

# **Withdrawals and Return to Title IV Funds Policy (R2T4)**

**Version Number 1.0**

**Effective from 1 June 2021**

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Finance Department/Quality and Enhancement Office**

## 1.0 Purpose

The University is required to complete a Return to Title IV (R2T4) calculation for US Federal loan recipients who withdraw from their studies during the course of the academic year. The withdrawal may be an official, unofficial or a result of academic failure. An R2T4 calculation may also be required if a student has an interruption to their studies.

## 2.0 Scope

This policy applies to all students registered at the University of Salford and who are in receipt of US federal financial support via the following financial programmes:

- Federal Direct Subsidized Loan;
- Federal Direct Unsubsidized;
- Federal Direct PLUS Loans.

## 3.0 Policy Statements

### 3.1 Official Withdrawal

A student may either withdraw from their course or be required to withdraw for a range of reasons, including:

- Academic failure;
- As a result of disciplinary action;
- A student no longer wishes to continue on their programme;
- Poor attendance at scheduled teaching sessions or engagement with the programme.

A student in receipt of US federal financial support who withdraws from their course, whatever the reason, must advise the [US Loans Administrator](#) within 5 working days. In addition, if it is the student's decision to withdraw, the [Student Engagement Interruption Withdrawal Policy](#) and formally notify the University of their decision through the [Student Self-Service Portal](#).

For the purposes of US loans, if the student informs the University of their decision to withdraw before the official record is updated, then the date provided by the student will be the date used on the R2T4 calculation assuming that this date can be verified as the last date of attendance, either by the programme team, or by the last date of access to University systems/buildings.

The [US Loans Administrator](#) is responsible for the R2T4 calculation and the Finance Department is responsible for transferring the funds.

### 3.2 Unofficial Withdrawal

An unofficial withdrawal is one where the University has not received notice from the student that they have ceased or will cease attending the University. Students who do not register with the University and who do not attend classes are ineligible for US loans. In such circumstances their US loans will be cancelled.

### 3.3 R2T4 Calculation Following Withdrawal

The US Loans Administrator will calculate, using the R2T4 spreadsheet, the types and amounts of US Federal loan which must be returned following withdrawal. These funds must be returned to the US Department of Education. The return amount will be calculated using the number of days the student attended in the given term and the total number of days in the given term. In some instances the calculation may determine that no funds be returned.

### 3.4 Interruption of Study

A Return to Title IV (R2T4) calculation for US Federal loan recipients is also required where students undertake an interruption of study (or leave of absence/institutional break) longer than 180 days or go on an unauthorised interruption. Further information about interruption of study can be found in the [Student Engagement Interruption Withdrawal Policy](#). A student in receipt of US federal financial support who interrupts from their course for more than 180 days must advise the [US Loans Administrator](#) within 5 working days of the interruption. An interruption of study may affect student's loans repayment grace period.

### 3.5 Academic Failure/Failure to Progress

Where a student fails assessments or modules, the [US Loans Administrator](#) (or nominee) will contact the student to establish the nature of the failure, for example, if assessments have been taken and failed or if the failure is due to unauthorised non-attendance. If Satisfactory Academic Progress (SAP) has not been achieved then the [Satisfactory Academic Progress Policy](#) will be initiated.

Commented [JA1]: Add link to SAP Policy once completed

If it is determined that failure has occurred due to non-attendance, then the last date of attendance or engagement will be used in the R2T4 calculation. Students who do not attend any classes are ineligible for US loans and as a result their loans will be cancelled.

### 3.6 Tuition Fee Calculation

Following official withdrawal or interruption, the University will review a student's tuition fee account and will consider if a refund is appropriate in line with [Key Facts about Fees](#). This document outlines the University's tuition fee refund policy.

### 3.7 Post Withdrawal Disbursements

If a student does not receive their disbursement at the beginning of the payment period and decides to withdraw, the student is eligible for the amount of loan earned in this period. The loan amount will be calculated and offered as a post-withdrawal disbursement. The University will complete the Title IV calculation and notify the student of any loans overpayment or post-withdrawal disbursement.

The University will make any post-withdrawal disbursement available to the student (or parent in the case of a Parent PLUS loan) within 180 days from the date of the withdrawal.

