

Return of Title IV Funds Policy

Introduction

Students receiving US Department of Education Title IV Financial Aid 'earn' Title IV aid equal to the amount of attendance in a given enrolment period. If a student ceases attendance before the planned ending date of that period, St Mary's is responsible for calculating the amount of 'unearned' aid and returning it to the US Department of Education.

This policy provides guidance on how Return of Title IV Funds (referred to as R2T4) for US Direct Loan programmes is managed. It applies to recipients of all types of US Federal Loans managed by the University. These loans are also referred to as Financial Aid. This policy covers any case where a student's registration ceases or temporarily pauses. This includes:

- Self-withdrawal
- Temporary or permanent exclusion as the result of a disciplinary process, fitness to study practise, and/or failure to abide by University regulations
- Failure to attend their programme
- Failure to arrive or enrol for their studies
- Leaves of Absence
- Any other circumstances that impact on a student's registration and eligibility for US Federal Loans

Associated policies

This policy should be read in conjunction with the following policies in effect at St Mary's University:

[Attendance Monitoring Policy](#)

[Student Visa Engagement and Monitoring Policy](#)

[Withdrawal Policy](#)

[Leave of Absence Policy](#)

[Tuition Fee Regulations](#) *(please note that the University's refund procedures operate separately from any Return to Title IV calculations. When US Federal Loans do not cover fees owed to the University, the student remains liable for these fees.)*

[Academic Regulations for Taught Degrees](#)

[Academic Regulations for Research Degrees](#)

[Satisfactory Academic Progress Policy](#) *(currently under review)*

Please see the Appendix to this policy for further information on Leave of Absence and Withdrawal procedures.

Determining the date of withdrawal

A student's date of withdrawal is determined by the student's last date of attendance according to the University's attendance monitoring records. Except in unusual circumstances, the date of the determination that a student withdrew will be no more than 14 days (including holidays, breaks and weekends) from the last date of attendance.

In the case where a student notifies a relevant St Mary's staff member that they intend to withdraw, the student must be advised to submit a withdrawal request through their student portal. When a student's official withdrawal request is approved earlier than their last day of

attendance in the University's attendance monitoring records, the earlier date will be used in R2T4 calculations.

In the event a student receives all failing grades for a semester, the Course Lead will determine if the "F" grades were earned or represent a lack of attendance. In the event it is determined that those grades were the result of lack of attendance, the last day of attendance in the University's attendance monitoring records will be used in R2T4 calculations.

Students who do not attend any teaching sessions in a given enrolment period are ineligible for Title IV funds. Their full loan will be returned to the lender.

Calculating R2T4 funds

The US Federal Aid Office, currently located with the University's International Department, is responsible for calculating R2T4 funds. This office uses worksheets and software provided by the US Department of Education to calculate the R2T4 funds that must be returned. All funds must be returned to the lender within 45 days of the date the student is determined to have withdrawn.

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 on a pro rata basis using the following principles:

- The payment period is the semester for which the loan was certified
- The number of calendar days the student attended in the payment period is divided by the total number of calendar days in the payment period (excluding scheduled breaks of five days or more and days that the student was on an approved leave of absence). This gives the percentage of the payment period during which the student was enrolled.
- The amount of Financial Aid the student was originally scheduled to receive during the payment period is multiplied by this percentage to give the amount of Financial Aid the student has 'earned' during the payment period. For example, if the student was enrolled for 30% of the payment period, they would earn 30% of the assistance they were originally scheduled to receive.
- If the student was enrolled for more than 60% of the payment period, all the Financial Aid that the student was originally scheduled to receive is considered to have been earned.
- The earned Financial Aid is subtracted from the disbursed Financial Aid to determine the amount of Financial Aid the student may still be able to receive or may have to return.
- If the student received less Financial Aid than the amount earned, the student may be able to receive those additional funds. If the student received more Financial Aid than was earned, the excess funds must be returned by the University and/or the student.

University's and student's responsibilities for returning unearned Financial Aid

The US Federal Aid Office will use the R2T4 worksheets approved by the US Department of Education to determine how much of the loan may be retained and how much must be returned. The University will perform the R2T4 calculation within 30 days of the student's withdrawal and any unearned Title IV funds will be returned within 45 days of the student's withdrawal. Funds will be returned by the University's Finance Office. Title IV funds will be returned in the following order:

1. Unsubsidized Federal Stafford loans
2. Subsidized Federal Stafford loans
3. Federal PLUS loans

A first-year undergraduate student who is receiving Federal Aid for the first time, who withdraws within the first 30 days of a programme, will be deemed not to have earned any Financial Aid. If a student fails to begin attendance at all, all Title IV funds must be returned.

