



## **Return of Title IV funds Policy (R2T4)**

### **Overview**

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

Cardiff Metropolitan University will follow this policy when a student in receipt of US Federal Title IV funding (Direct and PLUS loans) withdraws or suspends (takes a Leave of Absence) from their programme of study at Cardiff Metropolitan University. For R2T4 purposes, a Leave of Absence (LoA) for longer than 180 days or an 'unapproved LOA' is also deemed to be a withdrawal.

This policy will also be used to calculate the return of Title IV funds to the US Department of Education for reasons other than Withdrawals / Leave of Absence. The policy will apply when a student completes or graduates earlier than expected; when a student becomes ineligible for federal aid at Cardiff Metropolitan University due to changes in their enrolment status; or for any other reason that federal aid funding is returned to the US Department of Education.

Students funding their studies through the US Federal Aid system are required to inform the US Loan Administrator of their withdrawal at the same time as notifying their respective Academic / Personal Tutor. To ensure compliance with the R2T4 guidelines that the process commences no later than 14 days after the student withdraws, and as Cardiff Metropolitan is an institution which is required to monitor attendance in accordance with the Tier 4 Sponsor Policy Guidance, the US Loan Administrator must rely on the respective School tutor/UKVI monitoring process to advise accordingly.

### **Refund Policy:**

Cardiff Metropolitan operates a refund policy for all students who have officially enrolled at the University. The University Policy should therefore not to 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):

<https://www.cardiffmet.ac.uk/international/study/info/Documents/International%20Student%20Tuition%20Fee%20Refund%20Policy%20-%202012June2020.pdf>. The University may also attempt to collect from the students any Title IV funding that Cardiff Metropolitan University is required to return to the US Department of Education.

### **Procedure to officially withdraw from Cardiff Metropolitan University:**

The Cardiff Metropolitan University website provides information which outlines the procedure should students wish to suspend or withdraw from their programme of study. Students must request a withdrawal form from the Academic Registry.

The student will be interviewed by the US Loan Administrator and the financial liabilities to Cardiff Metropolitan University will be advised both verbally and in writing. Cardiff Metropolitan University will deduct any fees due as outlined in the refund policy.



### **Treatment of Title IV funds when a student withdraws (including unapproved LOA and LOA for more than 180 days)**

When a student withdraws, and the withdrawal form is processed through the Academic Registry department, the University will use the best information available to determine the withdrawal date.

When Global Engagement Directorate receives official notification that a student is withdrawing, then the last date of attendance used in the R2T4 calculations is the date of the acceptance of the withdrawal form by the Academic registry department or the last date of attendance as identified by institutional procedures, whichever is earlier.

If **no official notification is received**, the last date of attendance is the day that Cardiff Metropolitan University became aware that the student had stopped attending and will aim at determining this no later than 14 days. This will be brought to the attention of the Academic Registry/US Loan Administrator as identified through institutional procedures such as the student failing to attend class, or failing to register on the nominated date for the required UKVI attendance monitoring.

The US Loans Administrator 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, using the worksheet: *Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program*.

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

Students who complete more than 60% of the Payment Period are deemed to have earned 100% of the scheduled Title IV funds for that period and is considered to have been 'earned'.

In order to calculate the amount of 'unearned' loan funds a student may have received, the percentage of the course completed must be calculated as follows:-

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

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.

Any 'unearned' Loan funds must be returned in the following order:

1. Unsubsidized Direct loans
2. Subsidized Direct loans
3. Graduate PLUS loans
4. Parent PLUS loans

Any funds returned by the University will be done so within 45 days of the Date of Determination.

Any unearned funds that have been disbursed directly to the student will be paid back to the 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 will be notified within 30 days of the Date of Determination of the requirement to repay the overpayment or else make satisfactory arrangements to repay the overpayment, in accordance with the terms set out the student's Promissory Note.

