



CANCELLATION, WITHDRAW & REFUND POLICY

PERSONNEL AND/OR DEPARTMENTS INVOLVED

Director of Financial Aid; Student Services; Controller; Senior Management

First Institute refunds are determined in accordance with the Illinois Board of Higher Education's (IBHE) refund policy, ACCET's refund policy, or the Department of Education's policy, whichever is more beneficial to the student. Refunds are calculated based on the period of enrollment.

IBHE: The institution must maintain a fair and equitable refund and cancellation policy and abide by it. Such a policy shall conform to any State or federal rules as appropriate. This policy shall apply equally to all students regardless of whether the student receives federal or state financial aid. Schools that are accredited by an accrediting body recognized by the U.S. Department of Education and approved to participate in offering Federal Title IV student financial aid may apply the required federal refund policy as long as the same policy is applied to all students even if they are not eligible for federal financial aid.

ACCET: The institution must compare the state's policy with ACCET's in each instance of cancellation or withdrawal and follow the policy that is more lenient towards the student. When notice of cancellation is given during the first week of classes, tuition charges withheld will not exceed 10% of the stated tuition up to a maximum of \$1,000.00. After the first week and through 50% of the period of enrollment, tuition charges retained will not exceed a pro rata portion of tuition for the period of enrollment, plus ten percent (10%) of the unearned tuition for the period of training that was not completed, up to a maximum of \$1,000.00. After 50% of the period of enrollment is completed by the student, the institution may retain the full tuition for that period.

CANCELLATION

First Institute considers an applicant as a cancellation if the applicant cancels prior to the start of classes, never attends class (no show) or cancels within the first two weeks of the start date of the program (no start). A student may give notice of cancellation to the school verbally or in writing.

OFFICIAL WITHDRAWAL

A student must contact the Student Services Office (verbally or in writing) to withdraw from the program. If the student does not come in to complete the exit counseling, the Director of Financial Aid will mail it to the student within 30 days of the date of determination of the withdrawal.

The date of determination of the student's withdrawal for an official notification of withdrawal is the date the student provides notification to First Institute.

UNOFFICIAL WITHDRAWAL

The explained or unexplained absence of a student from school for more than fourteen (14) consecutive calendar days constitutes constructive notice of cancellation to the school. If a student leaves the school without notice and is not in attendance for 14 calendar days, Student Services will send a certified letter to notify the student of the withdrawal. If the student does not come in to complete the exit counseling, the



Director of Financial Aid will mail it to the student within 30 days of the date of determination of the withdrawal.

The date of determination for a student’s unofficial withdrawal will be fourteen (14) calendar days after the student’s last date of academic attendance and/or online academic related activity as determined by the institution’s attendance records.

ADMINISTRATIVE WITHDRAWAL

If a student is withdrawn for conduct, Student Services will send a certified letter to notify the student of the withdrawal. If the student does not come in to complete the exit counseling, the Director of Financial Aid will mail it to the student within 30 days of the date of determination of the withdrawal.

In the event of an administrative withdrawal the date of determination is the date when First Institute notifies the student.

REFUNDS/CREDIT BALANCES

For purposes of withdrawal, the last date of attendance is the date from which any refund will be calculated.

A student who is considered a cancellation will have all charges refunded and all payments returned to the individual or the applicable funding source less the \$25.00 registration fee. Prospective students not accepted or students enrolled in a course which is canceled by First Institute will receive a refund of all tuition, application/ registration, book charges and other charges paid. All cancellation refunds due will be made within forty-five (45) calendar days of the first scheduled day of class, or the date of cancellation, whichever is earlier. The Controller and Director of Financial Aid run a credit balance report every 30 days in the first week of each month to monitor and ensure credit balances are processed and paid in a timely manner.

After the second week and through 60% of the period of enrollment, tuition charges retained will not exceed a pro rata portion of tuition for the period of enrollment. After 60% of the period of enrollment is completed by the student, First Institute may retain the full tuition for that period.

