

# Return of Title IV Funds (R2T4) Policy for US Direct Loans Programmes Policy

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## Summary

This policy provides guidance on the University's approach to managing the Return of Title IV Funds (R2T4) for US Direct Loans Programmes. It provides departments and students with information on how the University calculates this in line with United States Department of Education legislation. It is presented in the format as required and approved by the US Government.

This policy is linked to the [Satisfactory Academic Progress Policy](#).

## Glossary of terms

**Attendance:** this refers to physical attendance at scheduled academic taught sessions.

**Disbursement:** payment of monies by the University from the Federal Aid Programme.

**Institutional charges:** where the University charges for tuition, accommodation fees and other charges/fees.

**Interruption:** a temporary approved period where a student has permission to suspend their studies.

**Leave of Absence (LOA):** a temporary interruption in a student's programme of study approved by the University.

**Monitoring of Attendance:** where the progress of student attendance is checked against scheduled academic taught sessions.

**Parent Plus Loan:** parents of dependent undergraduate student can borrow from Parent Plus to assist their children to pay for university costs.

**Return Calculation:** where the University calculated whether a student has been disbursed more aid than they have earned.

**Suspension:** a period of absence away from studies.

**Terminate:** no longer a student at the University.

**Title IV Funds:** federally funded financial aid.

**UK Visa and Immigration legislation:** laws set out by the United Kingdom government relating to student visa and immigration.

**United States Department of Education:** a cabinet level department of the United States Government.

**Visa:** issued by the UK Government to give permission for a student to enter and study in the UK.

**Withdraw:** the permanent cessation of study and termination of a student's registration with the University. This may be initiated by the University or the student. The term 'withdraw' for the purposes of this policy may also mean a period of interruption.

## Purpose

The Return of Title IV Funds (R2T4) for US Direct Loans Programmes Policy has been designed to provide detailed information on how the University will calculate any return of funds should a student withdraw or interrupt their studies. It indicates the impact on a student's entitlement to and amount of financial aid they are eligible for, and/or return of loan sums to the United States Federal Loans Authority.

# Return of Title IV Funds (R2T4) Policy for US Direct Loans Programmes

## Overview

Title IV Financial Aid is awarded to students on the basis that each student in receipt of such funds will be in attendance for the entire duration prescribed for the programme of study. Any early withdrawal or suspension of studies may therefore impact on the amount of financial aid that a student is eligible for and may lead to the student and/or University being required to return loan sums to the US Federal Loans authority.

In accordance with the US Department of Education's regulations, Edge Hill University has a responsibility to ensure that a 'Return to Title IV (R2T4)' calculation is made in respect of each relevant student that withdraws from study prematurely so that the University can ascertain if payments already made, or to be disbursed, have been earned or not.

This policy serves to articulate how the University will determine the amount of Title IV programme assistance that a student has earned if they withdraw from study and to provide details of how any unearned funds will be returned. It also provides information on the process for confirming withdrawals at the University and sets out how different student statuses will be viewed under the US Department of Education's regulations.

The requirements set out in this policy are separate from any [Tuition Fee refund policy](#) that the University has and therefore, in the event of a withdrawal, a student may also owe funds to Edge Hill for unpaid institutional charges which will be dealt with under separate arrangements to those procedures detailed in this policy.

Please note in addition to this policy all students will be subject to UK Visas and Immigration legislation and requirements.

## 1. Withdrawing from study

For the purpose of this policy, the term 'withdraw' does not relate exclusively to a student's complete termination of their studies. A period of interruption may also constitute a withdrawal from the Federal Student Aid scheme as described under 1. The different statuses that may be attributed to a student's position when they withdraw or suspend their studies are:

### 1.1 Official withdrawal (Student Led)

An official or Student Led withdrawal refers to a student's written intent to completely terminate their studies at Edge Hill with no expectation of return. Students who subsequently decide to return to their studies must re-apply for admission through the University's International Office.

### 1.2 Unofficial withdrawal (University Led)

An unofficial or University Led withdrawal is one where a student has ceased attending their programme of study at Edge Hill but has failed to officially notify the University of this, and so the University will therefore undertake the withdrawal process on the student's behalf (University Led Withdrawal). The University will follow its procedures for processing a University Led withdrawal as set forth in its Withdrawal Process under Section 2.2.

