# US Federal Loans: Return to Title IV (R2T4) Policy

US federal law specifies that, should a student withdraw from their programme of study, the University of Wolverhampton must complete a Return to Title IV (R2T4) calculation and arrange for any ‘unearned’ loan funds to be returned to the US Department of Education. For R2T4 purposes, a Leave of Absence (LOA) for longer than 180 days or an ‘unapproved LOA’ is also deemed to be a withdrawal (see further detail and definitions below). When considering US Federal loans, the University is classed as an attendance taking institution.

A LOA is a temporary interruption in a student's programme of study and is equivalent to a suspension / suspension of status at the University of Wolverhampton.

This policy covers the following topics:

* University of Wolverhampton’s procedure for withdrawing or taking leave of absence, including the offices designated to receive official notifications of intent to withdraw;
* University of Wolverhampton’s fee refund policy;
* Requirements regarding the treatment of Title IV funds when a student withdraws or takes leave of absence.

The policy should enable students to:

* Determine the procedures for withdrawing and the financial consequences of doing so;
* Estimate how much Federal Student Aid (FSA) he or she will retain, and how much he or she may have to return, upon withdrawing;
* Understand the difference and interaction between the University’s refund policy and the federal return requirements;
* Understand how the University might adjust a student’s charges to take into account any Return of FSA funds the University might be required to make;
* Understand that if he or she withdraws, University charges that were previously paid by FSA funds might become a debit that the student will be responsible for paying;
* Understand the effects that a failure to return from LOA may have on loan repayment terms, including the expiration of the grace period.

This policy will also be used when calculating the return of funds to the US Department of Education for reasons other than withdrawal / leave of absence. The policy will be applied when a student completes or graduates earlier than anticipated, when a student becomes ineligible for federal aid at the University of Wolverhampton following changes to their enrolment or other factors or for any other reasons that federal aid funds are returned to the US Department of Education.

## University of Wolverhampton Policy: Withdrawal or Leave of Absence (LOA)

### How to Withdraw / or Request a Leave of Absence (LOA)

Withdrawal and Leave of Absence requests must be submitted online by students via their personal [e:Vision](https://smsweb.wlv.ac.uk/urd/sits.urd/run/siw_lgn) account (University of Wolverhampton student account).

Students are advised to make an appointment to discuss withdrawal and LOA requests with their Faculty Student Advisor before making an official request submission.

The request will be subject to approval by the relevant Faculty Student Office. Notification of your request will be confirmed via [e:Vision](https://smsweb.wlv.ac.uk/urd/sits.urd/run/siw_lgn) and email.

Students funding their studies through US federal student loans are required to inform the US Loans Team of their withdrawal / leave of absence at the same time as notifying their Faculty Student Office.

## University of Wolverhampton Policy: Refunds of Fees

The amount of Title IV funds due for return as a result of a withdrawal is calculated independently of the tuition fee liability charged by the University.

For reference, the University’s Refund Policy is as follows, and is not to be confused with R2T4 calculations and refunds: <https://www.wlv.ac.uk/study-here/money-matters/how-to-pay/fee-liability-refunds-and-debtor-policy/> .

International students will normally be required to pay a £3,000 deposit, which is non-refundable except in the following circumstances:

* where a Visa refusal is solely as a direct result of a University of Wolverhampton administrative error;
* where course applied for is not running and there is no suitable alternative.

Deposits will not be refunded where visa refusal is as a result of an error on the applicant’s

part e.g.

* failure to present qualifications;
* not meeting the maintenance requirements;
* late request for visa where the applicant has decided not to study at this University;
* where the application is found to be fraudulent.

For each deposit refunded, a £500 administration charge will be made. Requests for refunds must be made within 12 months of visa refusal or notification of course discontinuation.

For standard courses starting in September 2017 with international tuition fees, enrolment on each of the following dates results in the following fee liability:

*Liability 1*

25th September 2017: £3000 Non-returnable deposit contribution to the year’s tuition fee.

*Liability 2*

2nd January 2018: 100% Balance of year’s tuition fee

For standard courses starting in January 2018 with international tuition fees enrolment on each of the following dates results in the following fee liability:

*Liability 1*

15th January 2018: £3000 Non-returnable deposit contribution to the year’s tuition fee.

*Liability 2*

9th April 2018: 100% Balance of year’s tuition fee

Similar liability points will apply to courses starting at other points in the year. Where the

course fee is less than £3000, the full course fee will be payable as a deposit.

The decision made by the Head of Admissions on receipt of a timely and fully completed refund request is final. Applicants who are dissatisfied with the final decision may submit a formal complaint at <https://www.wlv.ac.uk/current-students/conduct-and-appeals/>

Further information regarding visa and immigration policies can be found at: <http://www.wlv.ac.uk/international/visas-and-immigration/>

## Treatment of Title IV funds when a student withdraws (including unapproved LOA and LOA for more than 180 days

When a student withdraws, the US Loans Team will calculate the amount of Title IV funds that has been earned up to that point, using a formula provided by the US Department of Education. The proportion of the disbursement up until the date of withdrawal is earned, but the balance of the disbursement for the rest of the term is unearned and must be returned. This applies to both the share of the disbursement kept by the University for tuition and accommodation and the share kept by the student for living expenses.