The percentage of the period of enrollment completed is the total number of calendar days (for credit hour programs) or clock hours (for clock hour programs) in the period of enrollment divided by the number of calendar days or clock hours completed in the period of enrollment.

$$\frac{\text{Number of Days or Clock Hours Scheduled through the Last Day of Attendance (LDA) in the Period of Enrollment}}{\text{Number of Days or Clock Hours in the Period of Enrollment}} = \text{Percentage Completed}$$

$$\text{Tuition x Percentage of the Period of Enrollment Attempted} = \text{Tuition Retained by Institution}$$



When a student withdraws, tuition adjustments are based on the total charges incurred, not the amount paid. The refund or credit balance due will be calculated using the last date of attendance (LDA) and will be refunded within forty-five (45) calendar days from the documented date of determination (DOD). The date of determination (DOD) is the date that the student provides written or verbal notice of withdrawal to the institution or the date the institution terminates the student, by applying the institution's attendance, conduct, or Satisfactory Academic Progress (SAP) policy.

First Institute shall refund all monies paid to it in any of the following circumstances:

- A) The school did not provide the prospective student with a copy of the student's executed enrollment agreement and the current catalog;
- B) The school cancels or discontinues the course of instruction in which the student has enrolled;
- C) The school fails to conduct classes on days or times scheduled, detrimentally affecting the student.

The school must refund any book and materials fees when: (a) the book and materials are returned unopened and unmarked; and (b) the student has provided the school with a notice of cancellation.

For tuition refunds and financial aid refunds, the date of withdrawal is the last date of attendance or participation in any academic activity and will be the date used to calculate all refunds and the Return of Title IV Funds. Refunds will be disbursed within forty-five (45) days of the notice of withdrawal to either the student or, in the case of Title IV monies, the appropriate funding source. The school shall mail a written acknowledgement of a student's cancellation or written withdrawal to the student within fourteen (14) calendar days of the postmark date of notification. Such written acknowledgement is not necessary if a refund has been mailed to the student within fourteen (14) calendar days.

After a R2T4 calculation is performed, any Title IV funds that the student has earned but have not yet been disbursed to the student will be disbursed as a post withdrawal. Grants must be disbursed within 45 days. Loans must be offered to the student within 30 days, allowing the student at least 14 days to respond to accept or decline the funds.

LAST DATE OF ATTENDANCE

All refunds and Return of Title IV calculations are based on the last date of attendance as determined by the institution's attendance records. For blended online courses, the last date of attendance is the last date an academic related activity was completed.

DATE OF DETERMINATION

The date of determination of the student's withdrawal for an official notification of withdrawal is the date the student provides notification to First Institute. The date of determination for a student's unofficial withdrawal will be fourteen (14) calendar days after the student's last date of academic attendance and/or online academic related activity as determined by the institution's attendance records. In the event of an administrative withdrawal the date of determination is the date when First Institute notifies the student. If a



student fails to return to class at the end of an approved leave of absence, the date of determination is the date that the student was expected to return from the leave of absence.

FINANCIAL AID AND STUDENT LOANS

Federal Regulations state that financial aid is earned only during periods when a student is enrolled in an eligible program. You have not earned 100% of your financial aid until you have been enrolled for more than 60% of the period of enrollment. If you withdraw on or before the 60% point of the period of enrollment, a portion of your financial aid has not been earned. With respect to students receiving Title IV funds, the students' refund is based on Title IV funds earned while attending school. Eligible Title IV federal aid recipients who withdraw or are dismissed within the first 60% of the period of enrollment are considered to have earned federal aid only in an amount equal to the percentage of time that the student was enrolled during the period of enrollment. If the last date of attendance occurs after 60% of the period of enrollment is completed by the student, the institution retains the full funding and the student is not entitled to a refund. Period of enrollment is defined in terms of financial aid credits or clock hours. No period of enrollment will exceed one academic year.

THE RETURN OF TITLE IV (R2T4) CALCULATION

The R2T4 calculation is required to determine the earned and unearned portions of Title IV aid as of the date the student ceased attendance based on the amount of time the student spent in attendance during the period of enrollment or, in the case of a clock-hour program, was scheduled to be in attendance during the period of enrollment. Once the R2T4 calculation is completed First Institute will know how much unearned Title IV funds the school will need to return, whether a post withdrawal disbursement is applicable, or if the student owes any portion of the Title IV grant funds.

