

Vatterott Educational Centers, Inc. (Vatterott) owns and operates the Vatterott College, Vatterott Career College, Ex'treme Institute - St. Louis, and L'Ecole Culinaire schools, all licensed and accredited postsecondary institutions. Provided they are eligible, students attending a Vatterott school may determine to finance their education all, or in part, with the assistance of Federal Title IV financial aid funds ("Title IV Funds").¹ Title IV Funds (grants and loans) are available to assist students in bridging the gap between their own resources and the amount needed to pay for the cost of attending an educational institution.

In the event a student receiving Title IV Funds withdraws prior to completing his or her program, Vatterott may be required to return all or a portion of that student's Title IV Funds to the U.S. Department of Education. The purpose of this disclosure is to describe the federally mandated process pursuant to which Vatterott schools determine, in such circumstances, the portion of a student's Title IV Funds that must be returned.

RETURN OF TITLE IV FUNDS POLICY

If you are a recipient of Title IV Funds and you withdraw or are dismissed from school during a term/payment period in which you began attendance, you will have the amount of Title IV Funds you "earned" calculated according to a specific formula set out in federal law. This calculation for the return of Title IV Funds will be completed within 30 days of the school's determination that you have ceased attendance. If under the formula you (or the school or your parent on your behalf) received **less** Title IV Funds than the amount you earned during the term/payment period, you may be able to receive those additional Title IV Funds (provided late disbursement and post withdrawal rules are met). On the other hand, if under the formula you received **more** Title IV Funds than you earned during the term/payment period, the excess funds must be returned to the U.S. Department of Education.

The Formula

If you withdraw, the amount of Title IV Funds that you have "earned" is determined on a pro rata basis, pursuant to a formula set out in federal law. Under the formula, if you attended 60% or more of the term/payment period for which your Title IV Funds were awarded, you will have earned all scheduled Title IV Funds. However, if you withdraw prior to completing 60% of the term/payment period, there will be an adjustment to your financial aid. If, for example, you completed only 30% of your term/payment period prior to withdrawal, you would "earn" only 30% of the Title IV Funds you were scheduled to receive for that term/payment period, and a portion of the Funds you received might need to be returned.

The federal formula, which looks at the actual number of days/hours you attended, counts all calendar days of the term/payment period, including weekends and holidays, and only excludes scheduled breaks of five (5) or more days **or** the days you were on an approved leave of absence. Your last day of attendance, which is used to determine the percentage of the term/payment period that has been completed, is the last recorded day you attended an on-ground class, or for those students taking online classes, the last day you attended class as defined under the *Online Student Attendance Guidelines and Participation & Substantive Interaction Policy* set out in the school's course catalog.

Post-Withdrawal Disbursements

If you have not received all of the scheduled Title IV Funds that were earned for the term/payment period in which the withdrawal occurs, you may be eligible for a post-withdrawal disbursement. If the post-withdrawal disbursement includes eligible federal student **loan** funds, the school must obtain your permission (or parent's permission for a PLUS loan) before it can disburse the funds. You may choose to decline some or all of the loan funds. The school is authorized to use all or a portion of any post-withdrawal **grant** funds for tuition, fees, books and supplies. However, to apply remaining post-withdrawal grant funds to other school-related charges, the school must obtain permission. In such cases, Vatterott **strongly** encourages students to consider whether it may be in their best interest to allow the school to keep the Title IV Funds so as to reduce any outstanding debt you may owe the school.²

Excess Title IV Funds and Overpayments

If you (or the school or your parent on your behalf) received excess Title IV Funds, your school must return a portion of the excess Title IV Funds equal to the lesser of:

1. Your institutional charges multiplied by the unearned percentage of the Title IV Funds, or
2. The entire amount of excess Title IV Funds.

The school must return this amount even if it did not keep this amount of Title IV Funds. If the school is not required to return all of the excess Title IV Funds, you must return the remaining amount. Any loan funds that you must return, you (or your parent for a PLUS

¹ Title IV programs include Federal Pell Grant, Direct Stafford Loan, Direct PLUS Loan and Federal Supplemental Educational Opportunity Grant (FSEOG). To receive Title IV Funds administered by a Vatterott school, you must have a high school diploma (or equivalent), be enrolled as a regular student in a Title IV eligible programs, be enrolled at least half-time (for federal direct loans), have a valid social security number, be a U.S. citizen or eligible non-citizen, and be making satisfactory academic progress toward completion of your program. You also must be registered with the Selective Service (males) and the Immigration and Naturalization Service if required by law to do so. Finally, you must **not** owe a refund on any federal grant, be in default on any student loan previously received, or be ineligible for federal aid as a result of a drug conviction.

² It should be noted that there are some Title IV Funds that students may be scheduled to receive, but that cannot be disbursed post-withdrawal because of separate federal laws. Post withdrawal disbursements must meet all the federal regulations for both late disbursements and post withdrawal disbursements.

loan) must repay in accordance with the terms of the promissory note. That is, you must make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that you must return is called an overpayment. The maximum amount of a grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You do not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. You must make arrangements with the school or the U.S. Department of Education to return the unearned grant funds.

Order of Return of Title IV Funds

Title IV Funds credited to outstanding loan balances for the term/payment period for which a return of Title IV Funds is required are returned in the following order, in accordance with federal law:

1. Unsubsidized Direct Stafford loans (other than PLUS loans)
2. Subsidized Direct Stafford loans
3. Federal Direct PLUS loans

If Title IV Funds remain after repaying all loan amounts, those remaining Funds are credited in the following order:

1. Federal Pell Grant for the term/payment period for which a return of funds is required
2. Federal Supplemental Educational Opportunity Grant (FSEOG) for which a return of funds is required
3. Other assistance for which a return of funds is required.

Refunds will be paid by the school within 45 days of the school's determination that you have ceased attendance, or the timeframe established by applicable law, whichever is shorter.

School Refund Policy vs. Return of Title IV Funds Process

It is important to understand that the requirements for the return of Title IV Funds, discussed above, are completely separate from the school's refund policy, which is set out in the school's course catalog, and which details the amount you may owe the school if you withdraw without having paid all amounts outstanding. It is possible, for example, that you may still owe funds to the school to cover unpaid institutional charges, even after your Title IV Funds have been returned to the U.S. Department of Education in accordance with federal law. You also should note that the school may charge you for any Title IV Funds that the school was required to return. If you withdrew and your withdrawal resulted in a reduction of institutional charges that was less than the amount of the Title IV Funds that were returned, you might have an outstanding balance due to the school that was actually greater than that which was owed prior to withdrawal.

For additional information relating to the return of Title IV Funds, you may contact your Financial Aid Administrator or call the Federal Student Aid Information Center at 1-800-4 Fed Aid (1-800-433-2143). TTY users may call 1-800-730-8913. Information is also available on Student Aid on the Web at www.studentaid.ed.gov.

I hereby certify that I, the undersigned, have (1) received and reviewed this Return of Title IV Funds Disclosure, (2) understand the substance of the Disclosure, and (3) have had full opportunity to discuss with the school any questions I may have had relating to the Disclosure.

Student Name (Print)

Student Signature

Date

Parent/Guardian Signature
(if Student is under 18 years of age)

Date