

UNDERSTANDING CHANGES TO R2T4

Presenter Names

R2T4 regulations updated

- Were updated On September 2, 2020.
- Colleges had to implement by July 1, 2021.
- Colleges could opt to implement early.
- Major changes
 - R2T4 exempted for students who graduate in the payment period.
 - R2T4 exempted for students who complete 49% of days in payment period.
 - R2T4 exempted for students who complete half-time status coursework.
 - Allowed institutions to establish a R2T4 freeze date.

<https://rapartners.ed.gov/knowledge-center/library/electronic-announcements/2020-08-30/implementation-return-title-iv-funds-r2t4-regulations-aa-id-general-11-50>

Previous method (prior to July 1, 2021 or early implantation date)

- To determine if a student has withdrawn, answer the following questions.
 - After starting attendance, did student cease or fail to attend a scheduled course? [Yes]
 - Was student attending any other course? [No]
 - Did student confirm they will attend a later module within the payment period? [No]
- Before the updated regulations, a student would be considered withdrawn at this point with those answers.

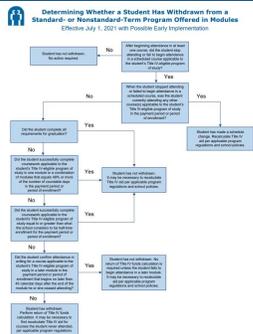
Updated method (after to July 1, 2021 or early implantation date)

- To determine if a student has withdrawn, will require additional questions to be answered.
- After starting attendance, did student cease or fail to attend a scheduled course? [Yes]
- Was student attending any other course? [No]
- Did student graduate. [No] (NEW)
- Did student complete 49% or greater of countable days? [No] (NEW – term based)
- Did student complete at least half-time coursework? [No] (NEW – term based)
- Did student confirm they will attend a later module within the payment period? [No]
- These new questions allow for more students to be exempt from R2t4 calculations.



Decision Tree

- Standard or non-standard terms.



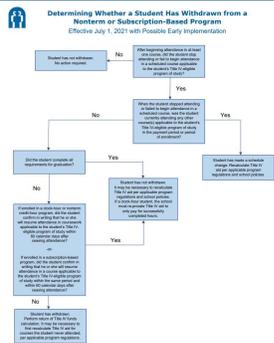
• <https://askregs.nasfaa.org/resources/GetResourceFile/46>

© 2021 NASFAA (www.nasfaa.org)



Decision Tree

- Nonterm or subscription-based



• <https://askregs.nasfaa.org/resources/GetResourceFile/53>



Example: old

- Hank is enrolled at Old Mountain College in 4 3-credit classes during the fall semester. He decides not to return on October 17 after earning grades in the first 2 modules.
- The semester runs from August 23 to December 17.
- There is a 9 day break for Thanksgiving.
- His classes are in 4 modules.
 - August 23 – September 17
 - September 20 – October 15
 - October 18 – November 12
 - November 15 – December 17
- Under the old system this would be considered a withdrawal.
 - He quit attending classes, was not attending another course, and did not plan to attend a future course.



Example: new

- Hank is enrolled in 4 3-credit classes during the fall semester. He decides not to return on October 17 after earning grades in the first 2 modules.
- The semester runs from August 23 to December 17.
- There is a 9 day break for Thanksgiving.
- His classes are in 4 modules.
 - August 23 – September 17
 - September 20 – October 15
 - October 18 – November 12
 - November 15 – December 17
- There are no other modules during this pay period.
- Under the new system this would not be considered a withdrawal. The student meets two exemptions
 - He quit attending classes, was not attending another course, did not graduate, **completed more than 49%, earned half-time credits**, and did not plan to attend a future course.



Calculating Completion of 49%

- Student must have earned a passing grade in a module or in each module in a combination of modules.
- Calculation is fraction. Numerator is days of completed modules and denominator is countable days in the payment period. **[Not the same as days in payment period used in the R2T4 calculation.]**
 - Includes all days in all offered modules during the period.
- Excludes
 - Scheduled breaks of 5 days or greater.
 - All days between all modules.
 - Full term classes are ignored in calculation.
- Calculation cannot be rounded up.



Calculating Completion of 49%

- Breaks between module can be confusing.
- Breaks must be between all available modules not just the modules a student is enrolled for.
- In Hank's case all breaks between modules can be excluded since no Modules overlap.



Module days to count in denominator for 49% completion = 102 days

- Summer semester students at Kirkwood do not have any excluded days since there are overlaps.



