

## **Return of Title IV Funds Policy**

### **U.S. Financial Aid for U.S. Students**

#### **1.0 Overview**

U.S. Federal regulations require that if a student receiving Title IV (U.S. Federal Aid) funds withdraws, the University of Southampton completes a Return of Title IV calculation. This is completed by the Financial Information and Assistance team.

The amount of Title IV funds (Direct Loan and PLUS loans) due for return by the University as a result of student withdrawal is different and calculated independently of tuition fee liability charged by the University following a student's withdrawal from a programme, it is therefore possible that you may have to return loan money and still have tuition fees to pay to the University of Southampton.

For tuition fee charging policy or further information, please see

[http://www.soton.ac.uk/study/feesandfunding/ug\\_feesrefundpolicy.html](http://www.soton.ac.uk/study/feesandfunding/ug_feesrefundpolicy.html) if you are an undergraduate student or [http://www.soton.ac.uk/postgraduate/feesandfunding/pg\\_feesrefundpolicy.html](http://www.soton.ac.uk/postgraduate/feesandfunding/pg_feesrefundpolicy.html) if you are a postgraduate student. For further information please contact the Student Services Centre, 023 8059 9599.

Loan programmes governed by these regulations are

- DIRECT Subsidized Loan
- DIRECT Unsubsidized Loan
- DIRECT PLUS (Parent and Graduate) Loans

#### **2.0 Early Withdrawal from Programmes**

##### **2.1 Registration of Withdrawal**

Students are required to inform their Faculty, and the Finance Information and Assistance team ([stufunds@soton.ac.uk](mailto:stufunds@soton.ac.uk)) of their withdrawal. The withdrawal date is the date the Faculty Office enters into the Student Records System (Banner).

If you are considering withdrawing, you are strongly advised to seek detailed advice from the Financial Information and Assistance team who will be able to give you a detailed breakdown of your loan money to be immediately returned to the US Government and the effect on what you owe to the school.

##### **2.2 Calculation of Title IV entitlement**

Federal Law specifies how the University must calculate funding entitlement earned up to the point a student withdraws from the University. If a student withdraws prior to completing 60% of the relevant period they have not 'earned' all of their federal financial aid and a Return of Title IV Funds calculation must be performed.

The University usually disburses federal aid in termly instalments, subject to normal disbursement conditions, so the calculation is based on the number of days in each term that you are in registration. No disbursements will be made to students who have failed to register, withdrawn or completed their programme.

For the purpose of calculating federal aid entitlement a study day is any day in the relevant period that is available for study, regardless of whether any teaching is scheduled. Scheduled breaks of 5 days or more are excluded from both attendance counted and payment period.

#### **Example: Undergraduate Student Periods**

Loan Disbursement Date	Relevant Period	Study days
Disbursement 1 (Date)	27/09/2012 – 15/12/2012	80
Disbursement 2 (Date)	07/01/2013 – 15/03/2013	69
Disbursement 3 (Date)	15/04/2013 – 15/06/2013	62

An undergraduate student starts their course on 27/09/2012 but withdraws on 09/11/2012. They have completed 44 days of the 80 day relevant period and has earned 55% of their federal aid disbursement. If the student received £2500 in federal aid the University must return 45% of this amount, equalling £1125, to the lender. This would be charged as a debt against the student account, see 2.3 below.

**Note:** If the student had instead withdrawn on 17/11/2012 they would have completed 52 days of the relevant 80 day period and earned 65% of their federal aid. As this exceeds 60%, they have a 100% entitlement to federal aid for that period and no Title IV refund would be required.

#### **Example: Postgraduate Student Periods**

Postgraduate cheques are released termly but cover the periods below.

Loan Disbursement Date Relevant Period

Loan Disbursement Date*	Relevant Period (52 Weeks = 365 days)	Study Days
Disbursement 1	01/10/2012 – 31/12/2012	92
Disbursement 2	01/01/2013 – 31/03/2013	91
Disbursement 3	01/04/2013 – 30/09/2013	183

\* Dates are for example purposes only; postgraduate students may start their course at any time throughout the year.

A postgraduate student starts their course on 01/10/2012 but withdraws on 15/11/2012. They have completed 46 days of the 92 day relevant period and has earned 50% of his federal aid disbursement. If the student received £4000 in federal aid the University must return 50% of this amount, equalling £2000, to the lender. This would be charged as a debt against the student account, see 2.3 below.

**Note:** If the student had withdrawn on 08/12/2012, they would have completed 69 days of the relevant 92 period and earned 75% of their federal aid. As this exceeds 60%, they have a 100% entitlement to federal aid for that period and no Title IV refund would be required.

### **2.3 Liability of the Student where Title IV funds are returned.**

Federal regulations require the University to return unearned funds within 45 days. If the return of the funds creates a balance due on the student account, the student will be responsible to pay the full balance on their account. If funds have been returned for a student based on a specified withdrawal date those funds cannot be reinstated if the withdrawal date is later changed for whatever reason.

### **2.4 Further Information.**

Before withdrawing financial aid recipients can contact the Financial Information and Assistance team based in the Student Services Centre, Building 37, Highfield Campus to determine the effect this will have on their financial aid entitlement. The Financial Information and Assistance team can be contacted by telephone on 023 8059 3287 or by email at [stufunds@southampton.ac.uk](mailto:stufunds@southampton.ac.uk).