

## R2T4 (Return of Title IV Federal Student Aid) policy

*The University's policy for assessing what Title IV Federal Student Aid funds need to be returned by the University, and by the student, on the withdrawal of a student part way through a payment period.*

*Active from September 2020*

### 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 then they are ineligible for any Title IV Aid. If a student has commenced study and then subsequently ceases attendance prior to the planned ending date of the payment period, the student may not then be eligible for the full amount of Title IV funds the student was originally scheduled to receive. This policy states how that Title IV Aid entitlement is calculated in that situation.

### Policy

- Students earn Title IV aid in direct proportion to the amount of attendance within a payment period.
  - The University determines the percentage of Title IV Aid earned for the Payment Period as a ratio of completed days to total days within the payment period.
  - Completed days and total days will not include any days of authorized absence.
    - For the purposes of calculating Title IV Aid earned, authorized absence is an temporary interruption in a student's study lasting no more than 180 days in any 12 month period, and following which a student can pick up their studies where they left off.
  - Completed days and total days will not include any days in scheduled breaks of five or more days.
- After a student completes (or is scheduled to complete) more than 60% of the payment period, they will be deemed to have earned 100% of their Title IV funds for that period.
- In a situation in which the University has disbursed more than the earned Title IV aid, a return of unearned funds will be paid to the Department of Education.
  - Any unearned funds that have been credited to the student's financial account at the University will be returned to the Department of Education by the University.
  - If a return is required, the University will determine the amount of unearned Title IV aid it is responsible for returning. The amount of funds due from the institution is calculated by adding all the institutional charges incurred by the withdrawal date, then multiplying that total by the percentage of the period the student did not complete.

- Any funds returned by the University will be done so in the statutory order:
  - 1: Unsubsidized Direct Loan
  - 2: Subsidized Direct Loan
  - 3: Direct Grad PLUS Loan
  - 4: Direct Parent PLUS Loan
  
- 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 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.
  
- In a situation in which the University has disbursed less than the earned Title IV aid, it will offer a Post Withdrawal Disbursement to the student (or parent, in the case of a Parent PLUS Loan).
  - This offer:
    - Will be made within 30 days of the Date of Determination.
    - This offer will state the type and amount of loan funds available, and will explain that the student (or parent for a Parent PLUS loan) may accept or decline all or a portion of the funds.
    - This offer 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.
    - This offer will specify a deadline of 14 days for a required response/confirmation.
  - If a response to the offer is not received from the borrower within 14 days, the University will not disburse and will notify the borrower in writing.
  - Any Post Withdrawal Loan will be paid directly to the student (or parent, in the case of a Parent PLUS Loan) within 180 days of the Date of Determination, unless the student (or parent, in the case of a Parent PLUS Loan) states that they would like the PWD to be used to offset University charges.

- The University will use the best information available to determine a student’s withdrawal date.
  - This is carried out by the student’s faculty administration and put onto the University database no later than 14 days after the withdrawal date.
  - The date on which a student is deemed to have withdrawn is known as the **Withdrawal Date**. This is defined as the date on which the University and the student last had any meaningful academic contact.
    - Meaningful contact means contact that is academic or academically related at which the student attended.
    - Examples include:
      - Physically attending a lecture / tutorial
      - Submission of an academic assignment
      - Taking an exam
      - Attending a study group assigned by the University
      - Participating in an online discussion about academic matters
      - Initiating contact with a member of University staff about the academic subject being studied
  - The date on which the University became aware of the withdrawal is known as the **Date of Determination**.

➤ Example to illustrate R2T4

Loan Disbursement	Relevant Period	Study days
Disbursement 1 (Semester 1)	05/10/2020 – 31/01/2021	94 (excludes Xmas break)
Disbursement 2 (Semester 2)	01/02/2021 – 12/06/2021	108 (excludes Easter break)

- An undergraduate student starts their course on 05/10/2020 but withdraws on 16/11/2020.
- They have completed 42 days of the 95 day relevant period and has earned 44.2% of their federal aid disbursement.
- If the student received \$2500 in federal aid, 55.8% of this amount, equaling \$1395, needs to be returned to the Department of Education.
- If the University charged the student \$1500 for the tuition already received, then 55.8% of this (i.e. \$837.00) would have been unearned and the University would return \$837 directly to the Department of Education.
- The remainder of the repayment (\$558) would need to be returned to the Department of Education by the student.
- **Note:** If the student had instead withdrawn on 02/12/2020 they would have completed 58 days, which is 61.1% of the relevant 95 day period. As this exceeds 60%, they would have earned a 100% entitlement to federal aid for that payment period and no Title IV refund would be required.

- The University's Refund Policy can be found here:  
[https://cdn.southampton.ac.uk/assets/imported/transforms/content-block/UsefulDownloads\\_Download/7DBFEA638EB74BA4B6B1D69EF0FAC1B2/refund-policy-revised-2018.pdf#\\_ga=2.174836770.1427711632.1591547006-39525404.1579168395](https://cdn.southampton.ac.uk/assets/imported/transforms/content-block/UsefulDownloads_Download/7DBFEA638EB74BA4B6B1D69EF0FAC1B2/refund-policy-revised-2018.pdf#_ga=2.174836770.1427711632.1591547006-39525404.1579168395).
  
- The University's Leave of Absence policy can be found here:  
<https://www.southampton.ac.uk/student-services/visa-and-immigration/during-your-studies/attendance-and-absence.page>