Return to Title IV (R2T4) Policy

1. Overview

US Federal Law specifies that, should a student withdraw from their programme of study, the University of York must complete a Return to Title IV (R2T4) calculation and arrange for any 'unearned' Federal Aid funds to be returned to the US Department of Education.

When a student withdraws or interrupts their studies during a payment period, the amount of Title IV program assistance (Direct and PLUS Loans) that has been earned up to that point is determined by a specific formula.

This policy specifies how the University of York will determine the amount of Title IV programme assistance that students are considered to have earned if they withdraw from the University. For R2T4 purposes, any interruption of studies (e.g. leave of absence) for longer than 180 days or an "unapproved leave of absence" is also deemed to be a withdrawal.

At the University of York, Student Financial Support (SFS) is responsible for calculating Return of Title IV Funds (R2T4), using worksheets and software provided by the US Department of Education, and the Accounts Department is responsible for the actual transfer of the resulting funds. Funds that the University is responsible for will be returned to the US Department of Education within 45 days of the date when the University determines that a student's status has changed.

If a student has queries regarding their Title IV program funds, they can call the US Federal Student Aid Information Center at 1-800-433-3243. TTY users may call 1-800-730-8913. Information on Student Aid is also available online at StudentAid.gov.

2. Refund Policy

The University of York has an institutional Refund and Compensation Policy for all students who have officially enrolled at the University. The University Policy should therefore not be confused with R2T4 calculations and refunds.

The amount of Title IV funds due for return as a result of a withdrawal is calculated independently of the tuition fee liability charged by the University. Therefore, the student may still owe funds to the University to cover unpaid institutional charges, or may indeed be entitled to a refund in accordance with regulations found here (but only after any Title IV funds owed have been returned to the US

Department of Education, if applicable). The University may also attempt to collect from the students any Title IV funding that the University of York is required to return to the US Department of Education.

3. Withdrawal Procedure

If you are considering withdrawing or taking a break from your studies, it is recommended that you follow the guidance listed on the University of York website, including discussing your personal circumstances with your supervisor and/or a member of the University's Support & Advice Team. If you hold a student visa, any changes to enrolment may affect this; therefore, it is strongly recommended that you seek immigration advice before making your decision.

Once you have made your decision, and before your status is changed on the student record system, it is essential that you contact SFS as soon as possible on sfsu@york.ac.uk. This is important if you change the status of your studies by any of the following means:

- taking a period of approved leave of absence of 180 days or more[1]
- withdrawing from your programme of study
- early completion of your programme, including submitting your final thesis early
- transferring your programme of study
- upgrading or downgrading[2] your level of study (e.g. PhD to MPhil/MPhil to PhD)
- changing your mode of attendance from full-time to half-time or less.

For definitions on each of the above, please refer to Appendix 1 below.

The withdrawal date will be recorded on the student record as the date on which the student notified the University of their intent to withdraw, and this date will be used for R2T4 calculation purposes.

3.1 Unofficial Changes to Study

An unofficial withdrawal occurs when a student ceases to attend the University, either temporarily (e.g. unofficial leave of absence) or indefinitely (where there is no intent to return), but the University has not received notice of this from the student or their department.

Departments are required to monitor regular attendance throughout the academic year and notify the Student Records Team no later than 14 days of the student's last date of attendance when a student fails to maintain attendance. SFS will monitor student attendance through the central student records system.

Where a student has an unofficial withdrawal, the withdrawal date for R2T4 calculation purposes will be the last known date of attendance, as provided by the student's academic department.

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[1] *In some cases, such as on a Postgraduate Research degree, the leave of absence may be approved for a period less than 180 days, and this does not require a R2T4 calculation.*

[2] *This may be determined at an annual review or meeting with your supervisory team.*

3.2 Returning from an approved Leave of Absence

Federal Aid recipients at the University that begin an approved leave of absence will be reminded of the consequences of not returning to their studies at the end of the approved period, and the effects this will have on the student's loan repayment terms, including the expiration of the grace period on the loan. A student who is granted an approved leave of absence is not considered to have withdrawn and no return of R2T4 calculation is required. Upon the student's return, they can continue to earn the Federal Aid previously awarded for the period.

