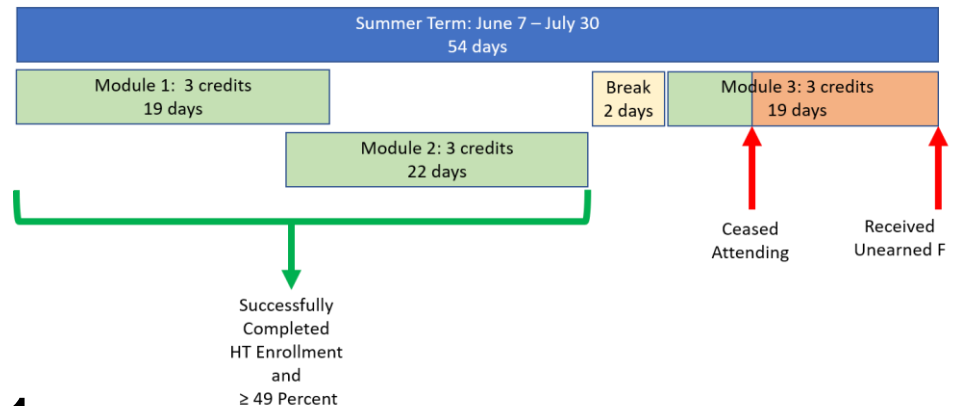
R2T4 Exemption—Successful Completion of Half-Time Enrollment



R2T4 Exemption—Successful Completion of Half-Time Enrollment

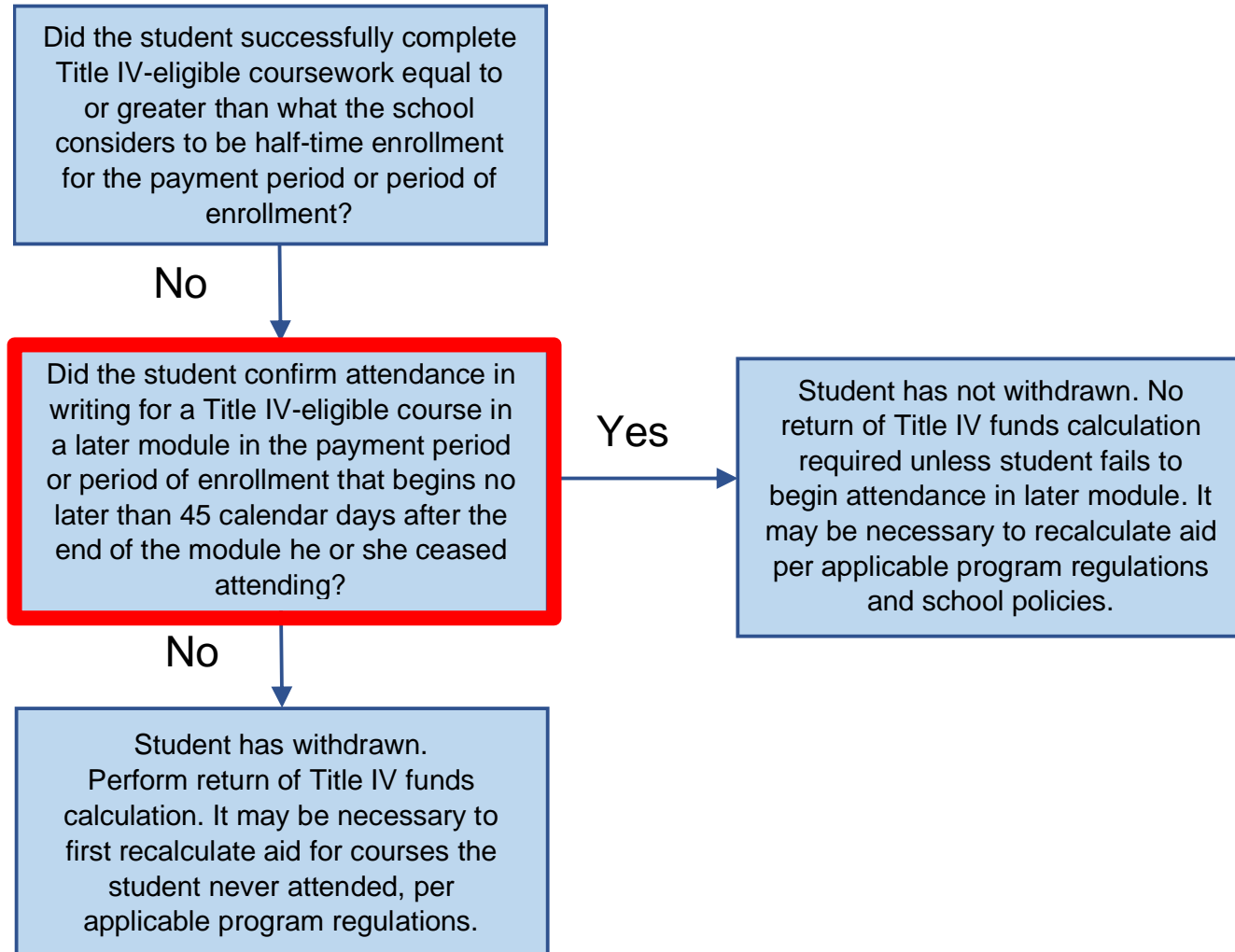
- In standard-term and nonstandard-term program offered in modules, not considered a withdrawal if student successfully completes Title IV-eligible coursework:
 - Equal to or greater than coursework required for school's definition of a half-time student for the period
- Half-time enrollment is at least half the workload of the applicable minimum requirements outlined in definition of full-time student under 668.2(b)

Scenario—Kalen



- By successfully completing Modules 1 and 2, Kalen completed 6 credits, which is half-time enrollment
- Even if Kalen had not successfully completed 49%, he successfully completed a half-time courseload

Written Confirmation of Future Attendance



Written Confirmation of Future Attendance

- In standard-term and nonstandard-term program offered in modules, excluding subscription-based programs, not considered a withdrawal if:
 - School obtains written confirmation from student at the time that would have been a withdrawal of the date he or she will attend a module that begins later in the same period; and
 - That module begins no later than 45 calendar days after end of module the student ceased attending
- Old requirement; new timeframe

Written Confirmation of Future Attendance

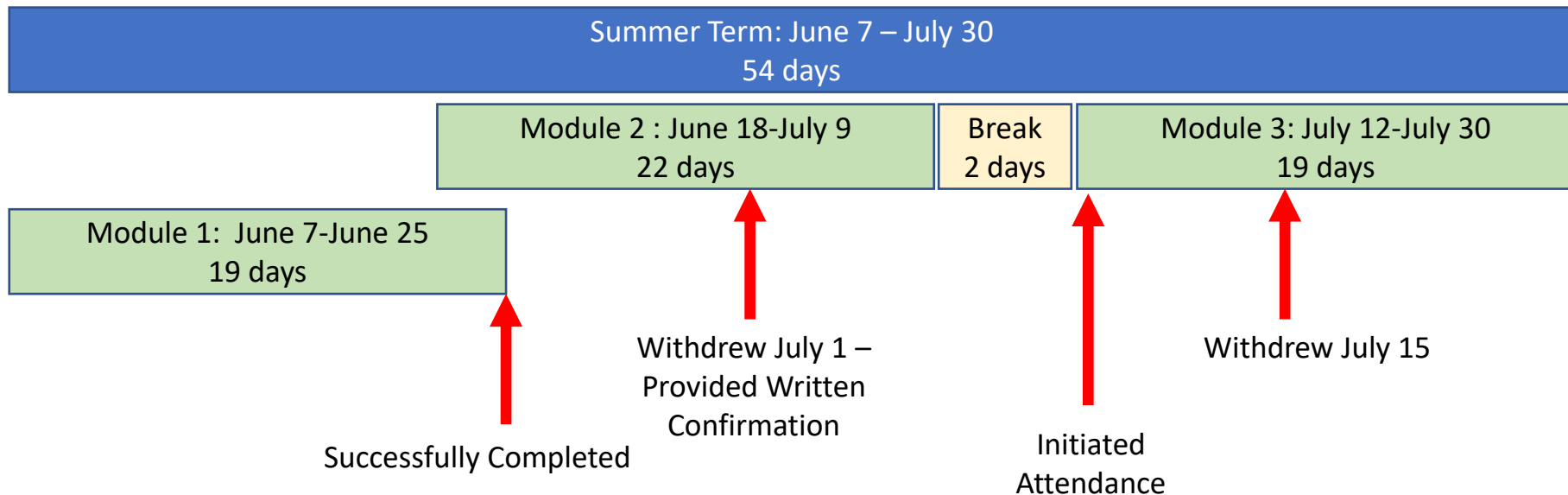
Not considered a withdrawal if:

- For a nonterm program, school obtains written confirmation from student at the time that would have been a withdrawal:
 - Indicating date he or she will resume attendance; and
 - That date is no later than 60 calendar days after student ceased attendance
- For a subscription-based program, school obtains written confirmation from student at the time that would have been a withdrawal:
 - Indicating date he or she will resume attendance; and
 - That date occurs within the same period and is no later than 60 calendar days after student ceased attendance

Scenario—Hazel

- School has a standard summer term with 3 modules:
 - Term: June 7 - July 30
 - Module 1: June 7 - 25
 - Module 2: June 18 - July 9
 - Module 3: July 12 - 30
- Hazel enrolled in one course in each of the three modules
- She attended Module 1 and received a passing grade, but did not complete her program or the equivalent of half-time enrollment
- She began attendance in Module 2, but dropped the Module 2 course on July 1; however, she provided written confirmation of intent to enroll in Module 3
- Hazel began attending Module 3, but withdrew on July 15

Scenario—Hazel



Is Hazel a withdrawal?