### 1.3 Leave of absence (Interruption)

A Leave of Absence (LOA) is a temporary interruption in a student's programme of study and is equivalent to Interruption status at Edge Hill. The University may permit a period of [Interruption](#) for a range of circumstances, but it is only where these circumstances also meet the following specific criteria that the leave of absence will be classed as an Approved Leave of Absence under the Federal Student Aid scheme:

- I. All requests for LOA are to be submitted on an official Interruption of studies and support application form to Academic Registry and must include the reason for the student's request. The form, which is available from Academic Registry, must be signed and dated by the student and must specify the date the student requests for the LOA to begin and end
- II. Students must apply in advance for the LOA, unless unforeseen circumstances prevent the student from doing so. Such unforeseen circumstances should be explained in any late application

- III. The situation described as the reason for the LOA will generally be non-academic in nature, and must be one that leads to a reasonable expectation that the student will return from the LOA within the allowed time frame specified to complete the overall award on which they have enrolled
- IV. The LOA, together with any additional leaves of absence, must not exceed one year
- V. Edge Hill will inform the student, in advance of the student committing to the application, of the possible consequences that the LOA may have on the student's loan repayment terms. This includes the potential exhaustion of the student's grace period to complete their studies
- VI. All requests for LOA must be endorsed by the Head of Department, International Office and Academic Registry.

A student granted LOA that meets the criteria stated above is not considered to have withdrawn, and no Return Calculation is therefore required. Upon the student's return from the leave period, he or she will continue to earn the Federal Student Aid previously awarded for the period.

During the LOA, Edge Hill will not assess the student in respect of any additional institutional charges, meaning that the student's financial needs will not increase, and therefore, the student will not be eligible for any additional disbursements of Federal Student Aid. Further information on periods of Approved Leave of Absence is available under the Annex.

Edge Hill may exceptionally grant a student a period of Interruption that does not meet the conditions to be an approved LOA for Title IV purposes. Any such Interruption will be considered as an official withdrawal for Title IV purposes and the student's withdrawal date, upon which the Return Calculation is made, will be the date the student commences the interruption period. Students that seek to interrupt will be counselled as to whether their circumstances would be eligible to continue to earn financial support before any application is approved.

## 2. Monitoring attendance and the withdrawal process

### 2.1 Monitoring attendance

Edge Hill University is required by the UK Visas and Immigration legislation to maintain an attendance monitoring system that runs over the course of the year, to ensure that all visa-controlled students are compliant with the regular attendance requirement of their student visa.

Students who are not in attendance are reported to the University's International Office by the appropriate Programme Leader or Head of Department so that the student's position can be ascertained, and the withdrawal process instigated if appropriate.



## 2.2 Withdrawal process

In all cases where an Edge Hill University student declares an intention to withdraw, they will be provided with advice and information to support them through this period. Such support is available from several areas including academic departments, the International Office and Academic Registry.

All withdrawals from the University are recorded via an official form, available from Academic Registry, completed either by the student, where they elect to officially withdraw, or by the University where a student has unofficially withdrawn. All forms must record the student's last date of attendance and Edge Hill will use this agreed date to confirm the withdrawal and compute the R2T4 formula.

Programme Leaders/designated specialist staff are required to document the date a student notifies the University of their intention to withdraw and lodge this information with Academic Registry. Should the student fail to file the withdrawal form or where there is a lag between the notification and the completion of the form, where attendance is not being maintained, then the earlier date recorded will be considered to be the last date of attendance used in calculating the R2T4 formula.

Where the University has received US Direct Loan funds for a student that fails to arrive and complete their enrolment, or does not attend even one class, the candidate will be withdrawn, their federal loans will be cancelled. Any funds received for the student will be returned to the US Direct Loan Programme.

The University will calculate the R2T4 within 30 days of a student's withdrawal or of when the University becomes aware of the student's withdrawal.

Students who withdraw from their programmes of study will receive a grade of 'WP' on their transcript. The grade is considered the same as an 'F' grade in calculating the quantitative aspect of the Satisfactory Academic Progress standards and may affect the student's future eligibility for Financial Aid.

In the event that a student receives all failing grades for a semester, the Programme Leader will contact other tutors as appropriate to determine if the failed grades were earned or represent any lack of attendance. If it is determined that failure grades are the result of a lack of attendance, the student will be withdrawn from the Federal Aid Programme.

In such cases, the Programme Leader will determine the last day of attendance and use that date in the R2T4 calculation.

### 3. Return to Title IV (R2T4) administration

#### 3.1 R2T4 calculation

The University's Academic Registry office is responsible for calculating R2T4 using worksheets and software provided by the US Department of Education. The University will calculate R2T4 within 30 days of the student's withdrawal or when the University becomes aware of the student's withdrawal.

