

## **UH Return to Title IV Funds Policy (R2T4)**

If a student who receives Title IV funding withdraws, takes a leave of absence for more than 180 days, or drops below half time attendance, the University of Hertfordshire will follow the requirements of returning funds laid down by the US Department of Education. This will be applied alongside the School's withdrawal and refund policy. The UH Student Finance department will use RT24 Return of Funds Calculator provided by the US Department of Education to determine how much of the loan may be retained and how much must be returned.

### **Withdrawal/Leave of Absence Procedure**

Details of the University of Hertfordshire's withdrawal policy can be found within our [University policies and regulations](#). Students who decide to withdraw or take a leave of absence from their studies should inform their school of study in writing, including the reason for withdrawal. The school of study is responsible for determining the date of withdrawal/leave of absence period (normally the last day the student attended). The withdrawal date is used in all Return to Title IV calculations.

If the student fails to formally notify the University of their withdrawal/leave of absence, but they stop attending classes, the University will take the withdrawal/leave of absence date as the last date of academic activity.

All students who are in receipt of US Federal Loans must also email [usloans@herts.ac.uk](mailto:usloans@herts.ac.uk) to advise of their change in circumstance. Using the US Department of Education regulations, the UH Student Finance department will then calculate the amount of Federal Loan funding which the student is entitled to receive up to the point of withdrawal:

- If a student has received less funding than the amount they are entitled to, the student may be able to receive the additional funds
- If the student has received more funding than the amount they are entitled to, the excess funds must be returned to the US Loans authority by the University and/or student

Students who are in receipt of Title IV funds and are not in attendance are reported to the University's Compliance team, who will consult with the student's school of study to determine if the student attended classes, or to verify the last date of attendance.

### **UH Refund and Tuition Fee Policy**

The University of Hertfordshire's [Student Refund Policy](#), available at our refunds webpage provides the University's [refund process](#). Refunds will be calculated in accordance to UH's [Fees and Finance Policy](#).

**Return of Overpayment – Withdrawal and Leave of Absence for more than 180 days**

Title IV financial aid recipients who withdraw, are administratively withdrawn from their studies using the formula provided by the US Department of Education.

The UH Student Funding and Financial Support team are responsible for the correct calculation of the unearned funds using the formula provided by the US Department of Education. The UH Accounts Receivable team are responsible for the transfer of R2T4 funds to the US Department of Education. Both teams sit within the UH Student Finance department.

Title IV Financial Aid recipients who receive an overpayment resulting from changes in enrolment, cost of attendance, general eligibility will be required to return funds in amount necessary to eliminate overpayments. In accordance with Federal Regulations, refunds are allocated in the following order:

- Unsubsidized Direct loans
- Subsidized Direct loans
- Direct PLUS loans

The following calculation has been provided by the US Department of Education to calculate the amount of unearned funds:

$$\frac{\text{Number of days enrolled on the program}}{\text{Total number of days in the payment period}} = \text{Amount of loan funds earned}$$

**Calculation of Title IV entitlement**

Return to Title IV calculations are carried out in accordance with US Government regulations, using the US Federal Loan Return to Title IV Worksheet.

The UH Student Finance department completes a worksheet for all students in receipt of US Federal Aid who withdraw or suspend studies. The amount of funding to which a student is entitled, is determined on a pro rata basis.

The payment period is the semester for which the loan was certified and the percentage of attendance is calculated by dividing the number of days attended by the total number of days in the payment period. For example, if the student completes 30% of the payment period or period of enrolment, the student has earned 30% of the assistance they were originally entitled to receive.

If a student withdraws having completed more than 60% of their payment period or period of enrolment they will be deemed to have earned 100% of their loan entitlement for that payment period. If the student did not receive all of these funds, he/she may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the student can choose to decline the loan funds so the additional debt is not incurred.

The UH Student Finance department will use the Return to Title IV worksheet to determine how much of the loan may be retained and how much must be returned.

<u>Loan Period</u>	<u>Total number of days</u>	<u>Term dates</u>	<u>Non study days</u>	<u>Study days</u>	<u>Post 60% date for R2T4</u>
1 Sep – 31 Dec 2016	119	26 Sept – 21 Dec 2016	21 Dec – 31 Dec 2016 = 10	109	11 Nov 2016
1 Jan – 31 March 2017	96	5 Jan – 31 <sup>st</sup> Mar 2017	1 Jan – 5 Jan = 5	91	28 Feb 2017
1 Apr – 31 May 2017	60	18 Apr – 19 May 2017	1 Apr – 18 Apr 2017 = 19	42	6 May 2017
1 Apr - 30 Sep 2017	182	18 Apr – 19 May 2017	1 Apr – 18 Apr 1 May 29 May 28 August 29 August = 22	164	8 July 2017

If a student withdraws having completed less than 60% of their payment period or period of enrolment, the student will not be entitled to receive 100% of their loan entitlement and the University will use the Return to Title IV worksheet to calculate the proportion they are entitled to receive.

Once the Return to Title IV calculation is complete, the Student Finance department will provide the student with a copy of the repayment worksheet and a letter outlining the amount to be returned.

The University's [Fees and Finance Policy](#) and R2T4 policy have different requirements. Therefore the student may owe funds to the University to cover any unpaid institutional charges. The University will collect any unearned US Loan funds required to be returned from the student. If the student fails to cover any unpaid charges, they will be subject to the [University's sanctions for the non-payment of debts](#).

**University and Student Responsibilities**

The University of Hertfordshire's responsibilities in regard to the return of Title IV funds include:

- Providing each student with the information given in this policy
- Identifying students who are affected by this policy and completing the Return of Title IV funds for those students
- Returning to Title IV programs and Title IV funds that are due

**Student Responsibilities include:**

- Notifying the school of study and the UH Student Finance department ([usloans@herts.ac.uk](mailto:usloans@herts.ac.uk)) of their intent to withdraw/rest from all courses
- Returning to Title IV programs any funds which were disbursed directly to the student and for which the student was determined ineligible through the Return of Title IV Funds calculation

Federal regulations require the University to return unearned funds directly to the student's lender within 45 days. If the return of funds creates an outstanding balance on the student's account, the student will be responsible to pay the full outstanding balance.

Please contact the [UH Student Finance Department](#) for further information on this policy.