Pop Quiz—Hazel

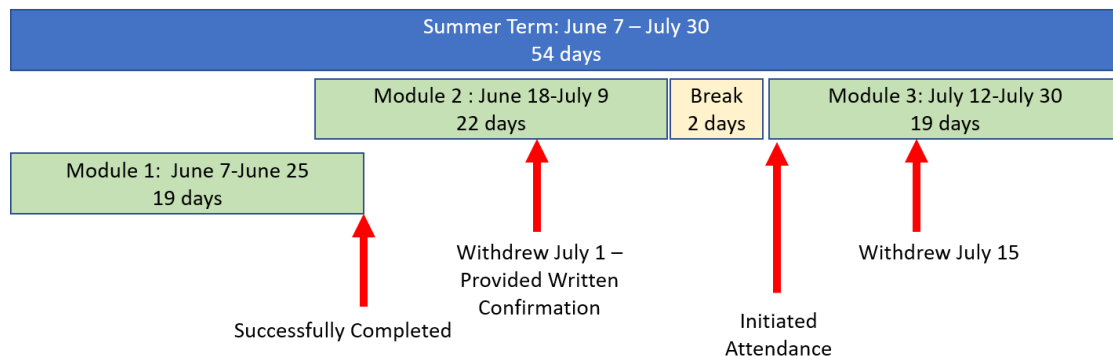
Is Hazel a withdrawal?

☐ Yes

☐ No

☐ It depends

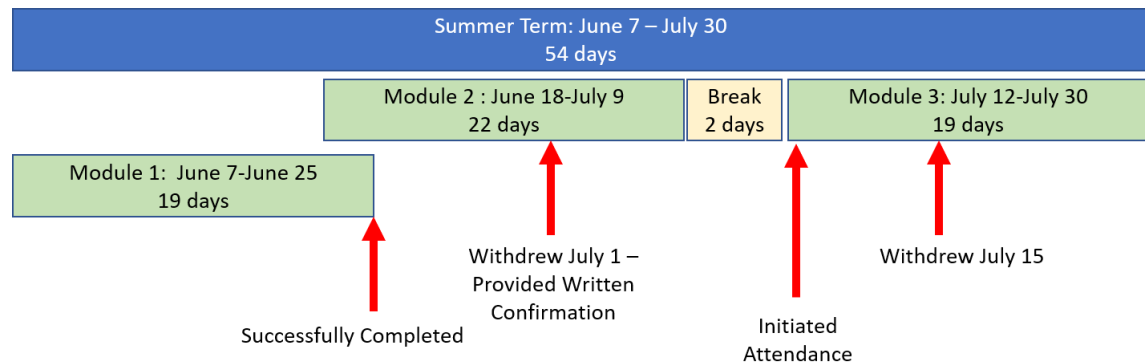
Scenario—Hazel



- Yes
- Although Hazel successfully completed Module 1 (19 days), it did not include at least 49% of countable days in the payment period (52 days)
 - $19 \div 52 = 36\%$
- Also did not complete equivalent of half-time enrollment or complete her program of study during Module 1

Scenario—Hazel

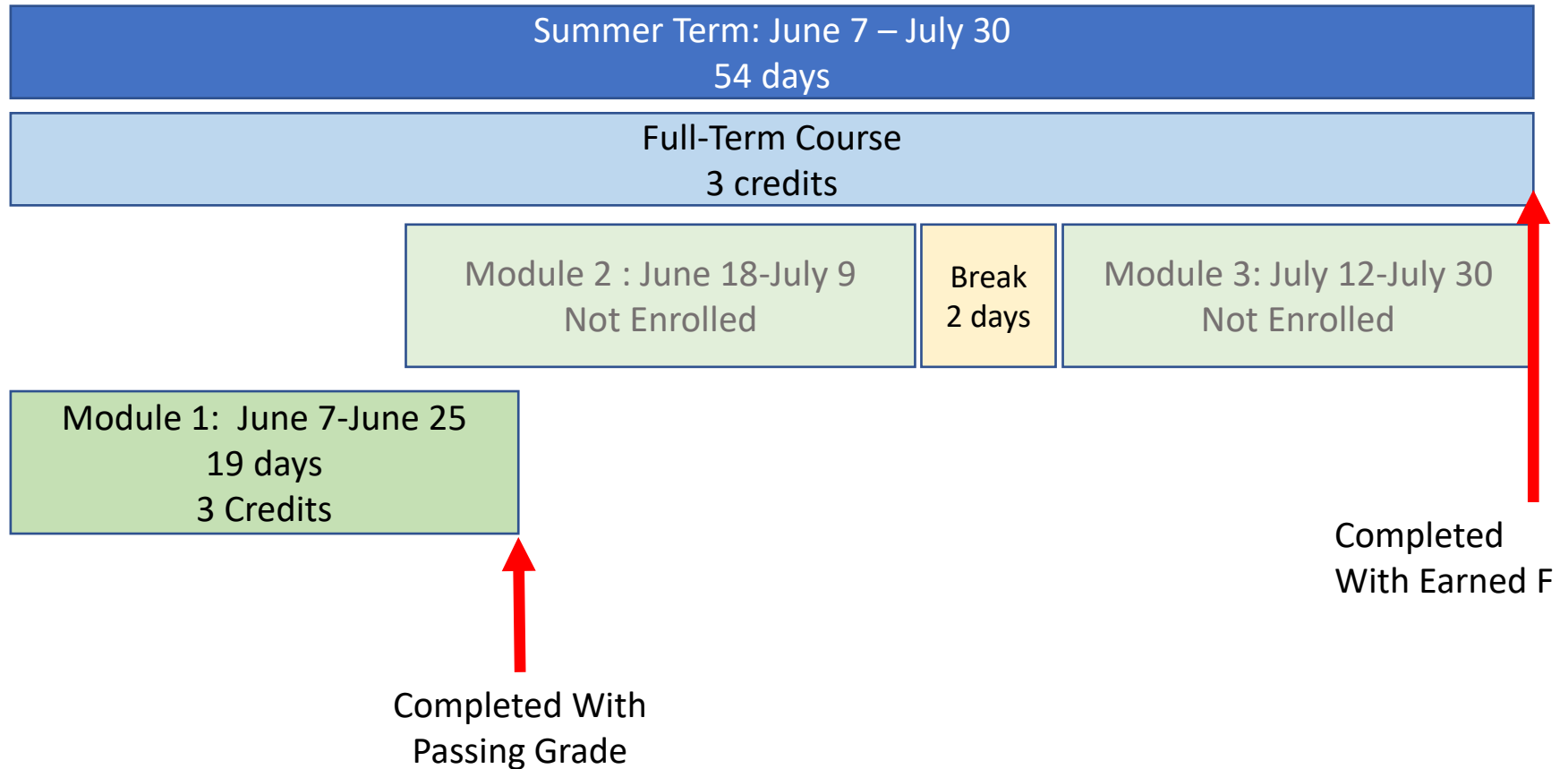
- When Hazel withdrew from Module 2, she provided written confirmation of intent to enroll in a later module within 45 days
 - Not a withdrawal on July 1
- When Hazel withdrew from Module 3, she was not attending any other courses and there was no later module in which to confirm attendance
 - Withdrawal on July 15



Scenario—Flora

- School's summer term offers courses in modules and courses that span the entire length of the term:
 - Full-term course: June 7 - July 30
 - Module 1: June 7 - 25
 - Module 2: June 18 - July 9
 - Module 3: July 12 - 30
- Flora enrolled in one course in Module 1 (19 days) and one full-term course (54 days)
- She completed Module 1 and received a passing grade
- Although she completed the entire full-term course, she did not achieve the course goals and earned an "F"
- Flora passed the Module 1 course, but her enrollment status in only Module 1 is less than half-time

Scenario—Flora



Is Flora a withdrawal?

Pop Quiz—Flora

Is Flora a withdrawal?

