

UNIVERSITY OF STRATHCLYDE

**US federal Loans Return of Title IV Funds Policy
(R2T4)**

Overview

United States Department of Education - Return to Title IV (R2T4) Regulations

The law specifies how the University of Strathclyde must determine the amount of Title IV program assistance (Direct Loans) that students earn if they withdraw or interrupt. Student Finance is responsible for calculating R2T4 and the University's Banking team is responsible for returning the funds to the Department of Education. Student Finance use worksheets provided by the US Department of Education to calculate the R2T4 funds. All funds must be returned to the lender within 45 days of the date of when the University determines that a student withdrew.

If you have questions about your Title IV program funds, students can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available at Student Aid on the Web at www.studentaid.ed.gov.

Treatment of Funds when student withdraws

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.

The date of withdrawal is determined by the Student Experience and Enhancement Services (SEES) Directorate as advised by the student's Department and would be the last day the student attended.

If the student received (or the University received on the student's behalf) less assistance than the amount that is earned, the student may be able to receive those additional funds.

If the student received more assistance than was earned, the excess funds must be returned by the University and/or the student.

For students who withdraw from their studies it may be necessary to complete a Return to Title IV (R2T4) calculation, and arrange for the return any 'unearned' or credit balance funds as soon as possible, and no later than 14 days after the R2T4 calculation has been completed.

The University is not required to take attendance but Departments will take attendance at labs, tutorials etc.

All American students with a Student Visa will be monitored in line with UK Visa and Immigration guidance. Students will receive more information regarding this at registration.

In the case where a student notifies their Department or a faculty member that he or she intends to withdraw, the student must be informed of the need to officially advise Student Business within the SEES Directorate and document the date the student notified them and share that information with the SEES Directorate. The student is expected to formally write to Student Business to notify them of their decision to [Withdraw](#). Should the student fail to formally advise the SEES Directorate or there is a lag between the notification, the earlier date of notification will be used in calculating the R2T4 formula.

In the event a student receives all failing grades for a semester, the Personal Tutor/Programme Director will contact academic staff to determine if the failing grades were earned or represent a lack of attendance. In the event it is determined that those grades were a result of lack of attendance, the Personal Tutor/Programme Director will attempt to determine the last day of

attendance and use that date in the R2T4 calculations. If the exact date cannot be determined, the University will assume 50% attendance, and use that date as the last date of attendance.

Students who do not attend even one class, are ineligible for Title IV funds and all of the loan proceeds will be returned to the lender.

Calculation of Title IV entitlement

The amount of assistance earned 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 scheduled to receive. Once the student has completed more than 60% of the payment period or period of enrolment, all the assistance that the student was scheduled to receive for that period is considered to have been earned.

If the student did not receive all of the funds that were earned, he or she may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the student may choose to decline the loan funds so that additional debt is not incurred.

Student Finance will use the R2T4 worksheets as provided by the US Department of Education to determine how much of the loan may be retained and how much must be returned.

The University may automatically use all or a portion of your post-withdrawal disbursement (including loan funds, if the student accepts them) for tuition, fees, and accommodation (as contracted with the University). For all other University charges, the University needs the student's permission to use the post-withdrawal disbursement. If the student does not give permission the student will not be offered the funds. However, it may be in the student's best interest to allow the University to keep the funds to reduce the debt due to the University.

There are some Title IV funds that students were scheduled to receive that cannot be earned once a student withdraws because of other eligibility requirements. If the student receives (or the University receives on behalf of the student) excess Title IV program funds that must be returned then the University must return a portion of the excess equal to the lesser of:

The institutional charges multiplied by the unearned percentage of the funds, or

The entire amount of excess funds.

The University must return this amount even if it didn't keep this amount of the Title IV program funds. If the University is not required to return all of the excess funds, the student must return the remaining amount.

Any loan funds that must be returned, the student must repay in accordance with the terms of the promissory note. That is, scheduled payments are made to the holder of the loan over a period of time. Students who have received a refund of their loan proceeds before withdrawing may be required to return part or all of those funds to the lender.

Title IV funds will be returned in the following order:

Unsubsidized Federal Direct Loans
Subsidized Federal Direct loans

PLUS Loan Funds

The requirements for Title IV program funds when students withdraw are separate from any refund policy that the University may have. The student may still owe funds to the University to cover unpaid institutional charges. The University may also attempt to collect from the student any Title IV program funds that the University was required to return.

Strathclyde University Refund Policy

The University of Strathclyde operates a [refund policy](#) for all students enrolled at the University. This is applied independently and should not be confused with the R2T4 calculations and refunds.

Definitions:

Leave of Absence and Withdrawal

Official Withdrawal

Is when a student formally notifies Strathclyde University that they will withdraw from their studies. The student notifies the academic department in writing and requests to withdraw from their programme of study. The date this communication is processed through Student Business 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)

Student wishing to temporarily interrupt their studies for part of a session, should contact their Advisor of Studies/Counsellor. In certain circumstances they may be recommended to apply for voluntary suspension. This application will be considered by the Head of Department/ School (or nominee) and is subject to approval by the Vice Dean (Academic). Confirmation of this LOA will be forwarded to the Student Finance team for any students receiving federal loans who 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 enrol again on their course.

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

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

For further information on interruption/suspension of studies, please refer to [Absence and Voluntary Suspension](#) website.

Unofficial Withdrawal

An unofficial withdrawal occurs when a student ceases to attend the University, but the University has not received notice of this from the student

We will monitor your attendance through the attendance monitoring system and will also be in regular contact with your programme team to ensure that if any student unofficially withdraws, Strathclyde University can comply with the return of Title IV funds and adhere to the appropriate timelines.