The University will return funds within 30 days of identifying the withdrawal by completing a Return of Title IV (R2T4) calculation. Loan funds must be returned in the following order:

1. Federal Direct Unsubsidized loans

2. Federal Direct Subsidized loans (awarded to undergraduates only)

3. Federal PLUS and Grad PLUS loans

The amount of loan funds earned is calculated as follows:

*Number of study days completed*

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ = Amount of loan funds earned*

*Total number of study days in payment period*

Once the student has completed more than 60% of the payment period, all the assistance that the student was scheduled to receive for that period is considered to have been earned. For example, if a student completes 30% of the payment period, s/he has earned 30% of the assistance they were originally scheduled to receive within that loan period. If the student has completed 60% of the payment period, s/he has earned 100% of the assistance they were scheduled to receive.

If the student received more assistance than was earned, the excess funds must be returned to the US Department of Education by the University and / or the student. If the student received (or the University received on the student’s behalf) less assistance than the amount earned, the student may be able to receive those additional funds as a post-withdrawal disbursement.

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

Students who do not attend even initial lectures or seminars are ineligible to receive any Title IV funds and all loan proceeds will be returned to the US Department of Education. The student will be liable for any fees or outstanding balances owed to the University.

The University will send the student a copy of the R2T4 calculation showing the value returned by the University and against which loans it has been returned, and notification of the value to be returned by the student and the value to be repaid in the normal way.

Within the same 30 days, the University will also inform NSLDS (National Student Loan Data System) of the withdrawal which will trigger all loans going into repayment.

The University will also direct the student to exit counselling which will explain repayment arrangements.

The student MUST contact their servicer to make arrangements for repayment.

Full details of Federal requirements can be read in the FSA Handbook which is available at

<https://ifap.ed.gov/ifap/byAwardYear.jsp?type=fsahandbook&awardyear=2017-2018>

### Unofficial withdrawals

An unofficial withdrawal occurs when a student ceases to attend the University but the University has not received notice of this from the student. Faculty Administrators are required to advise the US Loans Team of any unofficial withdrawals of federal loan recipients.

For R2T4 purposes, the US Loans Team will use as the date of withdrawal either:

* the last date of attendance is determined by the attendance records which are monitored for all students in receipt of a Tier 4 visa;
* the last date of attendance as recorded within Faculty module or course registers.

The unofficial withdrawal will then follow the normal procedure for returning Title IV loan funds.

#### Leave of Absence may be deemed to be Withdrawal

It is rarely possible for a Leave of Absence to not count as a withdrawal. The primary reason is that students who leave and return must be able to resume at the exact same point of the course. Students considering taking leave of absence are strongly advised to discuss this with their Faculty Student Advisor or Personal Tutor and the US Loans Team for personalised information to confirm whether their plans would count as an official Leave of Absence or Withdrawal for Title IV purposes.

## Treatment of Title IV funds when a student takes approved LOA for less than 180 days

In order to qualify as an approved LOA for the purposes of federal aid (negating the need for the University to perform a Return calculation), the LOA must meet the conditions outlined below:

* the LOA must be approved by the University, in accordance with the procedures outlined above;
* the situation described as the reason for the LOA must be one that leads to a reasonable expectation that the student will return from the LOA within the allowed time frame;
* the LOA, together with any additional leaves of absence, must not exceed a total of 180 days in any 12-month period, including days in which the University is not in session;
* the student must resume study at the same point in the academic programme that s/he began the LOA;
* the LOA must be requested in advance, unless unforeseen circumstances prevent the student from doing so (for example, injury or illness);
* the University must inform the student of the possible consequences a withdrawal may have on the student’s loan repayment terms, including exhaustion of the student’s grace period.

A student granted a LOA that meets the criteria stated above is not considered to have withdrawn, and no return calculation is required.

During the LOA, the University will not charge the student any additional institutional charges, the student's financial need will not increase, and therefore, the student will not be eligible for any disbursements of Federal Student Aid. A student who is granted an approved LOA maintains enrolled status for Title IV loan repayment purposes.

The start date of the LOA for federal loans purposes is the date that the LOA comes into effect. Where an LOA is requested retrospectively, the date the leave of absence was approved may be used.

If a student does not return from an approved LOA or the LOA does not qualify as an approved LOA, the student will be deemed to have withdrawn for the purposes of federal aid and R2T4 will be required. One possible consequence of not returning from an LOA is that a student’s grace period for Title IV program loan repayments might be exhausted.

## Further Information

Please contact the US Loans Finance Team (U.S.Loans@wlv.ac.uk) for further information.