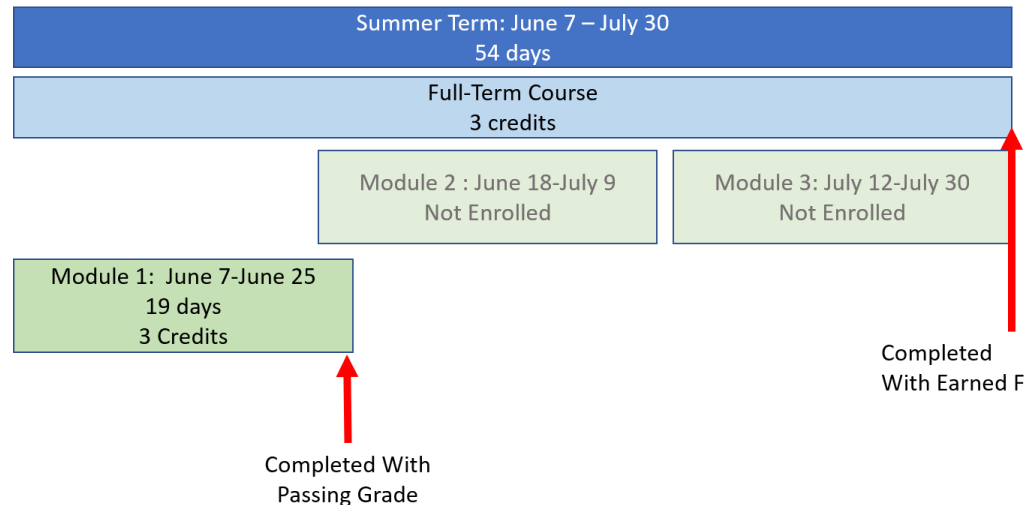
☐ Yes

☐ No

☐ It depends

Scenario—Flora

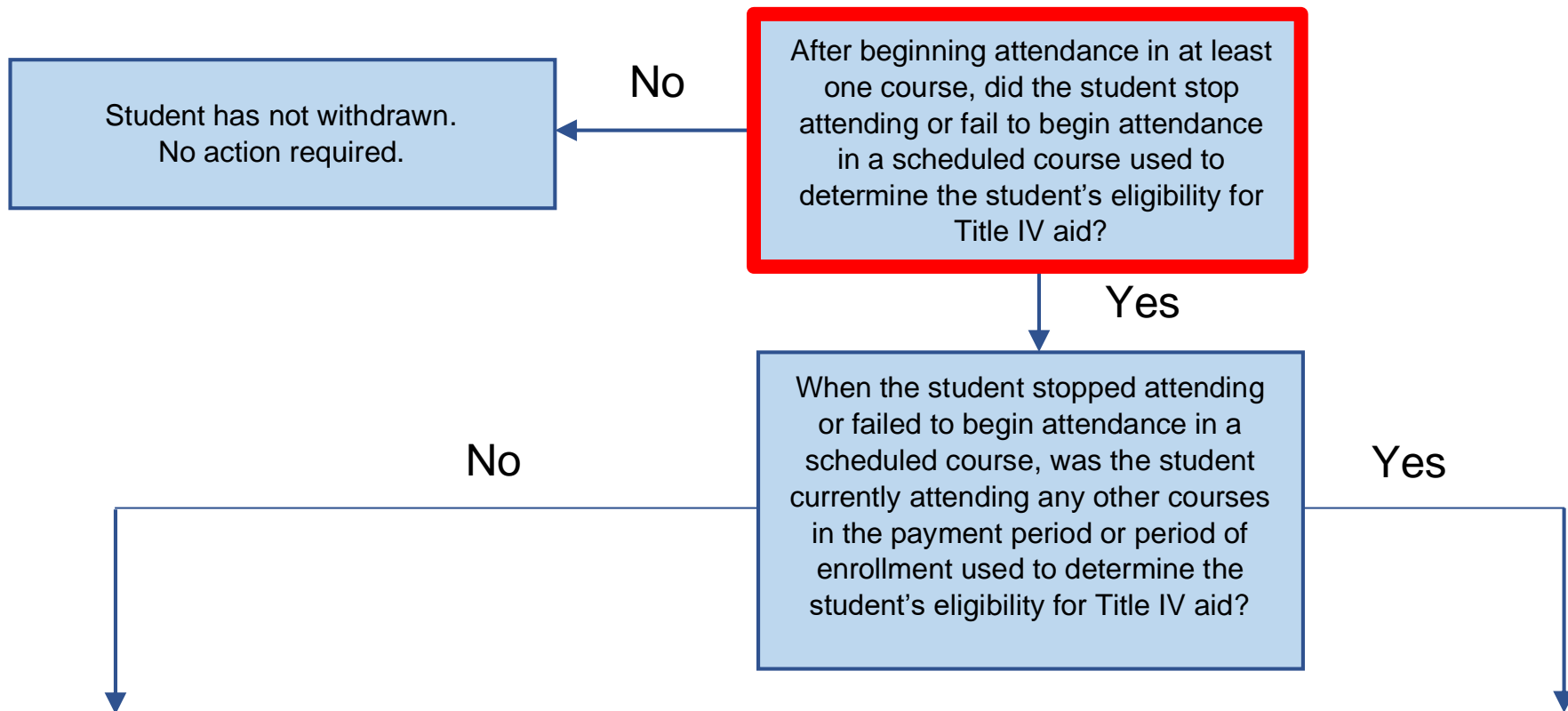
- No
- Flora is considered to have completed the payment period
- Student who receives an “earned F” in the full-term course completes all days in the payment period
- Regardless of grade or enrollment status in Module 1, Flora remained enrolled and attended the entire payment period
- This would apply even if Flora failed Module 1



Successful Completion and Full-Term Courses

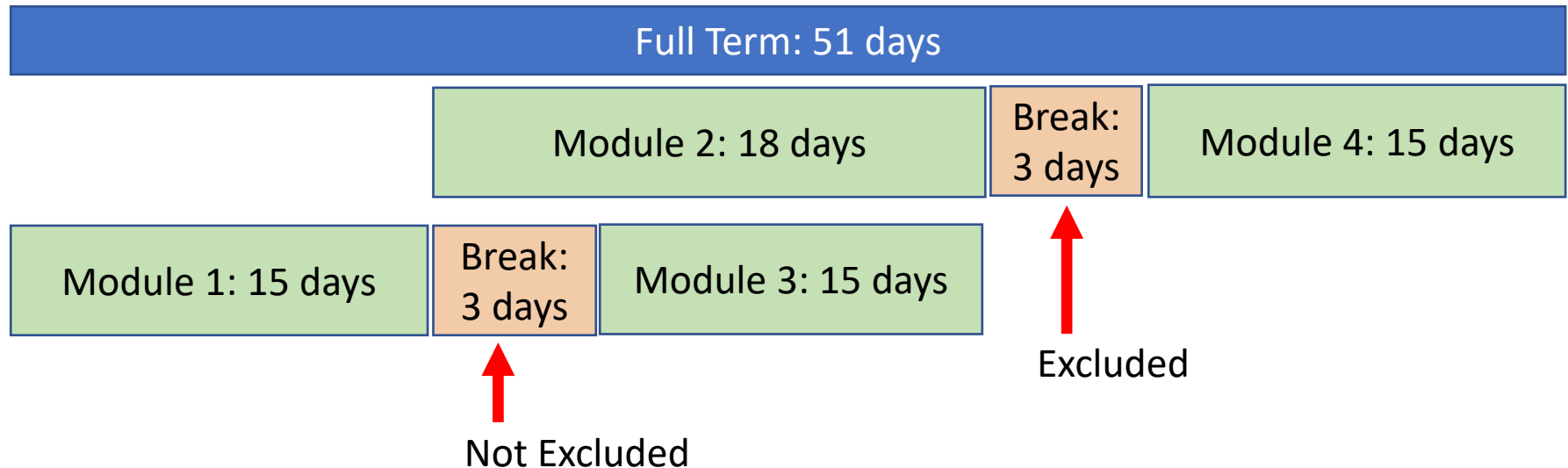
- New rules define successful completion of a module as having received at least one passing grade for that module
- For courses that span the entire period, student only needs to have completed (not successfully completed) a course to be considered not to have withdrawn
 - “Earned F” counts as completed

Scenario—Flora

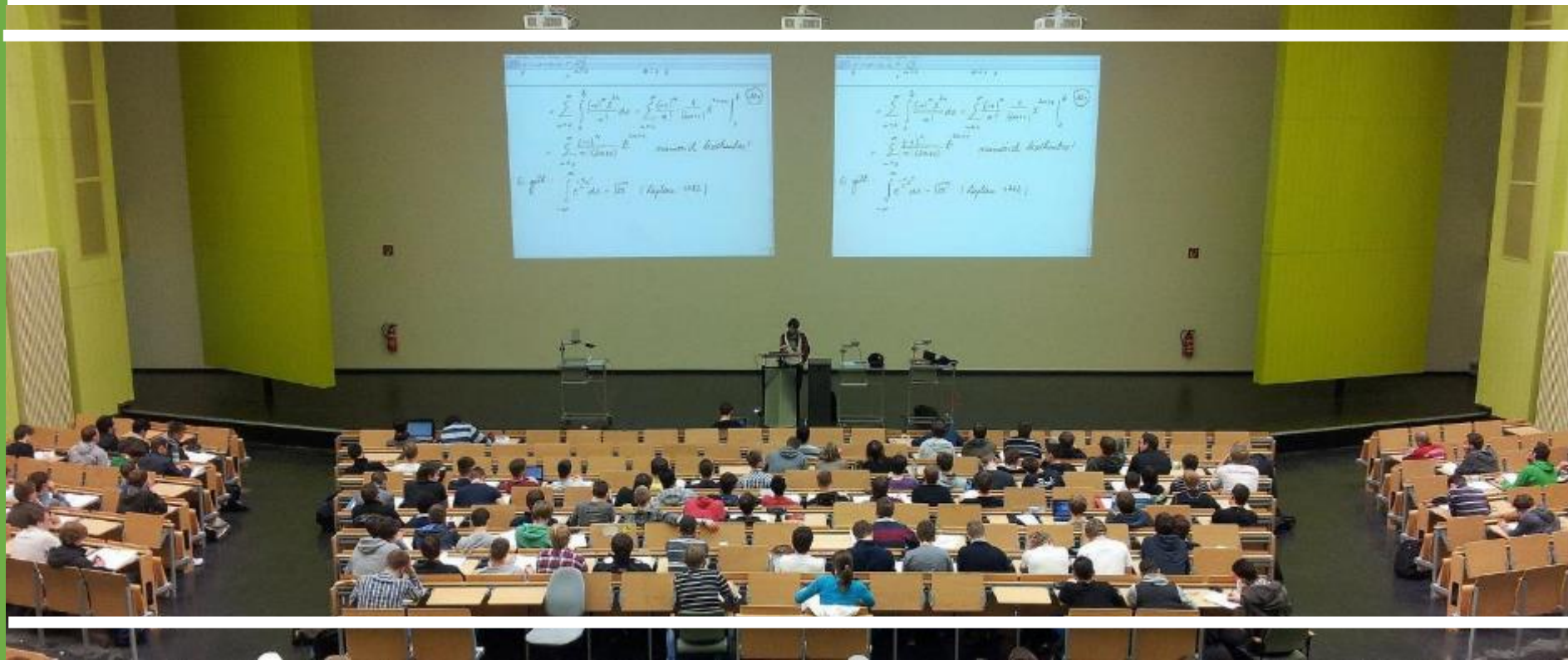


Successful Completion and Full-Term Courses

- Full-term courses do not impact counting of days to determine if the 49% withdrawal exemption was met
- When calculating days in the period for the 49% and there are modules of differing lengths that overlap, only exclude scheduled breaks and days between modules if those break days are common to all modules during the period



