Financial Aid Return to Title IV (R2T4) Policy Change for 2013-2014 Award Year

Dear Students, the Financial Aid Office would like to inform you of a change to the 2013-2014 Institutional Return to Title IV policy. This policy applies to all financial aid students who receive Title IV funding and then withdrawals or stops attending ALL of their courses. Please read the following notice regarding the changes. You can also find this notice on the financial aid home page.

Effective for the 2013-14 award year the Citrus College Financial Aid R2T4 policy will change. Beginning with the fall 2013 semester the institution will begin billing students the Institutional Debt charges incurred when a student withdraws from college or stops attending 100% of his or her classes. This debt is currently paid by the institution. This change is in addition to the Title IV Overpayment students currently pay when they withdraw from college or stops attending 100% of his or her classes. There are no changes to the Title IV Overpayment aspect of this policy.

Per 34 CFR 668.22, Title IV funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive. If a recipient of Title IV grant or loan funds withdraws after beginning attendance, the amount of Title IV grant or loan assistance earned by the student must be determined. The college financial aid office must calculate the amount of aid the student earned to determine if the student was overpaid or underpaid based on the amount of time the student was enrolled and attending class. Federal law specifies how colleges must complete the calculation to determine the amount of federal aid the student earned at the point of withdrawal or when the student stopped attending.

When a financial aid student withdraws from college or stops attending 100% of his or her classes the financial aid office is notified of the student’s last date of attendance at the college. Students should follow the procedures outlined in the college catalog for dropping classes to ensure the information provided to the financial aid office is accurate. If the student withdrew at the 30% point in the semester, the student would have earned 30% of their term eligibility. If the student’s term eligibility is $1000, the student would have earned $300 (30% of $1000). Each amount of repayment is individually calculated and the amounts noted here are for instructional purposes only.

If the amount disbursed to the student is greater than the amount the student earned, the unearned funds must be repaid. The student will be required to repay the Department of Education the amount received in excess of their eligibility. This amount is called Title IV Overpayment. It must be repaid within 45 days from the date of notification or the college will report it to the Department of Education for collection.

In addition to calculating what percent of the aid eligibility the student earned, the Department of Education requires the college to calculate any institutional charges (fees) that the college must repay the Department of Education. Any cost that the college is required to repay the Department of Education will be billed to the student as an Institutional Debt. This change will take effect for the fall 2013 semester. This debt is in addition to any Title IV Overpayment the student may owe. A “HOLD” will be placed on the student’s account and the student must repay any Institutional Debt prior to being authorized to register for future terms, add classes to the current term, or receive official transcripts from Citrus College.
Students who do not repay the Institutional Debt will be subject to the college’s current collection of liability process through a program called COTOP. Citrus College contracts with the California Community Colleges to recover outstanding student obligations/debt via COTOP. The college will request the Franchise Tax Board (FTB) to offset the amount owed to the district from the debtor’s personal state income tax, lottery winnings or other state refunds. California state government code sections 12419.2, 12419.7, 12419.10 and 12419.11 authorize the Office of the State Controller and the FTB to college money owed to individuals and then redirect these funds to pay the individual’s debts owed to the college. The college will submit student names for collection if payment is not received. Students should refer to www.citruscollege.edu under Bursar’s or Cashier’s Office for additional payment information.