

US Federal Student Aid Return to *Title IV* (R2T4) Policy

**This policy incorporates the United States Department of Education
Return to *Title IV* (R2T4) Regulations**

1. U.S. law (668.22) specifies how Durham University must determine the amount of *Title IV program* assistance that students earn if they withdraw from school. See section on Withdrawals for specific information regarding Leaves of Absence (LOA) and the withdrawal process.
2. The Scholarships and Student Funding Service is responsible for calculating R2T4 and the Finance Department is responsible for actually transferring the funds.
3. The Scholarships and Student Funding Service uses worksheets provided by the US Department of Education to assist in the calculation of R2T4 funds.
4. If a student has questions about their *Title IV program* funds, they can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913.
5. Information is also available on *Student Aid on the Web* at www.studentaid.ed.gov.
6. When a student withdraws during a payment period, the amount of *Title IV program* assistance that has been earned up to that point is determined by a specific formula.
7. If the date of a withdrawal is earlier than the date the University's expected leave date or the date the student submitted the withdrawal form, in some circumstances the student may be able to receive those additional funds.
8. If the student received more assistance than was earned, the excess funds must be returned by the student. Any remaining unearned funds that were disbursed are the responsibility of the student who will owe the lender in accordance to the term of the borrower's promissory note.
9. A student that leaves Durham University before the end of their course may either still have financial contractual liabilities to the University, or may qualify for a refund of monies paid, depending on the timing and circumstances of the withdrawal. The University student debt policy which details what will happen can be found at: https://www.dur.ac.uk/treasurer/students/student_debt_policy/
10. Durham University is not required to take class room attendance registers although many academics require a student to attend in order to receive a passing grade.
11. Students who do not start any of the classes they are enrolled in are ineligible to receive any Title IV funds.

12. Students who are not in attendance are reported to the University's Student Immigration Service which notifies the UK Visas & Immigration of the lack of attendance.
13. The Academic Department will consult with the student's college to determine if the student is suffering from short term problems preventing them from attending or to verify the last date of attendance.
14. Without an official Withdrawal Form, the University will use the last date of attendance to compute the R2T4 formula. Interactions such as coursework submission would be included in determining what is considered as attendance.
15. In the case where a student notifies the University that he or she intends to withdraw, the student must be informed of the need to complete the University's Official Withdrawal Form.
16. Should the student fail to file the Withdrawal Form or there is a lag between the notification and the filing of the form, the earlier date of notification will be used in calculating the R2T4 formula.
17. In the event a student receives all failing grades for an academic year, the academic department will determine if the grades were earned or represent a lack of attendance.
18. In the event it is determined that those grades were the result of lack of attendance, the department will attempt to determine the last day of attendance and the University will use that date in the R2T4 calculations.
19. Students who do not register for a programme are ineligible for *Title IV* funds and all loan proceeds will be returned to the lender.
20. The amount of assistance earned is determined on a *pro rata* basis.
21. The payment period is the period for which the loan was certified. At Durham University, this will be termly, as funds are drawn down on a termly basis (for the purposes of term + vacation period). The percent of attendance is calculated by dividing the number of days attended in the term by the total number of days in the payment period (term). 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.
22. If a student withdraws during Michaelmas Term (Autumn Term) before the 1st December, in the first year of study of their programme, then under the University Debt Policy, the student is NOT liable for tuition fees for that academic year. For the purposes of the R2T4 calculation, the Title IV funds which had already been received and applied towards institutional tuition fee, must still be included in the R2T4 calculation (in accordance with Federal R2T4 regulations). If the University debt policy indicates that the amount that should be refunded to the student is greater than the calculated "earned" value of the R2T4 calculation that the University is obliged to return, then the University may, at its discretion refund to the Secretary of Education (and thus lowering the students borrowing) the greater sum, if there are no other institutional costs owed by the student.

23. Once the student has completed more than 60% of the payment period, all the assistance that the student was scheduled to receive for that period is considered to have been earned.
24. If the student did not receive all of the funds that were earned, the student may be due a post-withdrawal disbursement. If it is determined that a student is eligible for a post-withdrawal disbursement, this must be offered to the student no later than 30 days from the disbursement.
25. As a foreign school, any post-withdrawal disbursement can only consist of loan funds; therefore the borrower may choose to decline the loan funds so that additional debt is not incurred. The borrower must be asked if they wish to receive a post-withdrawal disbursement for which they have been notified they are eligible, and must confirm within 14 days of notification that they would like to receive funds. If the borrower does not confirm that they wish to receive the funds, then there will be no disbursement.
26. The Scholarships and Student Funding Service 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.
27. If the borrower confirms they wish a post-withdrawal disbursement to occur, then Durham University may automatically use all or a portion of the student's post-withdrawal disbursement for all fees and charges (as contracted with the University).
28. For all other charges, the University will obtain the student's permission to use the post-withdrawal disbursement.
29. If the student receives (or the University receives on behalf of the student) excess *Title IV program* funds that must be returned, the University must return a portion of the excess equal to the lesser of:
 - a. The institutional charges multiplied by the unearned percentage of the funds, or
 - b. The entire amount of excess funds.
30. Any debt to the University after unearned US Federal Aid has been returned to the US Department of Education will remain liability of the student and the student shall be responsible for payment of the debt to the University after withdrawal.
31. If the University is not required to return all of the excess funds, the student must return the remaining amount. The student is responsible for their portion.
32. Any loan funds that must be returned, the student repay 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.
33. 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.
34. *Title IV* funds will be returned in the following order:
 - a. Direct Unsubsidized Loans
 - b. Direct Subsidized Loans
 - c. Direct PLUS Loans

35. The requirements for *Title IV program* funds when students withdraw are separate from any refund policy that the University may have. Therefore, the student may still owe funds to the University to cover unpaid institutional charges.
36. The University may also charge for any *Title IV program* funds that the University was required to return, if the return causes the student account to be in deficit for contractual charges to the University. The remaining balance remains the responsibility of the student.
37. If a student has questions about their *Title IV program* funds, they can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913.
38. Information is also available on *Student Aid on the Web* at www.studentaid.ed.gov.