Counting Number of Days Student Is ► Scheduled to Attend During Payment Period or Period of Enrollment



Days Scheduled to Attend (R2T4 Denominator)



Now, set aside everything we said earlier about counting days for purposes of determining if a student completed 49% of the payment period or period of enrollment.

Days Scheduled to Attend (R2T4 Denominator)

- 668.22(l)(9): “A student in a program offered in modules is scheduled to complete the days in a module if the student’s coursework in that module was **used to determine the amount of the student’s eligibility for Title IV funds** for the payment period or period of enrollment.”
- Significant change from pre-July 1, 2021 regulations which required schools to use all days the student was scheduled to attend, even if that student did not begin attendance in a module

Days Scheduled to Attend (R2T4 Denominator)

- Only exclude scheduled breaks of 5 or more consecutive days
- Exclude breaks that occur after the student is no longer enrolled during the period
- Exclude breaks that, when combined with a module the student is not scheduled to attend, become 5 or more consecutive days
- Do not exclude breaks of less than 5 days, such as days between modules
- This is not a change in regulation, but it is different from the calculation of 49% for purposes of the R2T4 exemption

Days Scheduled to Attend (R2T4 Denominator)

School has two options to determine number of days student was scheduled to complete in the period that contains modules:

- 1) No R2T4 Freeze Date (No RFD):** Using student's enrollment status that was eventually used to determine amount of student's Title IV aid for the period

Adding and dropping classes throughout the period could cause the number of days to change up until the student's withdrawal

- 2) R2T4 Freeze Date (RFD):** Using student's enrollment schedule at a fixed point based on registration/enrollment practices of most students

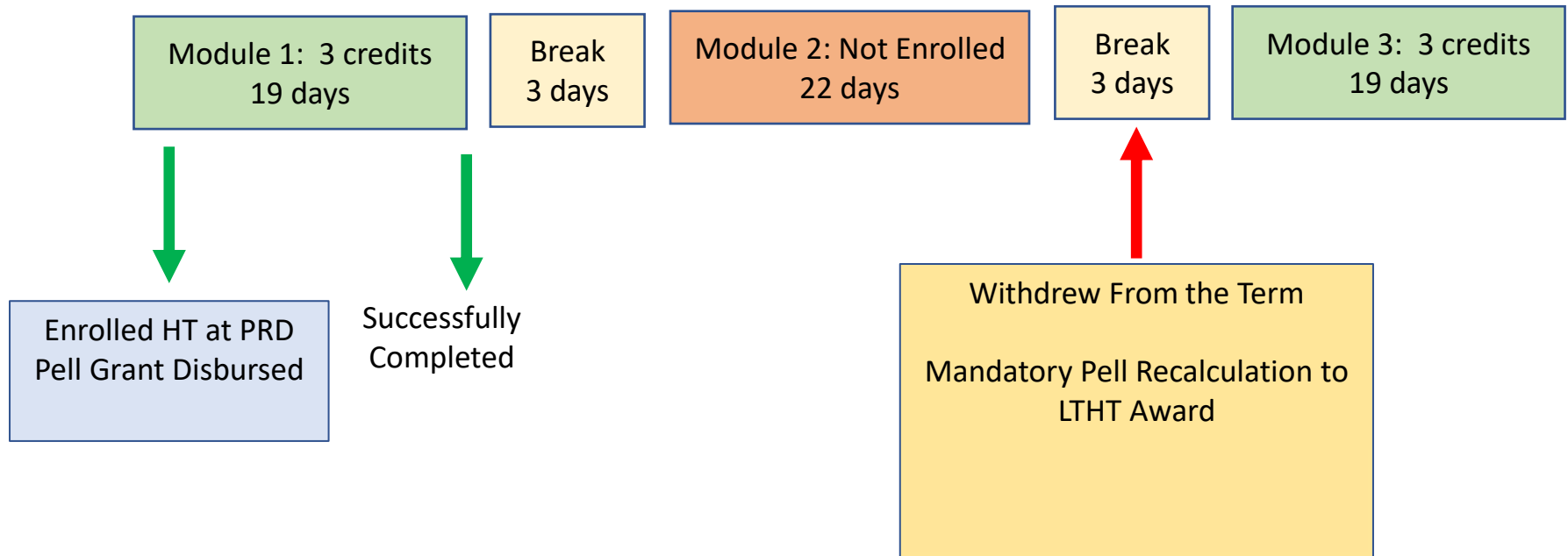
No R2T4 Freeze Date

- Must determine number of days student was scheduled to complete in the period by looking at the coursework used to determine the amount of the student's Title IV aid eligibility for the period
- Must include all days in a module in R2T4 denominator if student:
 - Attended at least one day in the module; **or**
 - Did not attend at least one day in the module, but the module was eventually included when determining the Title IV aid amount
- Types of aid student receives may affect number of days used in R2T4 calculation

Scenario—Rosie

- Rosie enrolls in 3 credits in Module 1 and 3 credits in Module 3; she does not enroll for Module 2.
- At the school's Pell Recalculation Date (PRD), Rosie's enrollment status is half time so she is awarded a Federal Pell Grant based on that enrollment status.
 - She received no other Title IV aid.
- Rosie successfully completed Module 1, but later withdrew from the term before beginning attendance in Module 3.
- She did not meet any of the conditions for an R2T4 exemption; therefore, she is a withdrawal.
- Since Rosie did not begin attending Module 3, a mandatory Pell recalculation must be performed and the Pell reduced to the less-than-half-time amount.

Scenario—Rosie



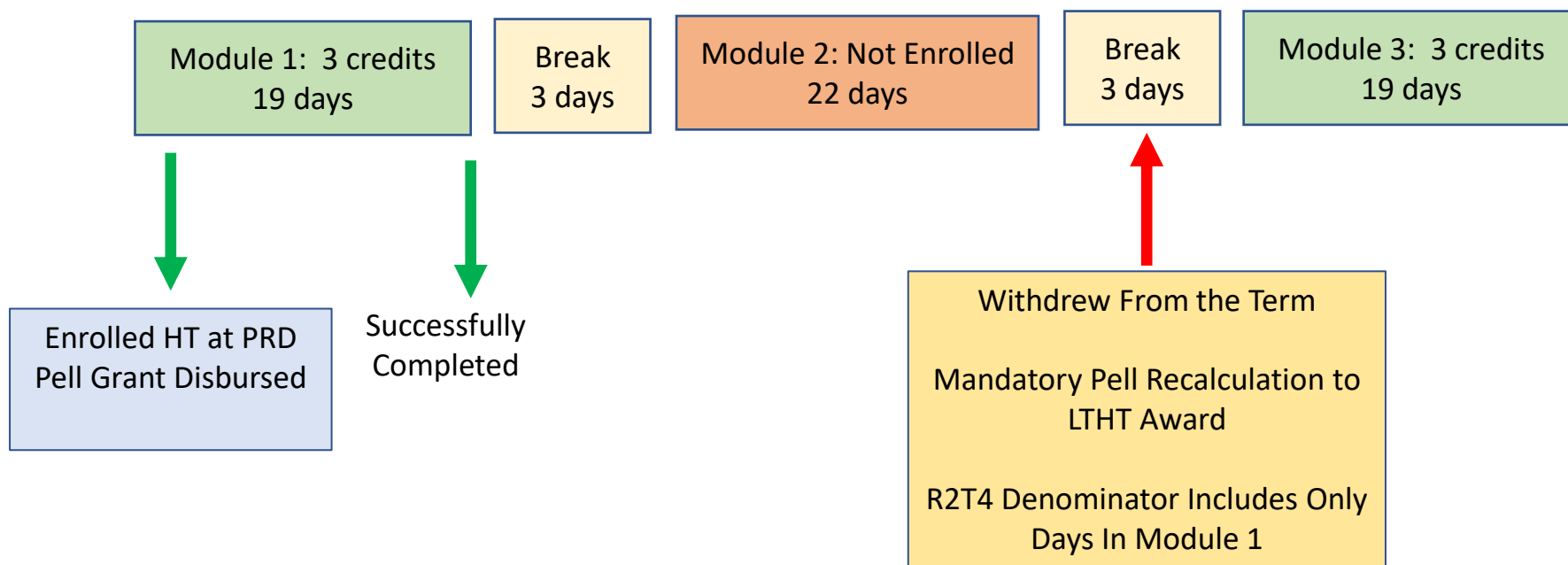
How many days are included in Rosie's denominator?

