

LEBANESE AMERICAN UNIVERSITY
Beirut, Lebanon

Federal Student Aid – Return of Title IV Funds Policy

**NOTE: This policy applies only to eligible US and eligible non-US citizens receiving Title IV funds
Updated – February 2024**

This policy applies only to eligible US and eligible non-US citizens receiving Title IV funds, specifically the Federal Direct and PLUS loans program.

The Higher Education Re-Authorization Act (HERA) of 1998 regulates the manner in which the University will process the return of Federal Title IV funds should a student be dismissed, withdraw or take a leave of absence while a term is in progress. The term “Title IV” refers to aid programs as authorized under the Higher Education Act of 1965 (as amended) and includes the following programs available at LAU: Direct Subsidized, Unsubsidized, and PLUS loans (graduate or Parent). It applies to all federal loan recipients, including graduates, undergraduates, part-time and full-time students.

Title IV funds are awarded under the assumption that the student will attend school for the entire period for which the assistance is awarded. If a student withdraws from all courses for any reason including medical withdrawals, LAU must complete a Return to Title IV (R2T4) calculation and the student may no longer be eligible for the full amount of Title IV funds that was originally approved. A withdrawal refers to a student terminating his/her studies at LAU and the return of funds is based upon the concept that students earn their financial aid in proportion to the amount of time in which they are enrolled. Under this reasoning, a student who withdraws in the second week of classes would have earned a lower percentage of financial aid than a student who withdraws in the seventh week. Once 60% of the semester is completed, a student is considered to have earned all of his/her financial aid and will not be required to return any funds. A pro rata schedule is used to determine the amount of federal student aid funds a student will have earned at the time of the withdrawal. A withdrawal refers to a student terminating his/her studies at LAU.

Refunds of Fees at LAU:

The amount of Title IV funds due for return as a result of a withdrawal is calculated independently of the tuition fee liability charged by the University. If a student is dismissed or withdraws before the first day of classes, all Title IV will be returned to the appropriate program and any fees due to LAU are processed as per our [refund procedure](#).

Official Withdrawal

An official withdrawal occurs when a student may withdraw from the University during the official withdrawal period as published (every year) in the [academic calendar](#) by the Registrar’s Office. Students can withdraw by completing and submitting (within the set deadlines) the appropriate withdrawal form that can be found on the student’s portal.

As an attendance taking University, students may miss no more than the equivalent of two weeks of instruction in any semester (one week during the summer term) in any course and still receive credit for that course. Students who exceed the allowed number of absences must withdraw from the course; otherwise, the course grade will be recorded by the instructor as “F”.

In highly exceptional cases, students may be given special permission by the Academic School

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Councils to continue in the course. Attendance regulation can be found under section (L) of the General Academic Rules at: <https://catalog.lau.edu.lb/2023-2024/undergraduate/academic-rules-procedures.php>

Unofficial Withdrawal

Students who are benefitting from TIV loans during a semester are required to pass by the financial aid and scholarships office on a bi-monthly basis (the first and third week of the month) to officially confirm they are attending their classes. If students fail to confirm their attendance physically at any point, then this will be considered as an unofficial withdrawal.

Credit Balance calculation and Disbursement at time of withdrawal

As an attendance taking institution, the date that the Financial Aid & Scholarships Office (FASO) determines that the student withdrew is done using the following order:

- 1- The date the student withdrew from all their courses during the **official withdrawal** period.
- 2- The date the student submitted his/her petition to withdraw to the Registrar's Office, if the regular withdrawal period has ended and the student was forced to withdraw from courses for failing to attend as per LAU rules and regulations. This date is also considered an **official withdrawal**.
- 3- The date the student fails to pass by the financial aid office for attendance confirmation and does not respond to emails requesting this confirmation. This is the **unofficial withdrawal date**.

LAU will perform an R2T4 calculation as soon as withdrawal is determined and will disburse any credit balance within 14 days. Within the same period, the University will also inform NSLDS (National Student Loan Data System) of the withdrawal which will trigger all loans going into repayment.

Leave of Absences

LAU does not recognize or offer Leave of Absences. If a student leaves school it is considered a withdrawal.

Calculation of R2T4

The calculation of R2T4 will determine the amount of funds earned by the student and the amount of unearned funds that should be returned to the Department of Education. The calculation will also determine how much unearned funds must be repaid by LAU and the student. The return of Title IV funds calculation also helps LAU determine whether a student has actually received all earned Direct Loan funds. If not, the student may be eligible to receive an additional post-withdrawal disbursement up to the earned amount of assistance.

The calculation of R2T4 is made as per federal aid regulations using the official sheet found in the [FSA Handbook](#).

The determination of the amount to be returned depends initially on the percentage of period of enrollment completed by the student. The latter is determined by dividing the calendar days completed in the period by the total calendar days in the period (excluding scheduled breaks of

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five days or more). If this percentage is greater than 60%, funds are not returned.

Unearned Title IV funds must be returned to the Department of Education in order to maintain aid eligibility for future enrollment periods. Any earned loan funds borrowed must be repaid according to the terms of the loan. Title IV aid is earned in a prorated manner on a per diem basis up to and including the 60% point in the semester. Title IV aid earned is calculated as follows:

$$\frac{\text{\# of days completed by student}}{\text{Total \# of days in semester}} = \% \text{ of semester completed}$$

Note: Calculation does not include scheduled breaks of at least five consecutive days or days in which the student was on an approved leave of absence.

Loan funds must be returned in the following order:

1. Federal Direct Unsubsidized loans
2. Federal Direct Subsidized loans (awarded to undergraduates only)
3. Federal PLUS and Grad PLUS loans

LAU Portion of Return of Title IV Funds

The amount of unearned aid that must be returned by LAU is a percentage of the allowable institutional charges for the term. Once the dollar amount of LAU's portion of the return is determined, it is compared to the total amount of all unearned aid. If LAU's portion is less than the total unearned aid, then LAU must return the amount of the University portion. If LAU's portion exceeds the total unearned aid, then LAU must return the amount of the total unearned aid.

Student Portion of Return of Title IV Funds

The student portion of the return is calculated by subtracting the amount of LAU return from the total unearned aid. Any amount of the total unearned aid that remains after the University's portion is returned becomes the student portion of the return. This amount, if any, is repayable after the student leaves LAU as per the repayment terms and conditions attached to the applicable loan(s). The student will not be liable for these funds immediately upon withdrawal.

Post-Withdrawal Funds

If the Title IV aid amount disbursed to the student is less than the amount of Title IV earned, the difference is considered to be a post-withdrawal disbursement. The following guidelines will be observed:

- The university will send the student written notification within 30 days of the withdrawal determination date.
- No confirmation from the student is necessary.
- Funds disbursed directly to the student will be done as promptly as possible, with a maximum timeframe of 45 days from the withdrawal determination date.
- Disbursements credited to the student's account will be completed within 180 days after the withdrawal determination date.