

UH Return to Title IV Funds Policy (R2T4)

This policy specifies how the University of Hertfordshire will determine the funds that the students have earned if they withdraw from the University. The University of Hertfordshire will follow the requirements of returning funds laid down by the US Department of Education. The University's 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 by a student and how much must be returned if a student ceases attendance prior to the planned ending date. If a student has queries regarding their Title IV program funds, they can call the US Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243).

The student receives Title IV funding in the amount of attendance. The proportion of aid earned equals the percentage of the payment period. 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 outlined in this policy.

Using the US Department of Education regulations, the University's 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.

Withdrawal Procedure

Official Withdrawal

Details and instructions of the University's withdrawal policy can be found within our University Policies and Regulations named [Student Withdrawal Regulations](#), and advice can be found on [Ask Herts](#). 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 University of Hertfordshire is an attendance taking Institution. Therefore, the school of study is responsible for determining the date of withdrawal/ approved leave of absence period (normally the last day the student attended). The withdrawal date is used in all Return to Title IV calculations.

The title IV students who are in receipt of US Federal Loans must also email usloans@herts.ac.uk to advise of their change in circumstance.

Unofficial Withdrawal

Students who have stopped attending classes and did not follow the official withdrawal process of the school are considered as being on an "unauthorised break" from their studies. **When**

considering US Federal loans, the University is classed as an attendance taking institution. Schools/institutions that are attendance taking must make a determination within 14 days of a student's non-attendance if they should be withdrawn or not. At this stage, their student record will be updated, students will be withdrawn, and the last date of attendance recorded in the school's student records system. The same date will be used to calculate any outstanding fees for the relevant academic year and in conjunction with U.S. Federal regulations, a calculation of Return to Title IV funds will be undertaken using the last date of attendance. The University is an attendance monitoring institution and full engagement policy can be found in the [Engagement with Learning Policy for Students on a Student Route Visa](#).

Withdrawal calculation

If you withdraw from your course, you must inform Student funding and financial support team and your school of study, as soon as possible. Students who do not attend any classes are ineligible for Title IV funds, and all the loan proceeds will be returned to the Department of Education. Direct Loans is earned 100%, if the R2T4 calculation results in more than 60% earned (a student attended 60% or more of a loan payment period). The R2T4 calculation may result in a reduction of a student's US federal loan(s) if the student attended 60% or less of a loan payment period.

For the purposes of the R2T4 calculation, the withdrawal date is the last date of attendance at an academically related activity as identified by the University. Scheduled breaks of five days or more AND days that a student was on an approved leave of absence are excluded from the RT24 calculation. The day of withdrawal is counted as a completed day.

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

Calculation method:

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

$$\frac{\text{Number of days student attended- unscheduled leave more than 5 days}}{\text{Total number of days in the payment period}} = \text{Amount of loan funds earned}$$

The University's 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 the student did not receive all of these funds, he/she may be due a post-withdrawal disbursement PWD.

In accordance with Federal Regulations, refunds are allocated in the following order:

- Unsubsidized Direct loans
- Subsidized Direct loans

- Direct PLUS loans

Calculation timeline:

The University's 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. The school will use the last date of attendance for that term to calculate R2T4 within 14 days of the student record system being updated.

The University must return the funds to the Department of Education within 45 days of the calculation.

If the amount of the Earned Title IV funds exceeds the amount that has been disbursed, the difference is due to the student as a "Post-Withdrawal Disbursement" PWD.

PWD: The University must offer the student (or parent in the case of a PLUS) the PWD within 30 days of the Date of Determination and request confirmation that the PWD is accepted.

PWD notifications:

The University must, within 30 days of the date of determination, notify the student and parent in the case of a PLUS loan of the following points:

- The borrower may decline all or a portion of the loan disbursement
- The University may request confirmation of any amount to be credited to the student's account or directly disbursed to the borrower
 - Advise the obligation to repay the loan
 - Require a response of 14 days
- The University reserves the right to not disburse if the response is late
- If the University decides to not disburse, the borrower will be advised by email
- If the event of no response from the borrower, no disbursement of the PWD will be processed and the PWD will be returned to the Department of Education. If there is a credit balance owed to the student after the RT24 calculation this will be disbursed to the student, no later than 14 days after the RT24 calculation.