Pop Quiz—Rosie

How many days are included in Rosie's denominator?

- ☐ Only the days in Module 1
- ☐ Only the days in Modules 1 and 2
- ☐ Only the days in Modules 1 and 3
- ☐ All of the days in Modules 1, 2, and 3

Scenario—Rosie

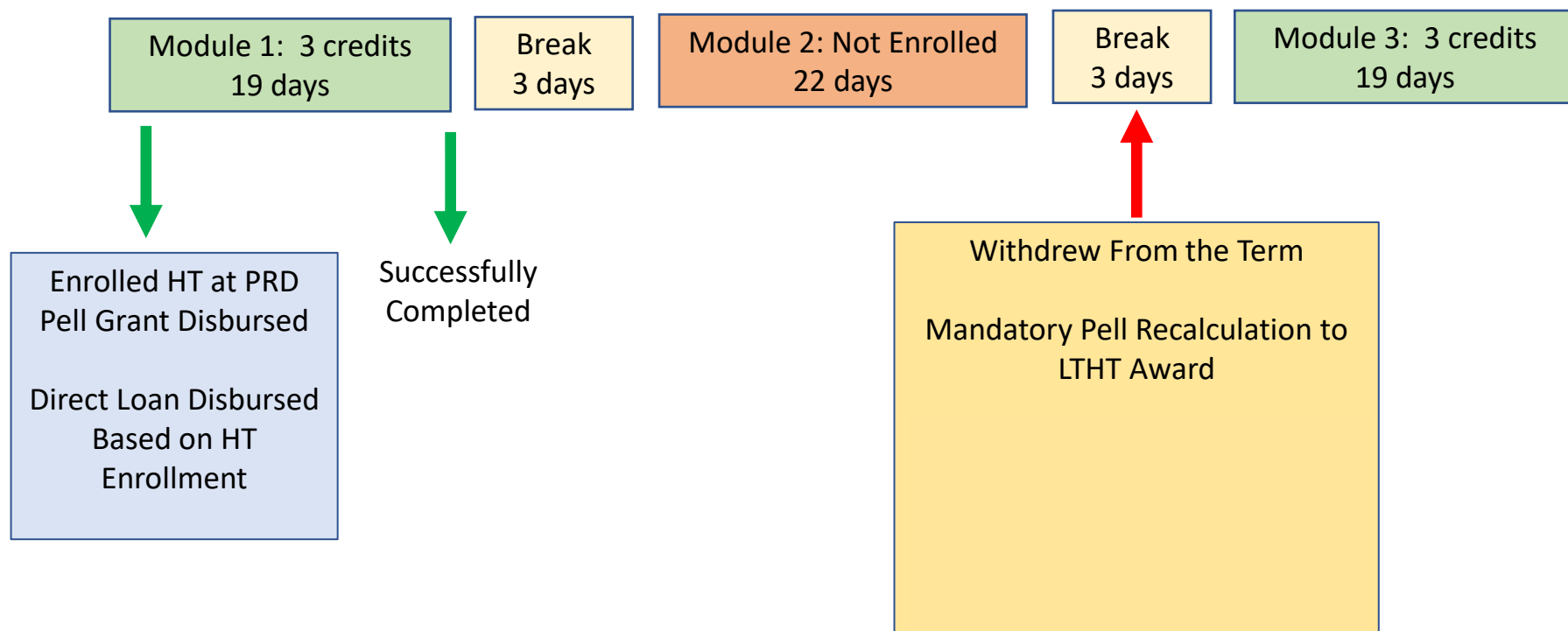


- Title IV aid (Pell Grant) is based only on days in Module 1
- Only days in Module 1 must be included when calculating number of days in payment period (R2T4 denominator)
- Numerator only includes days in Module 1 (no breaks)
- $19 \div 19 \text{ days} = 100\% \text{ completed}$

Scenario—Kylo

- Kylo's enrollment is exactly the same as Rosie.
- He enrolls in 3 credits in Module 1 and 3 credits in Module 3; he does not enroll for Module 2.
- At the school's PRD, Kylo's enrollment status is half time so he is awarded a Pell Grant based on that enrollment status.
- He also accepted a Direct Loan, which was disbursed while Kylo was enrolled half time.
- Kylo successfully completed Module 1, but later withdrew from the term before beginning attendance in Module 3.
- He did not meet any of the conditions for an R2T4 exemption, so he is a withdrawal.
- Since Kylo did not begin attending Module 3, a mandatory Pell recalculation must be performed and the Pell reduced to the less-than-half-time amount.

Scenario—Kylo



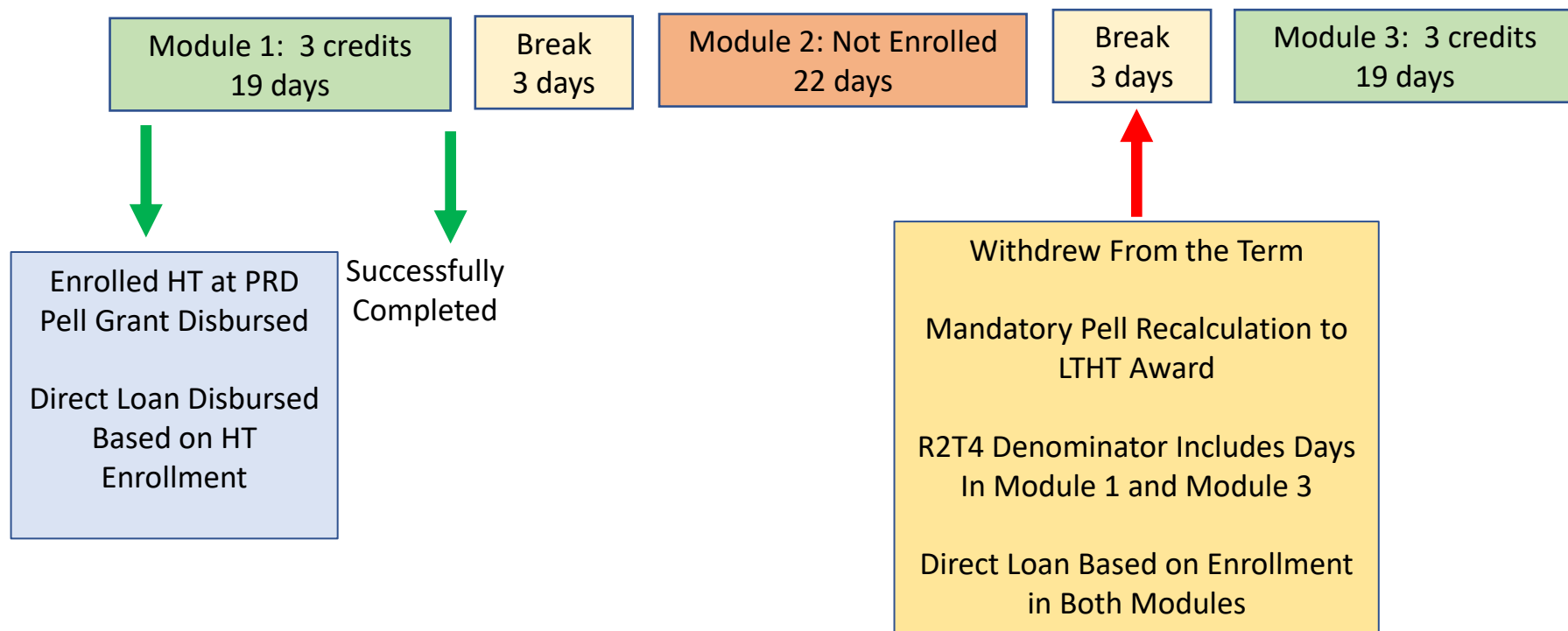
How many days are included in Kylo's denominator?

Pop Quiz—Kylo

How many days are included in Kylo's denominator?