### 3.8 Return of Overpayment – Withdrawal and Interruption of Study (180 days or more)

US Federal Loan recipients who receive an overpayment resulting from changes in enrolment, cost of attendance and general eligibility will be required to return the necessary funds to eliminate overpayments within a time frame notified by the US Loans Administrator.

In accordance with federal regulations, refunds are allocated in the following order:

- Unsubsidized Direct loans;
- Subsidized Direct loans;
- Direct PLUS loans.

The following calculation has been provided by the US Department of Education to calculate the amount of unearned funds:

Amount of loan funds earned =  $\frac{\text{Number of days enrolled on the programme}}{\text{Total Number of days in the payment period}}$

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### **3.9 Calculation of Title IV Entitlement**

Where a student withdraws or interrupts study after completing 60% of the payment period, they are deemed to have earned 100% of the loan funds therefore there is no requirement to return funds.

In cases where students have received more loan funds than earned, the unearned funds must be returned to the US Department of Education by the University or the student. If the student has earned less than the earned amount of loan funds, the difference could be paid as a post withdrawal disbursement.

The University will collect any unearned us loan funds required to be returned from the student.

### **3.10 Responsibilities**

The University's responsibilities in regard to the return of Title IV funds (R2T4 calculation) include:

- providing each student with the information given in this policy
- identifying students who are affected by this policy and completing the R2T4 calculation for those students, and
- returning to Title IV programs any Title IV funds which have been applied to tuition fees.

Student responsibilities include:

- notifying the University of the student's intent to withdraw from all courses, and
- returning any funds that were disbursed directly to the student and for which the student was determined to be ineligible through the R2T4 calculation.

Federal regulations require the University to return unearned funds directly to the student's lender with 45 days. If the return of the funds creates a balance due on the student account the student will be responsible for payment of the full balance on their account.

### **3.11 Visa Requirements**

The University is required to inform UK Visas & Immigration of any change of enrolment for international students.

### **3.12 Drug Related Offences**

Eligibility for US Loans may be affected if a student in receipt of US Federal Funding is convicted of drug related offences and may result in the return of funds. Students are directed to the [Code of Conduct for Students](#) for information about expectations of students.

## **4.0 Further Guidance**

Please contact the [US Loans Administrator](#) if further information is required on this policy.

<b>Document Control Information</b>			
<b>Revision History incl. Authorisation: (most recent first)</b>			
<b>Author</b>	<b>Summary of changes</b>	<b>Version</b>	<b>Authorised &amp; Date</b>
Jo Arden/ Annette Cooke	Annual update – updated weblinks and role names	1.1	No authorisation required
Jo Arden/ Annette Cooke	Creation of Policy following discussion with US Loans Department	V1.0	By Chair's Action on behalf of SELTEC 18 June 2018
<b>Policy Management and Responsibilities:</b>			
Owner:	This Policy is issued by the Director of Finance who has the authority to issue and communicate policy, in line with US requirements, on return of Title IV Funds for students in receipt of US Federal Loans and has delegated day to day management and communication of the policy to the US Loans Administrator.		
Others with responsibilities (please specify):	All subjects of the Policy will be responsible for engaging with and adhering to this policy.		
<b>Author to complete formal assessment with the following advisory teams:</b>			
Equality Analysis (E&D, HR) <a href="#">Equality Assessment form</a>	May 2018		
Legal implications (LPG)	N/A		
Information Governance (LPG)	N/A		
Student facing procedures (QEO)	QEO has been consulted and contributed to the Policy		
Home Office Compliance (Student Admin)	25/03/2021: All Student Visa sponsored students who apply for or are in receipt of USA Financial Aid must ensure they fully comply with the terms and conditions of their visa in line with the current Immigration Rules that govern the Student visa route (a copy of the guidance can be found <a href="#">here</a> ). Any immigration breaches which removes the right to study will subsequently nullify any further eligibility for USA Financial Aid on their current course with the University of Salford.		
<b>Consultation:</b>			
Staff Trades Unions via HR Students via USSU Relevant external bodies (specify)	Students' Union has been consulted and contributed to the Policy May 2018		
<b>Review:</b>			
Review due:	Annually before 1 June 2022		
Document location:	University Policy & Procedure Pages and on askUS and Finance websites		
<a href="http://www.salford.ac.uk/about-us/corporate-information/governance/policies-and-procedures">http://www.salford.ac.uk/about-us/corporate-information/governance/policies-and-procedures</a>			
<b>The owner and author are responsible for publicising this policy document.</b>			