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RETURN OF TITLE IV FUNDS POLICY

Federal requirements for the return of Title IV Funds: Direct Federal Subsidized and Unsubsidized Loans Federal Direct PLUS Loans, Pell Grants.

The School participates in federal financial aid. Students who receive loans are responsible for repaying the loan amount, plus any interest, less the amount of any refunds, and if those students have received federal student financial aid funds, they are entitled to a refund of the monies not paid to the federal student financial aid program fund. For students who have received Title IV financial assistance, the Federal Return of Title IV Funds calculation will be completed first and applicable funds returned. Returned funds will be reduced from the payments received on behalf of the student before applying the institutional refund policy to determine whether the student is owed a refund or if a balance is owed to the School. If a balance is owed to the School, the student has to make arrangements to pay it.

In compliance with Federal regulations, the School will determine how much Federal student financial assistance the student has earned or not earned when a student who is a Title IV recipient withdraws from the School. The Federal Return of Title IV Funds formula dictates the amount of federal Title IV aid that must be returned to the federal government or the lending institution by the school and/or student. The federal formula is applicable to an eligible student receiving federal aid when that student withdraws on or before the 60% point in time in the payment period. The Return of Title IV Funds calculation may result in the student owing a balance to the Federal Government and, in some cases, to the School. Refunds are made within forty-five (45) days of withdrawal.

Withdrawal Before 60%

The School must perform a R2T4 calculation to determine the amount of earned aid up through the 60% point in each payment period and use the Department of Education's prorated schedule to determine the amount of R2T4 funds the student has earned at the time of withdrawal. After the 60% point in the payment period or period of enrollment, a student has earned 100% of the Title IV funds he or she was scheduled to receive during the period.

Withdrawal After 60%

For a student who withdraws after the 60% point-in-time, there are no unearned funds. However, the School will still calculate the Institutional Refund and R2T4 for financial aid recipients.

To calculate the amount earned, the School will determine the percentage by dividing the total number of credit hours the student was scheduled to complete in the payment period as of the last day of attendance by the total number of credit hours in the payment period.

If a refund results from this calculation, federal policy requires that these unearned funds be returned to the applicable Title IV financial aid fund source. Funds are refunded to the Title IV Programs in the following federally mandated order: (1) Unsubsidized Federal Direct Loan; (2) Subsidized Federal Direct Loan; (3) Federal Direct PLUS Loan; (4) Federal Pell Grants; (5) Federal Supplemental Education Opportunity Grant (SEOG); (6) other grant or loan assistance authorized by Title IV of the HEA, as amended.

If more Federal student financial assistance has been earned than has been received, the student may be eligible for a post-withdrawal disbursement. The School will notify the student of any post-withdrawal disbursement loan funds for which the student may be eligible and what steps need to be taken for the Federal financial assistance funds to be received. The student or parent, in the case of Federal Direct PLUS Loans, needs to provide permission before any loan funds may be disbursed on the student's account or disbursed to the student or parent. However, the School may automatically use all or a portion of the post-withdrawal disbursement of grant funds for tuition and fees, and with the student's authorization, the School may automatically use the grant funds for other educationally related charges. Any balance of grant funds that may be available will be offered to the student.

If the Federal student financial assistance funds need to be returned, the institution must return a portion or all of the unearned funds equal to the lesser of: the institutional charges multiplied by the percentage of unearned Federal student financial assistance funds; or the entire amount of unearned funds.

If there are remaining unearned Federal financial aid funds to be returned, the student must return any loan funds that remain to be returned in accordance with the terms and conditions of the promissory note. If the remaining amount of funds to be returned includes grant funds, the student must return any amount of the overpayment that is more than half of the grant funds received. The School will notify the student as to the amount owed and how and where it should be returned.

NOTICE: YOU MAY ASSERT AGAINST THE HOLDER OF THE PROMISSORY NOTE YOU SIGNED IN ORDER TO FINANCE THE COST OF THE EDUCATIONAL PROGRAM ALL OF THE CLAIMS AND DEFENSES THAT YOU COULD ASSERT AGAINST THE INSTITUTION UP TO THE AMOUNT YOU HAVE ALREADY PAID UNDER THE PROMISSORY NOTE.