Leaves of Absence (LOA) and Withdrawals

Definitions:

Approved Leaves of Absence (LOA)

An LOA is a temporary interruption in a student's programme of study. LOA refers to the specific time period during a programme when a student is not in attendance and will return to complete the programme. Students returning from a LOA are not required to re-apply for admission but must re-register for their programme.

Unapproved Leaves of Absence

The University may grant a student an LOA that does not meet the conditions to be an approved LOA for *Title IV* purposes (for example, for academic reasons). However, any LOA that does not meet all of the conditions for an approved LOA is considered a withdrawal for *Title IV* purposes

Official Withdrawal

A “withdrawal” refers to a student’s intent to completely terminate studies at the University with no expectation of return. Students, who subsequently decide to return to their studies, must re-apply for admission through the University’s Admissions Office.

Unofficial Withdrawal

An unofficial withdrawal is one where the University has not received notice from the student that the student has ceased or will cease attending.

Note:

Students who withdraw from their programme or do not receive a ‘pass’ mark at the end of an academic year will have that grade used in calculating the quantitative aspect of the Satisfactory Academic Progress standards and may affect the student’s future eligibility for Financial Aid.

LOA and Withdrawal Request Forms

The form required by Durham University to request a LOA or a Withdrawal is available from the student’s department or college office.

Approved LOA's

1. An LOA must meet certain conditions to be counted as a temporary interruption in a student's education instead of being counted as a withdrawal requiring the University to perform a Return calculation.
2. If an LOA does not meet the conditions and the student is considered to have ceased attendance and to have withdrawn from the school, and the University is required to perform a Return calculation.
3. In order for an LOA to qualify as an approved LOA (at Durham University this is known as a "Concession" which is shorthand for a "Concession to suspend studies"):
 - a. All requests for LOA's be submitted in writing to the student's department and/or college and include the reason for the request.
 - b. The form must be signed and dated and specify the date the student wants the LOA to begin and end.
 - c. The student must apply in advance for an LOA unless unforeseen circumstances prevent the student from doing so.
 - d. The situation described for the reason for the LOA must be generally 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.
 - e. The LOA together with any additional leaves of absence must not exceed a total of 180 days in any 12-month period including days in which the University is not in session.
4. All requests for LOA's will be reviewed by the relevant University Office.
5. Students will be notified in writing of the University's decision.
6. During the LOA, the University will not assess the student any additional institutional charges, the student's financial need will not increase, and therefore, the student will not be eligible for any additional disbursements of Federal Student Aid.
7. A student granted an LOA that meets the criteria stated above is not considered to have withdrawn, and no Return calculation is required. Upon the student's return from the leave, he or she continues to earn the Federal Student Aid previously awarded for the period.

Completion of coursework upon return

1. In as much as approved LOA are viewed as temporary interruptions in a student's attendance, **and since the academic programmes at Durham University are considered term-based programmes, where the payment period is the term, a student returning from an LOA must do so at a time when he or she can complete the term in order to complete the payment period and be eligible to receive a second or subsequent disbursement.**

Students who return earlier than anticipated

1. The University may permit a student to return to class before the expiration of the student's LOA in order to review material previously covered.
2. However, until the student has resumed the academic programme at the point where he or she began the LOA, the student is considered to still be on the 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 be counted in the 180 days maximum for an approved leave of absence.**
3. A student repeating coursework while on LOA must reach the point at which he or she interrupted training within the 180 days of the start of the student's LOA.

Student who fail to return from LOA's

1. If a student does not return to the University at the expiration of an approved LOA (or a student takes an unapproved LOA), the student's withdrawal date is the date the student began the LOA.

Explanation of consequences of withdrawal to loan recipients

1. A student who is granted an approved LOA is considered to remain in as registered for *Title IV* loan repayment purposes.
2. If a student on an approved LOA fails to return, the University must report to the loan holder the student's change in enrollment status as of the withdrawal date. (One possible consequence of not returning from an LOA is that a student's grace period for a *Title IV* program loan might be exhausted).
3. In order for a LOA to be an approved LOA, prior to granting a leave of absence, a school must inform a student who is a *Title IV* loan recipient of the possible consequences a withdrawal may have on the student's loan repayment terms, including the exhaustion of the student's grace period.

Unapproved LOA's

1. The University may grant a student an LOA that does not meet the conditions to be an approved LOA for *Title IV* purposes (for example, for academic reasons).
2. However, any LOA that does not meet all of the conditions for an approved LOA is considered a withdrawal for *Title IV* purposes.
3. The student's withdrawal date is the date the student begins the LOA,
4. An unapproved LOA may be treated as an official withdrawal since the University would have previously granted an LOA. Therefore, the school would know immediately that the student had ceased attendance for *Title IV* purposes, and must use the specified withdrawal date in the Return calculation.

Last Reviewed 01 May 2019