- ☐ Only the days in Module 1
- ☐ Only the days in Modules 1 and 2
- ☐ Only the days in Modules 1 and 3
- ☐ All of the days in Modules 1, 2, and 3

Scenario—Kylo



- Direct Loan based on enrollment in Modules 1 and 3
- All days in Modules 1 and 3 must be included when calculating number of days in period (denominator)
- Numerator includes only 19 days in Module 1
- $19 \div 38 = 50\%$ completed

Using R2T4 Freeze Date

- If using RFD, school must determine number of days student was scheduled to complete in the period as of the RFD
- Must include module days in R2T4 calculation denominator if student either:
 - Was enrolled in the module as of the RFD; **or**
 - Attended at least one day in a module in which the student was not enrolled on the RFD but was eventually included when determining the amount of the student's Title IV aid

Setting the R2T4 Freeze Date

- RFD must be set in accordance with registration practices of most students under school's registration/enrollment policy for the period
- RFD cannot occur prior to the timeframe when most students enroll for classes for the period
- Not permitted to structure timing of students' enrollment such that most students are only enrolled in a single module when RFD occurs, but then enroll in other modules and receive more Title IV aid after the RFD
- Students are permitted to register for future modules after RFD as long as RFD is based on practices of most students under school's registration/enrollment policy

Setting the R2T4 Freeze Date

- RFD can be same as school's PRD as long as it reflects registration practices of most students under school's registration/enrollment policy for the period
 - If school chooses to have RFD, NASFAA suggests making it same as PRD for operational consistency
- Can have multiple RFDs to avoid potential for most students to enroll in modules after earlier RFD

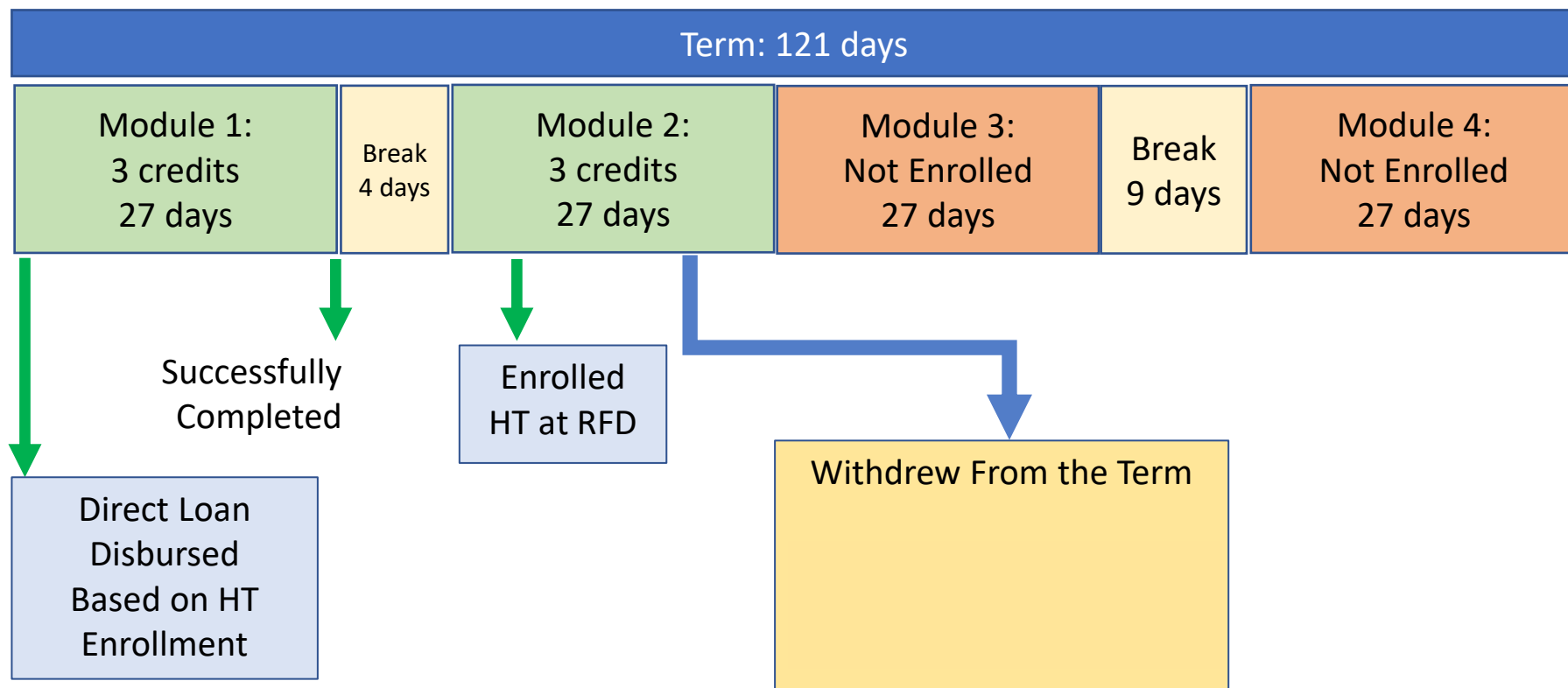
Setting the R2T4 Freeze Date

- RFD policy is intended to avoid situations where majority of students are enrolling in courses that affect Title IV eligibility after the RFD
- Schools will need to make a reasonable determination about how to schedule the RFD given this guidance
 - Determination is made by school alone, not U.S. Department of Education (ED) nor NASFAA
- Having RFD policy that does not reasonably reflect when most students enroll in modules could result in ED prohibiting the school from having an RFD policy at all

Scenario—Sterling

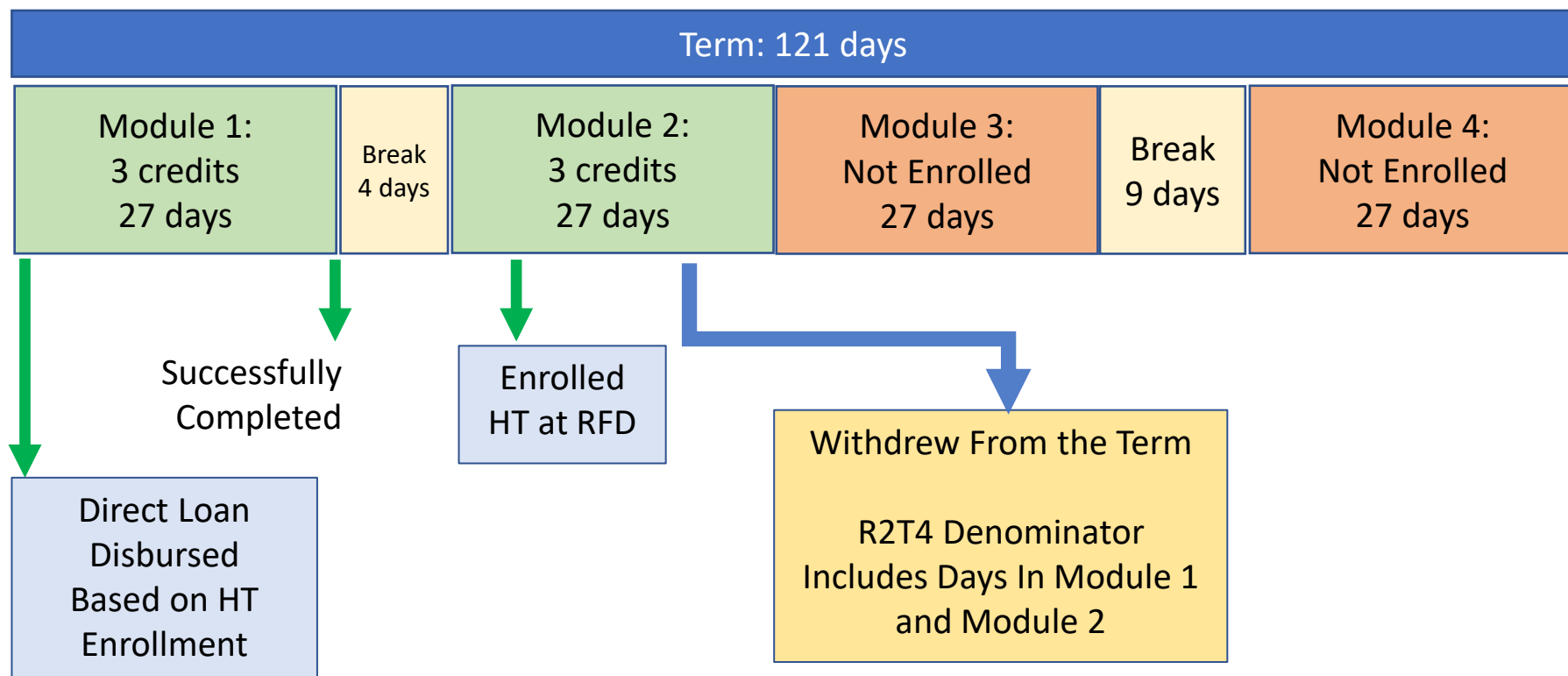
- Sterling enrolls in 3 credits in Module 1 and 3 credits in Module 2; he does not register for Module 3 or Module 4.
- There is a 4-day break between Modules 1 and 2, and a 9-day scheduled break between Modules 3 and 4.
- The school has chosen to use an RFD on day 15 of Module 2, at which time Sterling was enrolled in Modules 1 and 2 only.
- Based on half-time enrollment, he received a Direct Unsubsidized Loan and a Direct PLUS disbursement at the start of the payment period.
 - He did not receive any other Title IV aid.
- He successfully completed Module 1, but later withdrew on day 20 of Module 2 and did not provide written confirmation of attendance in Modules 3 or 4.
- He did not meet any of the conditions for an R2T4 exemption; he is a withdrawal.

Scenario—Sterling



How many days are included in Sterling's denominator?