If a student fails to return after an approved leave of absence, or takes a period of absence that does not qualify as an approved leave of absence, then the date of withdrawal is the start date of the leave of absence and an R2T4 calculation should be completed.

4. Calculating R2T4

Students "earn" Federal Aid funds by attending classes. Under US Federal Law, the University is required to report any changes to student enrolment within tight timescales. For students who withdraw, suspend, or complete their studies earlier than expected, it may be necessary to complete a R2T4 calculation and arrange for the return of any "unearned" or credit balance funds to the US Department of Education within 45 days of the date the University determines that the student withdrew. This date will be used to calculate the "earned" funds and to inform the National Student Loan Data System (NSLDS).

Where a student unofficially withdraws, the University of York will comply with the return of Title IV funds; the R2T4 calculation will be made from the last known date of attendance. Therefore, it is important that notification is sent to sfsu@york.ac.uk as soon as a change is known, as this may affect the level of "unearned" funding to be returned to the US Department of Education and/or the date the student will begin repayments.

When a student withdraws, and the appropriate form is processed through Student Records, the University will use the best information available to determine the withdrawal date.

When SFS receive official notification that a student is withdrawing, the last date of attendance used in the R2T4 calculations is the later of:

- The date of notification of withdrawal
- The last date of attendance as identified by institutional procedures.

If no official notification is received, the last date of attendance will be the date of withdrawal as recorded on the student records system.

SFS will calculate the amount of Title IV program assistance that has been earned up to that point, using a R2T4 calculation formula provided by the US Department of Education within the worksheet 'Treatment of Title IV Funds When a Student Withdraws from A Credit-Hour Program'.

The calculation will be based on the level of attendance within a payment period. Students earn Title IV funds in direct proportion to the level of attendance within a payment period.

Students who have been in attendance for more than 60% of the Payment Period are deemed to have earned 100% of the scheduled Title IV funds for that period. Students who have been in attendance for less than 60% are required to return unearned funds. The following calculation will be used to calculate unearned funds:

$$\frac{\text{Number of calendar days completed}}{\text{Number of calendar days in payment period}} = \text{Amount of Loan 'earned'}$$

Please note: In calculating the number of days, scheduled breaks of more than 5 days should be excluded from both the numerator and the denominator in the above calculation.

4.1 Example
Below is an example of a student who withdrew during the fourth week of the autumn (fall) semester. It is not intended to represent the current term or a particular student.

Number of days attended:	22
Number of days in the semester:	105
Earned Financial Aid:	20.9%
Unearned Financial Aid:	79.1%

Type of Aid	Financial Aid Disbursed	Earned Aid (student keeps)	Unearned Aid (to be returned to US DoE)
Unsubsidised Direct Loans	$1,000	0	$1,000
Subsidised Direct Loans	$1,800	0	$1,800
PLUS Loan	$2,200	$1,045	$1,155
Total	**$5,000**	**$1,045**	**$3,955**

5. Returning unearned funds

5.1 Return of the University's share

The University must return its unearned Federal Aid funds percentage to the US Department of Education as soon as possible and within 45 days from when the withdrawal was identified in the following order of priority:

- Unsubsidised Direct Loans
- Subsidised Direct Loans
- Graduate PLUS Loans / Parent PLUS Loans

up to the value of the disbursement for that term.

At the same time, the University will send the student a copy of the R2T4 calculation showing the value returned by the school and which loans have been returned, as well as a notification showing the value to be returned by the student and the value to be repaid in the usual way. Within the same 30 days, the school will also inform NSLDS of the withdrawal which will trigger all loans going into repayment.

5.2 Return of the student's share

Any unearned funds that have been disbursed directly to the student must be paid back to the US Department of Education by the student in accordance with the terms set out in the student's Promissory Note, and the Direct Loan servicer will be notified. The student MUST contact their servicer to make arrangements for repayment.