The student must repay any loan funds that must be returned in accordance with the terms of the promissory note. 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. Students are notified via e-mail if they are required to return any funds as a result of the R2T4 calculation. The student is responsible for returning these funds to their loan servicer.

The requirements for Title IV program funds when students withdraw are separate from the University's refund policy. Therefore, the student may still owe funds to St Mary's to cover unpaid institutional charges. The University may also charge for any Title IV program funds that the school was required to return. Students may receive a copy of the Tuition Fee Regulations, which governs tuition fee refunds, from the Fees Office.

Post-withdrawal disbursements

If the student did not receive all of the funds that were earned, he or she may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the student may choose to decline the loan funds so that additional debt is not incurred.

The University will offer a post-withdrawal disbursement of loan funds within 30 days of the date the student is determined to have withdrawn. The student (or parent, if applicable) will be given a 14-day period during which to respond to the offer of a post-withdrawal disbursement.

St Mary's will apply a student's post-withdrawal disbursement (including loan funds, if the student accepts them) for tuition, fees, and room and board charges (as contracted with the University) first. For all other charges, the University needs the student's permission to use the post-withdrawal disbursement. If the student does not give permission (which St Mary's will ask for at the time of enrolment) the student will not be offered the funds. However, it may be in the student's best interest to allow the University to keep the funds to reduce their debt at the University. Any remaining credit balance after payment of these fees will be disbursed to the student (or parent, if applicable) within 14 days.

Where to go for further information

The US Federal Aid Office at St Mary's University can advise students about the issues in this policy. They can be reached at federalaid@stmarys.ac.uk.

Students 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**. Information is also available on the Federal Student Aid website: www.studentaid.ed.gov.

Appendix: Information on Leaves of Absence and Withdrawals

Withdrawals and Leaves of Absence are managed by the University's Registry. Students initiate both withdrawal and LOA requests through their online student portals on E-Vision.

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 courses.

Unapproved Leaves of Absence.

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.

Official Withdrawal

A "withdrawal" refers to a student's intent to completely terminate studies at an institution with no expectation of return.

Unofficial Withdrawal

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

Note:

Students who withdraw from modules or the programme receive a fail grade on their transcript if they do not notify the University. The grade is considered the same as an "F" grade 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 Requests

Approved LOA's

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. If an LOA does not meet the conditions, the student is considered to have ceased attendance and to have withdrawn and the University is required to perform a Return calculation.

In order for an LOA to qualify as an approved LOA:

1. All requests for LOA's to be submitted through the student's online portal and include all required information, including the LOA's requested start and end dates and the reason for applying.
2. Students must apply in advance for an LOA unless unforeseen circumstances prevent the student from doing so.

3. The situation described for the reason of 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.
4. 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 school is not in session for the purposes of retaining eligibility for Federal Aid.

All requests for LOA's will be reviewed by Registry and the US Federal Aid Office. The student will be notified in writing of the University's decision.

During the LOA, the institution will not levy 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.

If the student is a Stafford Loan recipient, the University will explain to the student prior to granting the LOA the effects that the student's failure to return from an LOA may have on the student's loan repayment terms, including the expiration of the student's grace period.

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 leave, they continue to earn the Federal Student Aid previously awarded for the period.

Completion of coursework upon return

In as much as approved leaves of absence are viewed as temporary interruptions in a student's attendance, and since the academic programs at the University are considered term-based programs, 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 of subsequent disbursement. Therefore, for students enrolled in a credit-hour term programs, in order for an LOA to be an LOA, the University must allow a student returning from an LOA to complete the coursework that he or she began prior to the LOA.

Students who return earlier than anticipated

The University may permit a student to return before the expiration of the student's LOA in order to review material previously covered. 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 reached 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 for Federal Aid purposes.** 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.

Students who fail to return from LOA's

If a student does not return to the school 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

A student who is granted an approved LOA is considered to remain in an in-school status for Title IV loan repayment purposes. If a student on an approved LOA fails to return, the University must report to the loan holder the student's change in enrolment 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. Therefore, 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

St Mary's 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. The student's withdrawal date is the date the student begins the LOA. An unapproved LOA may be treated as an official withdrawal since the school would have previously granted an LOA. Therefore, the University would know immediately that the student had ceased attendance for Title IV purposes, and must use the specified withdrawal date in the return calculation.