Scenario—Sterling

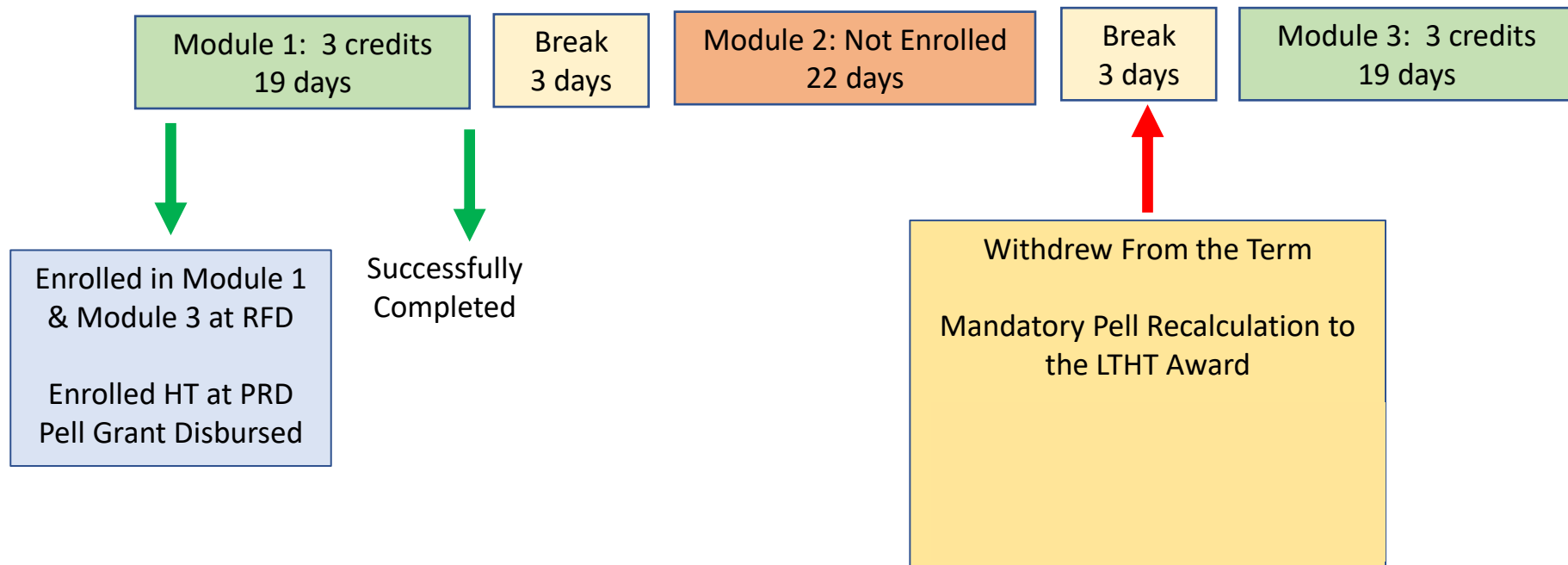


- Enrolled in Modules 1 and 2 on the RFD and had Direct Loan disbursements based on half-time enrollment
- Days in Modules 1 and 2 plus 4-day break are included in number of days in the payment period (denominator = 58 days)
- Numerator = 51 days (27 + 4 + 20)
- $51 \div 58 = 87.9\%$ completed

Scenario—Blanche

- Blanche enrolls in 3 credits in Module 1 and 3 credits in Module 3; she does not enroll for Module 2.
- School has chosen to use the same date for its PRD and RFD.
- On the RFD, Blanche was enrolled in Modules 1 and 3 only.
- On the school's PRD, Blanche's enrollment status was half time so she was awarded a half-time Pell Grant.
 - She received no other Title IV aid.
- Blanche successfully completed Module 1, but later withdrew from the term before beginning attendance in Module 3.
- She did not meet any of the conditions for an R2T4 exemption; she is a withdrawal.
- Since Blanche did not begin attending Module 3, a mandatory Pell recalculation must be performed and the Pell reduced to the less-than-half-time amount.

Scenario—Blanche



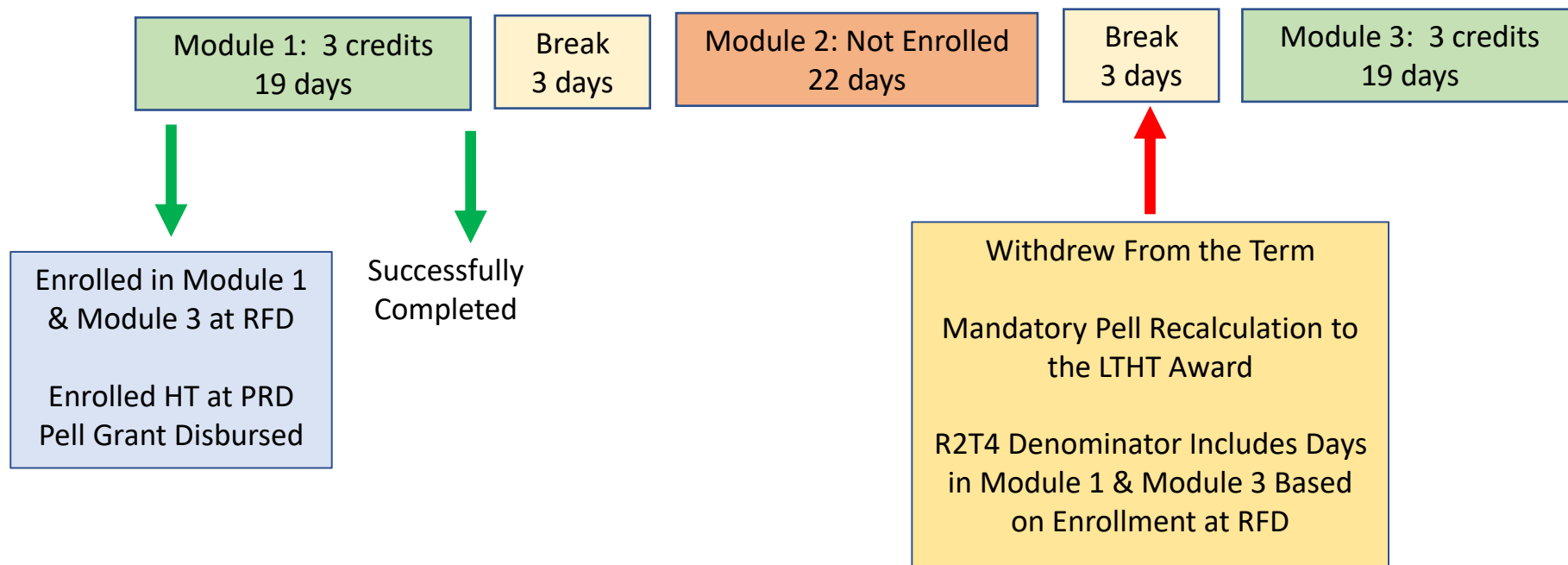
How many days are included in Blanche's denominator?

Pop Quiz—Blanche

How many days are included in Blanche's denominator?

- ☐ Only the days in Module 1
- ☐ Only the days in Modules 1 and 3
- ☐ All of the days in Modules 1, 2, and 3
- ☐ All of the days in Modules 1, 2, and 3 plus all breaks between modules

Scenario—Blanche

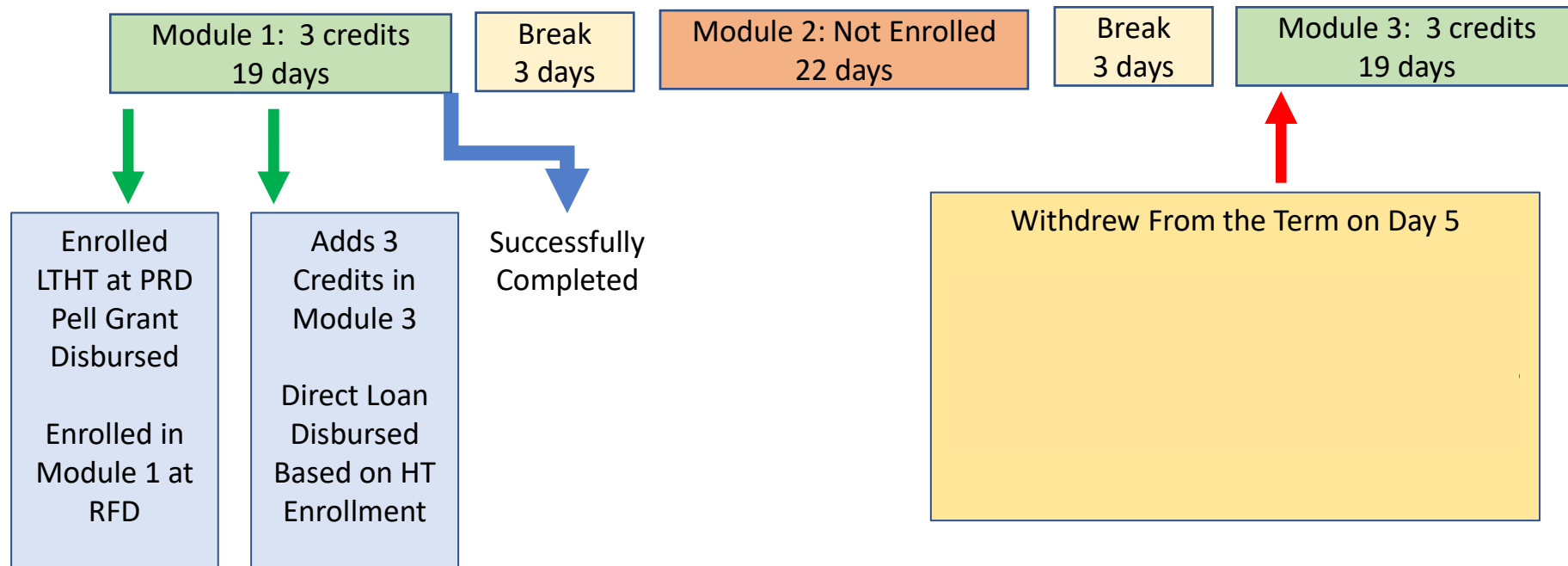


- Pell is based on half-time enrollment in Modules 1 and 3 on RFD
- All days in Modules 1 and 3 must be included when calculating number of days in payment period
- R2T4 denominator = 38 days without days in breaks; numerator = 19 days

Scenario—Xander

- Xander enrolls in 3 credits in Module 1; he is not enrolled in Module 2 or 3.
- The school uses the same date for its PRD and RFD.
- On the PRD, Xander's enrollment status is less-than-half-time so he is awarded a less-than-half-time Pell Grant.
- On the RFD, he is only enrolled in Module 1.
- However, a week after the RFD, Xander enrolls in 3 credits in Module 3 and requests a Direct Loan based on his half-time enrollment status.
- He has received a less-than-half-time Pell award (based on his enrollment status at the PRD) and a Direct Loan disbursement.
- He successfully completed Module 1, but later withdrew from Module 3 after attending 5 days.
- He did not meet any of the conditions for an R2T4 exemption; he is a withdrawal.