Module days to count in denominator for 49% completion = 82 days



Calculating Completion of 49%: Example

- Hank's classes are in 4 modules. Each module has one 3-credit class. Hank dropped out October 17 after earning grades in the first two modules.
 - August 23 – September 17
 - September 20 – October 15
 - October 18 – November 12
 - November 15 – December 17
 - There is a 9 day break for Thanksgiving.
 - There are no other modules during this pay period.
- The numerator is 52. 26 + 26 days in the first two modules.
- The denominator is 102 days. (117 – 9 – 2 – 2)
- $52/102 = 50.98\%$ which is over 49%. Exempt from R2T4 calculation.



Confusion: Denominator

- Two situations require denominator calculations and are independent of each other.
 - 49% exemption.
 - Adds all the days between the start and end date of the regular term (or all the terms in the period of enrollment);
 - Subtracts any scheduled breaks of five consecutive days or more that apply to all students who enroll in the term; and
 - Subtracts all days between modules.
 - Same denominator for all students in module classes.
- Number of days in payment period.
 - Individualized to each student based on expected attendance.



Confusion: Denominator - Example

- Patsy is attending the Old Mountain College, she is enrolled in 4 classes: 3 credits each.
- One of her classes is a full semester course. She has a 3-credit class in each of the first three modules. She drops everything on September 21.
- To calculate the denominator for the 49% R2T4 exemption:
 - Denominator is 102 days: 117 less 9 days for Thanksgiving break and less 6 days for 2 day breaks between each module. Ignore the full semester class. This is the same as Hank's.
- To calculate the individualized number of days in payment period for a R2T4 calculation:
 - Hank was scheduled to attend 102 days: 26 days in 3 modules and 24 in the fourth module. (Does not need a R2T4 calculation.)
 - Patsy was scheduled to attend 108 days. 117 days less 9 day Thanksgiving break because of the full semester class.
 - If Patsy was only scheduled to be in the first 3 modules, her R2T4 denominator would have been 78 days.



Completion of half-time coursework.

- Hank
 - Hank earned grades for 2 3-credit classes in each of his first two modules. At Old Mountain College, 6 credits is half-time status.
 - By earning 6 credits, Hank achieved half-time status and has earned the R2T4 exemption.
- Patsy
 - Patsy earned 3 credits in module 1. She dropped all other classes.
 - She did not attain half-time completion status and is not eligible for the R2T4 exemption.



R2T4 Freeze Date

- A school can set a date to freeze a student's countable days for R2T4 calculations.
- School then has to determine the scheduled days at the Freeze Date to use in the denominator.
- Countable days will need to be modified to included more days, if a student does attend in a module not scheduled on the freeze date.



R2T4 Freeze Date Examples

- Freeze date vs non-freeze date:
- Example: Willie is registered at Old Mountain College. The school does not have a R2T4 Freeze Date.
 - Willie enrolls for 2 3-credit courses in module 1 and module 3. He only accepted Pell. He drops everything during module 2.
 - Pell will be recalculated to only reflect attendance in module 1. Only 26 days will be in the R2T4 denominator.
- Example: Loretta is enrolled New Valley College, which has the same module schedule Old Mountain College, but has a R2T4 Freeze Date 10 days into Module 1.
 - Loretta enrolls for 2 3-credit courses in module 1 and module 3. She drops everything during module 2.
 - Pell will be recalculated to only reflect attendance in module 1. However, the R2T4 denominator will be 52 days for the assigned days of both modules at the Freeze Date.



R2T4 Freeze Date Examples continued

- Countable days may need to be greater than calculated by a Freeze date.
- Example: Lainey is registered at New Valley College.
 - Lainey enrolls for 3 credits in modular 1 by the Freeze Date. The countable days based on the Freeze Date is 26 (for 1 module).
 - Lainey decides to add a 3 credit class in module 2. She is now eligible for a subsidized loan.
 - Lainey drops 5 days into module 2. A R2T4 will need to be calculated.
 - Since student attended module 2, both modules days need to be included in the R2T4 calculation denominator. This would be 52 days.



Questions????



<https://images.pexels.com/photos/35079/pebbles-photo-35079.jpg?auto=compress&cs=tinysrgb&h=128&w=128&rs=1>



References

- <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2021-08-20/implementation-return-title-iv-funds-r2t4-regulations-ea-id-general-21-50>
- <https://askregs.nasfaa.org/resources/GetResourceFile/46>
- <https://askregs.nasfaa.org/resources/GetResourceFile/51>
- <https://www2.ed.gov/policy/highered/reg/hearulemaking/2009/return.html>
- Changes Are Coming to R2T4 and Modules Webinar 5/19/2021 presented by Amanda Sharp and David Futrell.