The University will provide the student with a copy of their R2T4 calculation and the student will be notified within 30 days of the withdrawal date of the requirement to repay the overpayment, or else make satisfactory arrangements to repay the overpayment, in accordance with the terms set out in the student's Promissory Note. The University will also advise the student to complete Exit Counselling, which will explain repayment arrangements.

Once the return has been completed, a statement will be produced for the student detailing any balances owed to the University of York after repayment of the unearned funds. The University of York Fees Office will contact the student to request payment of any outstanding balance.

Full details of federal requirements can be read in the latest Federal Student Aid Handbook which is available on the Federal Student Aid website.

6. Post-withdrawal Disbursement Process

If a student did not receive all of the funds earned, a post-withdrawal disbursement may be due, but the student must give permission for this to take place. A student may choose to decline some or all of the funds to avoid incurring additional debt.

If the University of York owes the student a post-withdrawal disbursement of funds, SFS will contact the student, or the parent for a Direct Parent PLUS Loan, in writing, prior to making any post-withdrawal disbursement of loan funds. This will outline whether those loan funds are to be credited to the student's account, or disbursed directly to the student or parent, in accordance with the guidance detailed in the Federal Student Aid Handbook.

This written notification must take place no later than 30 calendar days of the determination of the date the student withdrew. The University of York is permitted to credit a student's account without the student's permission for current charges for tuition, fees and accommodation, if applicable, up to the amount of the outstanding charges.

The notice must identify the type and amount of the loan funds it wishes to credit the student's account or disburse directly to the student, or to the parent in the case of a Direct Parent PLUS Loan, advising that they may accept or decline all or a portion of the funds. It will include information

about the advantages about keeping the loan debt to a minimum. The student or parent will have 14 days to respond.

Once the University has received confirmation from a student or parent that a post-withdrawal disbursement is to be made, any Credit Balance will be processed as soon as possible, and no later than 14 days after the R2T4 calculation has been completed.

Any unearned Title IV funds which the student may have received will be returned to the US Government using the G5 system by the University of York within 45 days of the date of withdrawal, with priority as follows:

- Unsubsidised Direct Loans
- Subsidised Direct Loans
- Graduate PLUS loans / Parent PLUS loans.

7. Contact

For enquiries about this document or US Federal Aid, please contact:

Student Financial Support
University of York
sfsu@york.ac.uk
(Office Hours: Monday to Friday, 10am - 4pm)

Appendix 1 - Definitions

Leave of absence

A leave of absence is a temporary interruption in a student's program of study. In the context of Title IV funds, a leave of absence refers to the specific time period during a program when a student is not in attendance and will return to complete the program. Students returning from a leave of absence are not required to re-apply for admission but must re-complete the enrolment process upon their return to their program of study.

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.

Early completion of the programme

In some cases, students may submit their final thesis before the maximum deadline date. If there is no further teaching or assignments required of the student, it will be considered that they have completed their studies, their student record will be closed, and the student will no longer be eligible to receive Federal Aid.

Programme transfers

Students may stay on the same degree-award level but opt to change the subject of their degree. Students should speak with their supervisory team or department in the first instance, as academic advice will be needed. Students may request a transfer at any time, but this usually happens during or at the end of the first year of study.

Upgrading or downgrading your level of study

Following successful or unsuccessful progression points (i.e. examinations, annual Thesis Advisory Panel (TAP) meetings, etc.), an academic department may make a formal recommendation to upgrade or downgrade a student's level of study. This change in study may affect the length of their course, which in turn may affect the amount of Federal Aid they are entitled to and/or any visa restrictions. It is recommended that students follow the procedures outlined in section 3 above to seek appropriate advice before the change is made to their student record.

Changing mode of attendance

Mode of attendance relates to the amount of time that a student is taking to complete their studies, i.e. full or part-time. Students must be continuously enrolled for at least half-time at the University of York to be eligible for Federal Aid. If students are considering a change to their mode of attendance, they must follow the procedures outlined in section 3 above to seek the appropriate advice before the change is made to their student record.