A Post withdrawal disbursement may be used to pay the following charges:

- Tuition or school related fees.

A student "earns" aid daily and therefore if a student withdraws any "unearned" aid for that payment period will need to be returned.

Once a RT24 calculation has been undertaken the University will issue a copy to the student, if unearned funds have to be returned by the University, a payment will be issued to G5 and the student's loan disbursement record will be updated in the Common Origination and Disbursement (COD) portal.

The University's [Student Refund and Compensation Policy](#) can be found on the University's website and will also be sent to the student when they enrol.

Approved leave of absence (LOA) Policy

Leave of absence (LOA) is a temporary interruption in a student's program of study. The approved leave of absence cannot exceed 180 days in a 12-month period. The 12-month period begins on the first day of the student's initial approved LOA.

The student must request leave of absence in writing to the University's Student Funding and Financial Support Officer for approval. The email stating the reasons for the request should be sent

to usloans@herts.ac.uk. You will also need to inform the University's Student Immigration Team at SIAdvice@herts.ac.uk. Full process on how to request an approval for Leave of Absence is outlined on Ask Herts [here](#). If a student is a Title IV recipient, the University's Student Funding and Financial Support Officer must explain the requirements and regulations of their financial aid status (grace period, repayment, etc.) prior to granting the approved LOA. The information that will be provided will include the financial consequences if the student fails to return from approved LOA. A student granted approved LOA is not to be considered withdrawn and no return of Title IV calculation is required.

If a student cannot resume their education at the point they left off before they went on an approved leave of absence, the period cannot be counted as approved leave of absence for Title IV purposes. Instead, US regulations relating to Title IV, require that we treat this as a withdrawal and use the date the change in enrolment began to update a student's enrolment to withdrawn.

If a student can resume their education at the point, they left off before they went on approved LOA then the total period of approved LOA must not exceed a total of 180 days in any 12-month period, and this includes weekends and scheduled breaks. We will count the number of days between the start and end date of the period of approved LOA including weekends and vacation. Upon return from approved LOA, the University may not charge the student any further tuition fee charges.

This policy is in compliance with federal regulations, [34 CFR 668.22 \(d\)](#), the following criteria outline the requirements to process an approved LOA.

It is important to note that approved LOA cannot be granted for academic reasons (for example: to keep a student from failing). There must be reasonable expectation that the student will return from approved LOA. If a student does not meet the approved LOA criteria, the student is considered to have ceased attendance from the institution and a Title IV return of funds calculation is required if the student received federal aid.

Approved LOA Impact on Financial Aid:

The University will neither credit a student's account nor deliver loan proceeds to the student borrower while the student is on an approved leave of absence. A student who is approved for a leave of absence after receiving financial aid for the term may be required to return a portion of the aid previously received.

Federal educational loan regulations state that the maximum approved Leave of Absence allowed is 180 days (6 months), and beyond that the borrower will be considered as withdrawn from the University for loan repayment purposes. The University's Student Funding and Financial Support Officer is required to calculate the amount of financial aid the student earned and the amount of financial aid that must be returned. These calculations are based on the time the student was enrolled.

Student borrowers are given a six-month grace period on most types of federal loans starting at the date enrolment ceases. Lenders will treat the borrowers' loans as if the borrower were still enrolled in school full-time. Once a grace period is used on a specific loan, it will not be given again. At the end of this six-month grace period, the student will be required to enter repayment on their federal educational loans until they return to school; however, deferment or forbearance options are available if the student makes a request to their lender. If the LOA exceeds 180 days or more this will be treated as withdrawal.

Unapproved leave of absence

A student may be granted an unapproved leave of absence that does not meet the conditions to be an approved LOA for Title IV purposes. However, an LOA that does not meet all the conditions for an approved LOA is considered a withdrawal for Title IV purposes. The student's withdrawal date is the student's last day of attendance recorded by the University.

Find out more about the University's Leave of Absence Policy [here](#).

Please contact the University Student Finance Department for further information on this policy.