When a student withdraws during a payment period, the amount of Title IV programme assistance that has been earned up to that point is calculated by the following formula. Institutionally scheduled breaks of five or more consecutive days are excluded from both the numerator and the denominator of the R2T4 calculation. Breaks of less than five consecutive days are included.

- I. The amount of assistance earned is determined on a pro rata basis
- II. The payment period is the semester for which the loan was certified. The percentage 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 enrolment, the student has earned 30% of the assistance they were originally scheduled to receive
- III. Once the student has completed more than 60% of the payment period or period of enrolment, all the assistance the student was scheduled to receive for that period is considered to have been earned
- IV. Academic Registry 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.

Note: if a first-time, first-year undergraduate student has not completed the first 30 days of their programme before withdrawal, the student will not earn any Title IV funds that he or she would have received had the student remained enrolled past the 30 days.

#### 3.2 Calculation outcomes

If the student received (or Edge Hill received on the student's behalf) less assistance than the amount that was earned, then the student may receive those additional funds although the student may choose to decline the loan funds so that additional debt is not incurred. The University will notify the student of eligibility for post-withdrawal funds within 30 days of the student's withdrawal or when the University becomes aware of the student's withdrawal and disburse funds to the student or parent in the case of a parent PLUS loan within 180 days.

The student will be required to inform the University whether he/she wishes to accept some or all the available post-withdrawal loan funds within 14 days after the student is contacted by the University. The University may honour a late response but will not honour a response that is more than 180 days late. If the student received more assistance than was earned, the excess funds must be returned by Edge Hill and/or the student, see 3.3.

Edge Hill may automatically use all or a portion of the post-withdrawal disbursement (including loan funds, if the student accepts them) for tuition fees and accommodation charges (as contracted with Edge Hill). For all other Edge Hill charges, Edge Hill requires the student's permission to use the post-withdrawal disbursement. Edge Hill may also attempt to collect from the student any Title IV programme funds that Edge Hill is required to return, see 3.3.

### 3.3 Returning funds

If the student receives (or Edge Hill receives on behalf of the student) excess Title IV programme funds that must be returned, Edge Hill will return a portion of the excess equal to the lesser of:

- I. The institutional charges multiplied by the unearned percentage of the funds, or
- II. The entire amount of excess funds.

Edge Hill will return this amount even if it did not keep this amount of the Title IV programme funds. If the University is not required to return all the excess funds, then the student must return the remaining amount. For any loan funds that must be returned, the student must arrange repayment in accordance with the terms of the promissory note - that is, scheduled payments are made to the holder of the loan over a period of time. Students who have received a refund of their loan proceeds before withdrawing may be required to return part or all of those funds to the lender.

If it is determined that refund money must be returned to the aid programme, Title IV funds will be returned in the following order:

- I. Unsubsidized Federal Stafford loans
- II. Subsidized Federal Stafford loans
- III. PLUS Loan Funds

The Finance Office is responsible for the actual transfer of the resulting funds.

All funds will be returned to the Department of Education within 45 days of the date when Edge Hill determines that a student withdrew.

#### 4. Contact for enquiries

If a student has queries regarding their Title IV programme funds, they should contact the Federal Student Aid Information Centre at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on *Student Aid on the Web* at [www.studentaid.ed.gov](http://www.studentaid.ed.gov)

## Annex

### **Approved Leave of Absence**

#### **i. Registration Status**

A student who is granted an approved LOA is considered to remain an enrolled Edge Hill student for Title IV loan repayment purposes.

#### **ii. Resuming Study**

A student returning from LOA must enter at an appropriate point so that he or she can complete the semester successfully and Edge Hill University will ensure that this is enabled when confirming the re-start date.

A student repeating coursework while on LOA must reach the required standard for the point at which he or she interrupted studies within one year of the start of the student's LOA.

#### **iii. Students who seek to return earlier than anticipated**

Edge Hill may permit a student holding an agreed LOA, to recommence classes before the expiration of the student's LOA in order to review material previously covered. However, until the student has resumed the academic programme at the point where he or she began the LOA period, the student is considered to still be on an approved LOA. The days the student spends in class before the course reaches the point at which the student began his or her LOA must however be counted in the one-year maximum period granted for an approved leave of absence.

#### **iv. Student who fail to return from Deferrals or LOA's**

If a student does not return to the programme at the expiration of an approved LOA, the student's withdrawal date is determined as the date that the student began the LOA.

## Endmatter

Title	Return of Title IV (R2T4) Funds Policy for US Direct Loans Programmes
Policy Owner	Senior Registrar – Records and Fees
Approved by	Funding and Finance Support Group
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