



## **Return of Title IV Funds due to withdrawal from the Academy**

Federal Regulations, 34 CFR 668.22 require schools to calculate the amount of Federal financial aid earned by students who withdraw from an institution. This calculation, R2T4, must be performed for students who follow the school's official withdrawal procedures and those who leave without official notification, i.e. "unofficial" withdrawals.

The purpose of R2T4 is to return to the Federal financial aid programs any aid that is "unearned" by the student. These funds are returned FIRST by the institution and SECOND by the student/parent. The philosophy behind the order of return of funds is since aid is disbursed to meet institutional charges – the campus had control over these funds. Funds disbursed to the student to meet other educationally related expenses are not under the control of the institution.

Upon a financial aid recipient's withdrawal from the Academy, Cal Maritime is required by the federal government to calculate, collect, and return a portion of federal financial aid grant or loan funds received by the student if the student has not completed 60% of the number of days in the complete courses taken.

The Student Records Office assigns the official date of withdrawal. The portion of the financial aid to be returned is determined by the percentage of financial aid not earned by the student. The percentage of unearned aid is calculated using this formula: divide the total number of calendar days in the semester not completed by the student by the total number of calendar days in the semester.

Please note: if the student withdraws without notifying the Cal Maritime, the withdrawal date is the midpoint of the semester. As a result, some funds received may have to be repaid.

Unearned funds are credited to outstanding federal loan balances and grant programs in the following priority order:

1. Unsubsidized Stafford Loans
2. Subsidized Stafford Loans
3. Perkins Loans
4. PLUS Loans
5. Pell Grant
6. FSEOG
7. Other Title IV aid for which return is required

If the student owes unearned financial aid, the student has 45 days to enter into a repayment agreement with Cal Maritime and/or the US Department of Education.

Cal Maritime does not have the authority to waive or write off the required repayment, regardless of the reason for the withdrawal, including extenuating circumstances such as illness, accident, or grievous personal loss. When a student leaves Cal Maritime during a term, the State University Grant and some scholarships may be prorated.