

R2T4 - Federal Aid - Return of Title IV Funds

This is the University's process for assessing what Title IV Federal Student Aid needs to be returned by the University, and by the student, on withdrawal of a student part way through a payment period.

Overview

Title IV funds are awarded to a student with an assumption that the student will attend University for the entire period for which the assistance is awarded. If a student does not begin their studies they are ineligible for any Title IV funds. If a student has commenced their studies and then subsequently ceases attendance prior to the planned end date of a payment period, the student may not then be eligible for the full amount of Title IV funds they were originally scheduled to receive. This guidance states how Title IV aid entitlement is calculated in these circumstances.

Withdrawals

If a student who receives Title IV aid withdraws or interrupts for more than 180 days the University will follow the requirements of returning funds laid down by the US Department of Education within 34 CFR 668.22. These requirements will be applied alongside University policies, including withdrawal and refund processes, which can be found online at:

[Student Administration: Change of Status](#)

[Tuition Fee Policies and Procedures](#)

Official Withdrawal

To request a withdrawal, you need to complete the Withdrawal Request Form which you can find in Student View. Once you have completed and submitted the form, you will receive an email confirming receipt of your request. Please contact your department on the first available working day after completing this form to discuss your withdrawal and whether this is actually the best option for you. The official **Withdrawal Date** is determined by the Student's request.

Unofficial Withdrawal

If a student withdraws unofficially (with no notification) then, except in unusual instances, the date of the determination that the student withdrew should be no later than 14 days after the student's last date of attendance as determined by the attendance records.

Please refer to the University's [Student Attendance and Engagement Monitoring Policy](#) for further information.

The Direct Loan Team will use the withdrawal, interruption or change of circumstance date documented in the University's student record system to determine the last date of attendance. This is known as the **Withdrawal Date**.

The date on which the University became aware of the withdrawal is known as the **Date of Determination**.

Approved Leave of Absence

If a student suspends their studies they must do so in accordance with the University's suspension of studies process which can be found online at:

[Student Administration: Change of Status](#)

If a student who receives Title IV aid suspends their studies, it is important that they contact the Direct Loan Team (directloan@port.ac.uk) in order for the correct loan status to be determined, as an interruption in studies may have a serious impact on a student's financial aid.

For the purposes of calculating Title IV funds earned, an approved leave of absence is a temporary interruption in a student's study lasting no more than 180 days in any 12-month period, for a non-academic reason, and following which a student can pick up their studies where they left off. As such, an approved Leave of Absence is only available to those studying on a PhD programme. A student need not reapply to continue their studies after an approved Leave of Absence. During an approved

leave of absence, a student will not: receive any further Title IV funds, go into repayment or have funds returned. If the student does not return after 180 days, the Direct Loan Team will use the interruption date documented in the University's student record system as the **Withdrawal Date**, and will calculate the earned loan amount, and the date a student enters repayment, based on this.

Return of Funds

Under federal regulations, the University is required to perform return of funds calculations within 30 days of the **Date of Determination**. The University must return funds within 45 days of the return of funds calculations.

The Direct Loan Team will use an RT24 (Return of Funds calculator provided by the US Department of Education) to determine how much of the loan may be retained and how much must be returned.

A student earns aid on a daily basis and therefore, if a student withdraws or interrupts, any unearned funds for that payment period will need to be returned to the US Department of Education.

The University determines the percentage of attendance for a payment period by dividing the number of calendar days enrolled in a payment period by the total number of calendar days in the payment period. Any scheduled breaks of five or more days are not to be included in the calculation.

After a student completes more than 60% of a payment period, they will be deemed to have earned 100% of their Title IV funds for that period and no funds are required to be returned.

Where the percentage of attendance is 60% or under for a payment period, the Direct Loan Team will determine the amount of unearned Title IV funds to be returned as follows:

Total that could have been disbursed for the payment period x percentage NOT completed = unearned aid

Once the amount the University and the student needs to return has been calculated, the University will return funds to the US Department of Education and notify the student if they need to return any funds themselves.

Loans are returned by the University in the following order:

1. Unsubsidised Stafford
2. Subsidised Stafford
3. PLUS (Graduate or Parent)

There are some Title IV funds, which students may have been scheduled to receive, that cannot be earned once a student withdraws because of other eligibility requirements. For example, a first year undergraduate, receiving aid for the first time, who withdraws within the first 30 days of a programme, will be deemed not to have earned any aid. As this policy uses a different calculation to University policies, it may mean that the student owes the University once funds have been returned to the US Department of Education. Students will be notified if this is the case.

Return of Funds by Student

If a student is notified by email that there are loan funds that must be returned (by the student) the student should repay in accordance with the terms of the promissory note. That is, scheduled payments are made to the US Department of Education over a period of time. Students who have received a payment of their loan proceeds before withdrawing may be required to return part or all of those funds to the US Department of Education.

Post Withdrawal Disbursement

In a situation in which the University has disbursed less than the earned Title IV funds, the Direct Loan Team will offer a post withdrawal disbursement to the student (or parent, in the case of a Parent PLUS loan). An email will be sent to the Student or Parent to inform them of this disbursement.

This offer:

- will be made within 14 days of the **Date of Determination**

- will state the type and amount of loan funds available
- will explain that the student (or parent for a Parent PLUS loan) may accept or decline all or a portion of the funds
- will request confirmation of any amount to be credited to the student's account, or disbursed to the borrower, and will explain the borrower's obligation to repay the loan
- will specify a deadline of 14 days for a required response/confirmation (if a response is not received, the Direct Loan Team will not disburse and will notify the borrower in writing)

Any post withdrawal disbursement will be paid directly to the student (or parent, in the case of a Parent PLUS loan) as soon as possible and no later than 14 days of our R2T4 calculation unless the student (or parent, in the case of a Parent PLUS loan) states that they would like the disbursement to be used to offset University charges.

University / Student Responsibilities

The University of Portsmouth's responsibilities in regard to the return of Title IV funds include:

- Providing each student with the information given in this policy
- Identifying students who are affected by this policy and calculating earned funds for those students
- Returning any unearned funds / processing a post withdrawal disbursement, if applicable

The student's responsibilities in regard to the return of Title IV funds include:

- Notifying the Direct Loan Team (directloan@port.ac.uk) of their intent to withdraw / interrupt
- Returning any unearned funds in accordance with the terms of their promissory note, if applicable
- Ensuring that any outstanding balance owed to the University resulting from a return of unearned funds are met
- Follow the University's Withdrawal process which can be found [here](#)

If you have any questions regarding this guidance, please email directloan@port.ac.uk quoting RT24 Query in the email subject field.