

Example of R2T4 Calculation

The Financial Aid Office determines the percentage of Title IV, HEA aid the student earned by taking the calendar days completed in the period of enrollment and dividing by the total calendar days in the period of enrollment (excluding breaks of 5 days or more and days the student was on an approved leave of absence).

Example: 19 completed days 76 total days = 25% Title Aid Earned The Financial Aid Office determines the dollar amount of Title IV aid the student earned by multiplying the percentage of Title IV, HEA aid earned by the total of the Title IV aid disbursed plus the Title IV aid that could have been disbursed for the period of enrollment.

Example: 25% x (\$1800 disbursed) = \$450.00 Aid Earned

If this percentage is greater than 60%, the student earns 100% of the disbursed Title IV, HEA funds or aid that could have been disbursed. If this percentage is less than 60%, then the percentage earned is equal to the calculated dollar amount earned.

Funds are returned to the appropriate federal program based on the Percentage of Aid Earned and the Order of Return dictated by the ED. Aid to be returned is equal to (100% minus the Percent earned) multiplied by the amount of aid disbursed toward institutional charges. If a student earned less aid than was disbursed, the institution would be required to return a portion of the funds and the student may be required to return a portion of the funds (Financial Aid Office would return the student owed funds along with the funds that must be returned by Pepperdine University).

All Title IV fund returns must be completed no later than 45 calendar days after the date the Financial Aid Office determines that the student withdrew. When Title IV, HEA funds are returned, the student may owe a balance to the institution.

Order of Return Pepperdine University is authorized to return any excess funds after applying them to current outstanding Cost of Attendance (COA) charges. In accordance with Federal regulations, when Title IV, HEA financial aid is involved, the calculated amount of the R2T4 funds is retracted in the following order:

- Unsubsidized Federal Direct Stafford Loan Program
- Subsidized Federal Direct Stafford Loan Program
- Federal Direct Graduate PLUS Loan Program
- Federal Direct Parent Loan Program (PLUS)
- Federal Pell Grants
- Federal Supplemental Educational Opportunity Grant Program
- Iraq Afghanistan Service Grant