Scenario—Xander



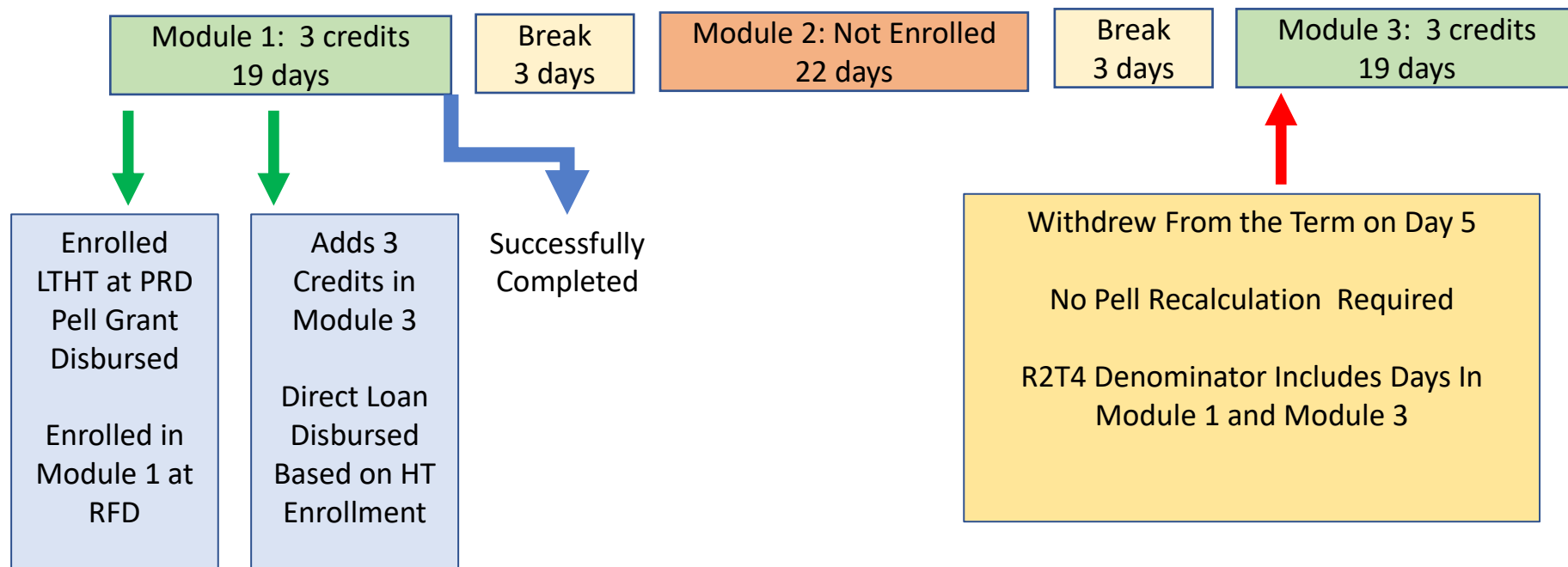
How many days are included in Xander's denominator?

Pop Quiz—Xander

How many days are included in Xander's denominator?

- ☐ Only the days in Module 1
- ☐ Only the days in Modules 1 and 3
- ☐ All of the days in Modules 1, 2, and 3
- ☐ All of the days in Modules 1, 2, and 3 plus all breaks between modules

Scenario—Xander



- Pell was based only on 3 credits in Module 1
- Although Xander was only enrolled in Module 1 on the RFD, he later attended at least one day in Module 3, so days in Modules 1 and 3 must be included when calculating number of days in payment period
- R2T4 denominator = 38 days without days in breaks; numerator = 24 days

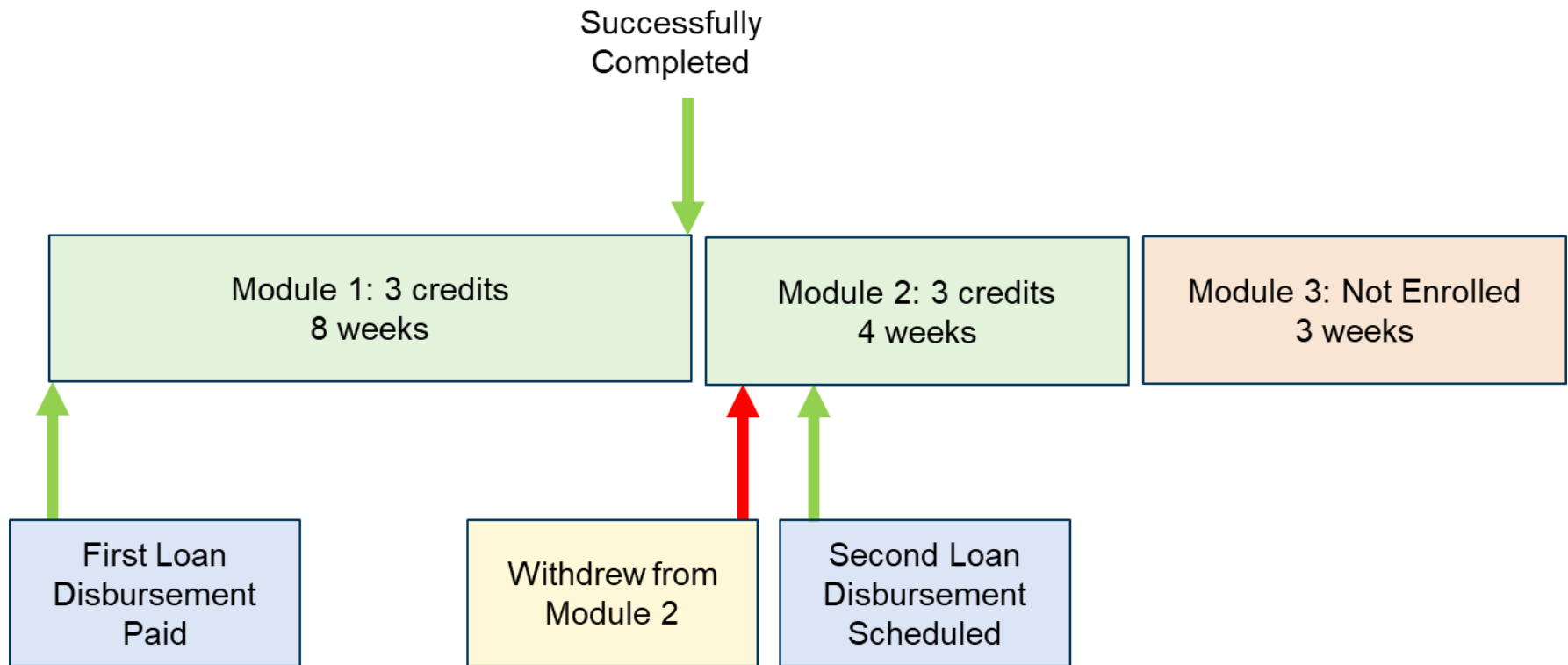
▶ Successful Completion and Disbursements



Scenario—Naomi

- The school splits the payment periods into 3 modules, which include no breaks.
- The first module is 8 weeks; the second module is 4 weeks; and the third module is 3 weeks.
- The school chooses to make multiple Direct Loan disbursements within the payment period to coincide with the start of each module.
- Naomi successfully completes Module 1 but then drops Module 2 after beginning attendance.

Scenario—Naomi



Successful Completion and Disbursements

When Naomi successfully completes a module, and it's 49 percent or more of the payment period, does "complete" mean she is considered to have completed the payment period or loan period for Title IV cash management purposes?

- Yes
- Still make any second or subsequent disbursements as late disbursements under 668.164(j)
- Same is true for successful completion of half-time enrollment or graduation requirements

If Naomi withdraws from the second module, but confirms her intent to return in a later module, can the school continue to consider her enrolled?

- Yes
- Second disbursement could be made because she is still enrolled for the period (not a withdrawal)

Successful Completion and Disbursements

Since Naomi successfully completed Module 1 and withdrew during Module 2, she is not a withdrawal for Title IV purposes, but is a withdrawal for university purposes.

Is Naomi considered to have completed the payment period for purposes of Title IV regular disbursements and late disbursements?

- Yes

► Other R2T4 Changes Effective July 1, 2021



Other R2T4 Changes Effective July 1, 2021

- 600.2—Expanded definition of “academic attendance” and “attendance at an academically related activity” [formerly in 668.22(l)]
- 668.22(i)—Order of return of Title IV funds
- 668.22(d)—Leaves of absence for clock-hour, nonterm credit-hour, and subscription-based programs
- See NASFAA *Compiled Title IV Regulations*
 - https://www.nasfaa.org/compiled_title_iv_regulations
 - Contains tracked changes



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