

# Refund and Return to Title IV Policy

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There is a refund policy in place for international students attending HEC Paris. The following is an addendum for students who are receiving U.S. Title IV financial aid.

US federal law specifies that if a student withdraws from a program of study, HEC Paris has to complete a Return of Title IV (R2T4) calculation and arrange for any unearned loan funds to be returned to the US Department of Education. If a student who receives financial aid withdraws from a program, HEC Paris will recalculate his/her Financial Aid eligibility based on the period of attendance. As a result, a student may be required to pay back money to the US federal Government from the Federal Direct Stafford Unsubsidized loan or Federal Direct PLUS loans he/she may have received. HEC Paris may also have to repay any funds received for tuition to the US Federal government and such a student may be requested to make an additional fee payment to HEC Paris to replace these funds. For R2T4 purposes, a Leave Of Absence (LOA) longer than 180 days is considered to be a withdrawal. LOA is a temporary interruption in a student's program of study for serious family or medical reasons.

Pro-rata refund calculations apply for any student who withdraws within 60% of the payment period. If a student withdraws prior to completing 60% of each payment period, HEC Paris will calculate the amount of funds to be returned based on the period of attendance for that specific term. The last date of attendance will be the date confirmed by the Program Management Office and the calculations undertaken are set by the US Department of Education and cannot be altered.

The law specifies how schools must determine the amount of Title IV program assistance (Stafford and Graduate PLUS loans) that students had earned before withdrawing from HEC Paris. The Financial Aid Office is responsible for calculating the return of the funds. All funds must be returned to the US Government no later than 45 days of the date of withdrawal determined by HEC Paris.

When a student withdraws during a payment period, the amount of Title IV program assistance that has been earned up to that point is determined by a specific formula. The date of withdrawal is either the date the student notified the Dean of the Degree Program of their intent to withdraw or the date the student submitted a withdrawal letter to the Director, Dean or Program manager, whichever comes first. If the student received (or the school received on the student's behalf) less assistance than the amount earned, the student may be able to receive those additional funds. If the student received more assistance than the funds earned, the excess funds must be returned by the school and/or the student.

Class attendance is mandatory for all students at all times and professors are required to enforce this rule. Any absences are reported immediately to the Dean's office who in turn contacts the student. In the event that a student has decided to withdraw from a Program, the Dean's office will consult with the student's professors to verify the last date of attendance. Without an official withdrawal letter, the school will use the last date of attendance to compute the return of the funds (further mentioned as R2T4).

In the case where a student notifies the Dean or a faculty member that he or she intends to withdraw, the student is informed of the need to send a formal withdrawal letter to document the date the student notified and to share that information with the Program Management Office. Should the student fail to send the withdrawal letter or if there is a gap between the notification and the filing of the form, the earlier date of notification will be used in calculating the return of the Federal loans funds. In the event a student receives all failing grades for a period, the Dean will contact the faculty members to determine if the low grades were earned or represent a lack of attendance. In the event it is determined that those grades were the result of a lack of attendance, the Dean and faculty will attempt to determine the last day of attendance and use that date in the R2T4 calculations. Unofficial withdrawals use last date of attendance as the withdrawal date. Students who do not attend at least one class are ineligible for Title IV funds and all of the loan funds will be returned to the US Department of Education.

The amount of assistance earned is determined on a pro-rata basis. The payment period is the semester for which the loan was certified, and the percent of attendance is calculated by dividing the number of days attended by the total number of days in the payment period. For example, if the student completes 30 % of the payment period or period of enrollment, the student has earned 30 % of the assistance they were originally scheduled to receive. Once the student has completed more than 60% of the payment period or period of enrollment, all the assistance that the student was scheduled to receive for that period is considered to have been earned. If the student did not receive all of the funds that were earned, he or she may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the student may choose to decline the loan funds so that additional debt is not incurred. The Financial Aid Office will use the R2T4 worksheets as provided by the US Department of Education to determine how much of the loan may be retained and how much must be returned.

HEC Paris may automatically use all or a portion of the student's post-withdrawal disbursement (including loan funds, if the student accepts them) for tuition and fees. For all other HEC Paris charges, the student's permission is needed to use the post-withdrawal disbursement. Loans must be offered to the student within 30 days, allowing the student at least 14 days to respond. All post-withdrawal disbursements are applied to student account first, and any resulting credit balance will be disbursed to student no later than 14 days after the calculation of R2T4. However, it may be in the student's best interest to allow HEC Paris to keep the funds to reduce his / her debt.

There are some Title IV funds that students were scheduled to receive that cannot be earned once a student withdraws because of other eligibility requirements. If the student receives (or HEC Paris receives on behalf of the student) excess Title IV program funds which must be returned, HEC Paris must return a portion of the excess equal to the lesser of:

1. The institutional charges multiplied by the unearned percentage of the funds, or
2. The entire amount of excess funds.

HEC Paris must return this amount even if it didn't keep this amount of the Title IV program funds. If HEC Paris is not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that must be returned, the student must repay in accordance with the terms of the Promissory Note which means that scheduled payments are made to the holder of the loan over a period of time. Students who have received a refund of their loan before withdrawing may be required to return part or all of those funds to the lender.

Title IV funds will be returned in the following order:

1. Unsubsidized Federal Direct loans
2. Federal Direct PLUS Loan

**The requirements for Title IV program funds when students withdraw are separate from the HEC Paris Reimbursement Policy.** Therefore, the student may still owe funds to HEC Paris to cover unpaid institutional charges. HEC Paris will also attempt to collect from the student any Title IV program funds that were required to be returned. Reimbursement Policy is available through the Program Management Offices.