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

### **Post Withdrawal Disbursement Process:**

#### **Cardiff Metropolitan University's Responsibility:**

If Cardiff Metropolitan University owes the student a post withdrawal disbursement of funds, the following action will be taken:

**Cardiff Metropolitan University will contact the student, or a parent for a Direct Parent PLUS Loan, in writing, prior to making any post-withdrawal disbursement of loan funds, 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. Cardiff Metropolitan University 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 parent, advising that they may accept or decline all or a portion of the funds, but will include information about the advantages about keeping the loan debt to a minimum.

Once Cardiff Metropolitan University has received confirmation from a student, or parent in the case of a Direct Parent PLUS Loan, that a post withdrawal disbursement is to be made, (recommended time frame to receive a response is 14 days), it must be processed as soon as possible, but no later than 180 days after the date of the school's determination that the student withdrew.

Any unearned Title IV funds which the student may have received will be returned to the US government using the G5 system by Cardiff Metropolitan University within 45 days of the date of withdrawal, with priority as follows: Unsubsidised Direct Loans, Subsidised Direct Loans, Graduate PLUS loan and Parent PLUS loan.

#### **Student Responsibility:**

If a student did not receive all of the funds earned, a post-withdrawal disbursement may be due, but the student must give the permission for this to take place. However, Cardiff Metropolitan University can automatically deduct without the student's permission, any charges due for tuition, fees and accommodation, if applicable, up to the amount of the outstanding charges.



A student may choose to decline some or all of the funds to avoid incurring additional debt.

Any loan funds that a student, or parent are required to be repaid, must be in accordance with the terms of the Promissory Note.

**The following definitions relate to the Cardiff Metropolitan University Return of Title IV funds policy:**

**Official Withdrawal:** is when a student formally notifies Cardiff Metropolitan that they will withdraw from their studies. The student notifies the academic department and completes the university withdrawal form. The date this form is processed through Academic Registry is the date of withdrawal used for the Return of Title IV funds calculation.

**Unofficial Withdrawal:** is when a student ceases attending the university, but the University does not receive formal notification of their intention to withdraw.

**Leave of Absence (Suspension of Studies):**

Students wishing to temporarily interrupt their studies should complete in writing the Cardiff Metropolitan Suspension of studies form and include the reasons for the suspension of studies and the start and end date for the period of suspension which should be agreed by the course tutor. A copy of the completed form will be forwarded to the US Loan Administrator at Cardiff Metropolitan for any students receiving federal loans. The US Loan Administrator will determine whether the conditions of the suspension of studies are eligible for the absence to be deemed as an **'approved leave of absence'** for Title IV purposes.

**An Approved Leave of Absence:** is a temporary interruption in a student's program of study for a period not more than 180 days in length. Students returning from an approved leave of absence are not required to re-apply for admission and must enroll again on their course. Where possible students should apply in advance for an approved leave of absence (unless circumstances prevent the student from doing so). The reason for an approved leave of absence must generally be non-academic in nature and must be one that leads to a reasonable expectation that the student will return to their studies within the allowed timeframe. During an approved leave of absence the student will not be liable for any additional charges from the University for that period, however existing charges will remain. The students financial need will not increase, therefore the student will not be eligible for any disbursements of federal student aid for that period.

**Students 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 that is granted an approved leave of absence is not considered to have withdrawn and no return of Title IV calculation is required. Upon the students return they continue to earn the federal aid previously awarded for the period, as long as they can complete their studies within the original timeframe of their studies.

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 a Return of Title IV Calculation should be completed.

**Unapproved Leave of Absence:**

Cardiff Metropolitan may grant a period of suspension of studies to a student which does not qualify as an approved leave of absence. For Title IV purposes this will be considered as a



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Withdrawal from the academic programme and a return of Title IV funds calculation will be undertaken.

**Please note that in all cases Cardiff Metropolitan rules on suspension of studies should be followed as documented in the [Academic Handbook](#).**