

Return of Title IV Funds (R2T4) policy

The University is required by Federal law to determine the amount of Federal Direct Stafford or Federal PLUS Loans that a student earns if they withdraw from the School, transfer to an ineligible course of study or dropping below the half-time intensity. Any 'unearned' funds must be returned to the lender in a procedure known as Return to Title IV (R2T4).

Changing the Status of your studies

It is essential that you email usloans@bcu.ac.uk, if you change the status of your studies as follows:

- Temporary withdrawal
- Permanent withdrawal
- Transfer course

Under US federal law, the University is required to report any changes to your enrolment within tight timescales. Based on your individual circumstances, it may be necessary to complete a Return to Title IV (R2T4) calculation.

Temporary Withdrawal: Agreed Leave of Absence/Suspension of Studies

A leave of absence or a suspension of studies for less than 180 days in a 12 month period may qualify as an 'approved' Leave of Absence. If you are granted an 'approved' Leave of Absence, you are not considered to have withdrawn, and no R2T4 calculation is required. During the Leave of Absence, you will not be eligible for any disbursements of federal aid. If you are granted an 'approved' Leave of Absence, you will maintain in-school status for Title IV loan repayment purposes.

For more information about the University temporary withdrawal policy, please refer to this section in our [Academic Regulations](#).

Permanent Withdrawal

When a student has decided to stop studying at the University and has no intention of returning, this will be classified as a permanent withdrawal.

Please read the withdrawal and interruptions policy in our [Academic Regulations](#), as this will have financial and visa implications.

Transfer course

If a student that is receiving Title IV funds for an eligible course, but then makes the decision to transfer to a course that is ineligible, this will be consider a permanent withdrawal and it will be treated the same way.

If the student received (or the University received on the student's behalf) less funding than the

amount earned, the student may be able to receive those additional funds. If the student received more assistance than was earned, the excess funds must be returned by the University and/or the student.

Please note a period of suspension from studies which is longer than 180 days in any 12 month period, for the purposes of US Federal Loans, is also treated as a permanent withdrawal. The monitoring of the 12 month period will begin on the first day of the suspension.

Last Date of Attendance

Official Withdrawal

The dates that a student has officially withdraw will be determined by the completion of a withdrawal form, plus an agreement between the faculty and the student their last date of attendance.

For more information about withdrawal, please read the withdrawal policy in our [Academic Regulations](#).

Unofficial Withdrawal

Withdrawal dates for students who unofficially withdraw will be the date that faculty becomes aware that a student ceased attendance. This will happen no later than 14 days after the student's last date of attendance, as determined by the faculty and the attendance records held for Tier 4 purposes.

The University have procedures in place for routinely monitoring attendance records to determine in a timely manner when a student withdraws. For more information, please refer to our website about [attendance and engagement with study](#).

R2T4 Calculation process

The US loans office will complete a Return to Title IV (R2T4) calculation to work out the amount of Title IV program assistance that has been earned, using a formula provided by the US Department of Education;

The calculation is based on the number of days the student attended minus unscheduled leave that are 5 days or more divided by the total numbers of days in Payment Period / Period of Enrollment.

Example 1:

Number of days student attended 70 days X 100
Number of days in payment period 110

64% earned. This is above 60 % so they have earned all and no funds needs to be returned

Example 2:

Number of days student attended 35 days X 100
Number of days in payment period 110

32% earned. This is less 60 % so student funds need to be returned. If institution disbursed

\$5000 for payment period, you have earned \$1600.

If it is calculated that you have completed more than 60% of your payment period, all the assistance you were due to receive for the payment period is considered to have been earned and no funds need to be returned.

If it is calculated that you have completed less than 60% of your payment period, the excess funds that you have already received must be returned to the US Department of Education. The University will return funds and you may also need to return funds.

If a student has not received a disbursement of Federal aid funds at the beginning of a disbursement period and subsequently withdraws, the amount of funds that a student has earned will be calculated and the appropriate amount will be disbursed and a refund submitted to the student if applicable following tuition fee subtraction. The remaining funds will be returned to the US Department of Education.

The requirements for Title IV program funds when you withdraw are separate from the University's [Credit and Refund Policy](#). You may, therefore, still owe funds to the University to cover unpaid institutional charges.

Loan Entitlement and Returning Funds

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 priority.

1. Unsubsidized Direct Loans
2. Subsidized Direct Loans
3. Parent PLUS Loans

The US loans team will inform withdrawn students by email of the amount that the University is obliged to return to the US Federal aid programme, the amount (if any) that needs to be paid to the University by the student, and the amount (if any) that is due to be refunded to the student by the University.

The University may also attempt to collect any Title IV program funds from you that the University is required to return.

Post-Withdrawal Disbursement

If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she is eligible to receive a post-withdrawal disbursement of the earned aid that was not received.

Loans must be offered to the student within 30 days, allowing the student at least 14 days to respond.

If the post-withdrawal disbursement includes loan funds, the student may decide to decline the loan funds so that further debt is not incurred. The US loans team will determine how much of the loan may be retained, how much must be returned and will communicate this to the student in writing via email.

For a student who withdraws after the 60% point in time, even though a return of Title IV aid is not required, the US loans team may have to complete an R2T4 calculation to determine whether the student is eligible for a post-withdrawal disbursement.

30 Day Rule

This rule is for students that are classified as being first-year, first-time undergraduate borrowers to the US Federal Loans programme are not permitted access to their loan funds until 30 days after enrolment has occurred.

In terms of withdrawals, there are some Title IV funds that students were scheduled to receive that cannot be earned once a student withdraws because of other eligibility requirements. For example, if a first-time, first-year undergraduate student has not completed the first 30 days of the program before withdrawal, the student will not earn any Federal loan funds that he or she would have received had the student remained enrolled past the 30th day. 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:

- The institutional charges multiplied by the unearned percentage of the funds OR
- The entire amount of excess funds

The University must return this amount even if it did not keep this amount of the Title IV program funds. If the University is not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that must be returned, the student should repay in accordance with the terms of the Master Promissory Note; 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.

Credit balance

If a credit balance remains after the Return to Title IV (R2T4) calculation is done, the University has 14

days to return the credit balance to the US Department of Education.

Questions

If you have any questions regarding this Return of Title IV Funds (R2T4) policy, please contact the US loans team by usloans@bcu.ac.uk.