RETURN OF UNEARNED FUNDS

First Institute and the student (if applicable) will be required to return to the Title IV programs the amount of Title IV funds received in excess of the amount of Title IV program funds "earned" as of the student's withdrawal date.

FIRST INSTITUTE RESPONSIBILITY

The portion of the excess Title IV grants and loans funds that the school must return to the Title IV programs is equal to the lesser of:

- The student's institutional charges multiplied by the unearned percentage of scheduled funds, or
- The entire amount of excess funds.

First Institute must return the amount of unearned Title IV funds to the federal student aid programs for which it is responsible no later than 45 days after the date of the determination of the student's withdrawal. The funds will be returned in the order as prescribed by federal regulations:

- Direct Unsubsidized Stafford Loan
- Direct Subsidized Stafford Loan
- Direct Parent PLUS Loan
- Federal Pell Grants



If the R2T4 calculation results in a credit balance on the student's account, the credit balance must be disbursed as soon as possible and no later than 14 days after the calculation of R2T4.

STUDENT REPAYMENT RESPONSIBILITY

The student is responsible for returning any portion of the unearned Title IV funds that is not returned by the school. For any unearned Title IV loan funds, the student is responsible for repaying those funds in accordance with the terms of the promissory note.

If the unearned Title IV funds to be returned are grant funds, the statute provides that the student may repay 50% of a federal grant rather than 100%. If the original amount of the Title IV grant overpayment is \$50.00 or less, the student is not required to repay the overpayment.

Within thirty (30) days of determination that the student withdrew, First Institute will notify the student by mail that he or she must repay the Title IV grant overpayment or make satisfactory arrangements to repay it. If the mail return receipt is not received within ten (10) days of notification, a telephone call and email will be made to the student to ensure that they received the information. In the notification, First Institute will inform the student that:

- The student owes an overpayment of Title IV grant funds.
- The student's eligibility for additional Title IV funds will end if the student fails to take positive action, as listed below, by the forty-fifth day following the date the school sent or was required to send notification to the student.
- There are three positive actions the student can take to extend his eligibility for Title IV funds beyond the forty five (45) days:
 - i. Repay the Title IV grant overpayment amount in full.
 - ii. Sign a repayment agreement with the school for up to two years.
 - iii. Sign a repayment agreement with the U.S. Department of Education.

If the student does not take any action in the stated timeframe the student must be reported by the Director of Financial Aid to the National Student Loan Data System (NSLDS) after the forty five (45) days have passed. The Director of Financial Aid will report the Title IV grant overpayment through NSLDS within three (3) days of the conclusion of the forty five (45) day period.

The student should contact the U.S. Department of Education's Debt Resolution Services at **1-800-621-3115 (1-877-825-9923) TTY: 1-800-790-8913**, online at www.MYEDDEBT.ED.GOV or in writing at the address below to inquire about repayment arrangements.

**U.S. Department of Education
PO Box 5609
Greenville, TX 75403-5609**

RE-ENTRY

If a student withdraws from a program of study and re-enters in the same program within 180 days of the withdrawal, the student is treated as returning to the same period of enrollment that was in place when the



student withdrew and must complete any credit or clock hours for which the student previously received federal funding before being eligible for additional funding. If the student is returning within the original loan period, First Institute must re-disburse the money the school had returned. If the date of a student's return is outside of the period for which the loan was originated, First Institute must extend the loan period and set new dates for any future disbursements.

A student who re-enrolls into a program after more than 180 days have elapsed since withdrawal may be eligible for federal aid for any classes the student must repeat and/or complete to obtain academic credit to graduate from the program. Students should meet with the Director of Financial Aid to discuss the conditions under which federal aid may be awarded for repeated courses.

COLLECTION FEES AND REASONABLE ATTORNEY'S FEES

If the student receives notification of default for payment arrangements, the student will be charged a collection fee of 15% of the outstanding balance. In the event First Institute retains legal counsel to enforce any aspect of the Enrollment Agreement, the student shall pay reasonable attorney's fees and court costs.