



Return to Title IV Funds Policy

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Introduction

US Federal Law specifies how a School must determine the amount of Federal Direct Stafford or Federal PLUS Loans that a student earns if they withdraw from the School, transfer to an ineligible programme of study or drop below half-time intensity.

In summary any unearned funds must be returned to the lender in a process known as Return to Title IV (R2T4).

The [Funding, Graduation & Awards Office](#) are responsible for calculating R2T4. All funds must be returned to the lender within 45 days of the date of when the School determined that a student withdrew or became ineligible.

Any funds that have been disbursed and regarded as an overpayment must be returned to the loan servicer by the student within the same timeframe. Upon notice of a withdrawal from study, Funding, Graduation & Awards will notify you of any funds that may require repayment once the R2T4 calculation has been completed.



Changes to Personal Circumstances

We recognise that personal circumstances can change and may affect your studies, but it's important to be aware that such changes can also affect your right to borrow US Federal Loans.

You must ensure that your personal details (such as your address, telephone number, email address) held by the University are correct and up-to-date.

Changes to Academic Circumstances

The financial implications of taking a Leave of Absence, transferring programme or withdrawing from the University altogether can have significant financial implications. For further guidance please contact the Funding, Graduation & Awards Office.

If you have an approved leave of absence from your studies which will be longer than 180 days, then your status will be changed to 'withdrawn' for the purposes of US Federal Loans. This is not to be confused with being classified as 'withdrawn' from your programme of study.

Leave of Absence

A Leave of Absence is a temporary interruption in a student's programme of study, when a student is not in attendance but intends to return and complete the programme of study. There is typically no need to re-apply for admission, as students are expected to continue their programme from the same point at which they took the Leave of Absence. The student is required to notify Funding, Graduation & Awards of any granted Leaves of Absence.

Further information can be found here -

<https://intranet.birmingham.ac.uk/as/registry/studentrecords/services/leave-of-absence.aspx>

If the student's application for a Leave of Absence is not approved, then the student is deemed to have ceased attendance and will be withdrawn.

Permanent Withdrawal

A permanent withdrawal means that the student has decided to stop studying at the University, and has no intention of returning to continue the programme of study in the future. Withdrawing from University has financial and visa implications. The student is required to notify Funding, Graduation & Awards of any permanent withdrawal.

Further information can be found here:

<https://intranet.birmingham.ac.uk/as/registry/studentrecords/services/postgraduate-taught-withdrawal.aspx>

Transferring programme

Transferring to an ineligible programme of study or dropping below half-time is treated in the same way as a permanent withdrawal. If the student received (or the University received on the student's behalf) less funding than the amount 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.



If the student does not notify Funding, Graduation & Awards of their permanent withdrawal, then the University will use the last date of eligible attendance to compute the R2T4 formula.

Please note a period of suspension from studies which is longer than 180 days in any 12 month period, for the purposes of US Federal Loans, is also treated as a permanent withdrawal. The 12 month period begins on the first day of the suspension.

Determining Last Date of Attendance

A student's last date of attendance is the date of their decision to take a Leave of Absence or permanently withdraw.

If the student does not return to the School at the expiration of an approved Leave of Absence, the student's withdrawal date is the date the student began the Leave of Absence. If the University is unable to determine the date of withdrawal e.g. due to no communication from the student, then the date of withdrawal will be determined by the academic department, normally the last known date of attendance obtained from our attendance records.

Calculating the Amount to Be Returned

When a student withdraws or becomes ineligible, the amount of Title IV funding that has been earned up to that point is determined by a specific formula.

The amount of assistance earned is determined on a pro-rata basis and the percentage of attendance is calculated by dividing the number of hours completed by the total number of hours in the payment period. For example, if the student completes 30% of the hours in a payment period, the student has earned 30% of the assistance they were originally scheduled to receive. Once the

student has completed more than 60% of the hours in a payment period, 100% 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. For more information, see below:



2019/20 Payment periods

	Loan Period	Total no. of days	2019/20 Term Dates	Non-study days	Study days*	60% threshold date**
Loan Period 1	30 September 2019 – 12 January 2020	105	30 September 2019 – 13 December 2019	14 December 2019 – 12 January 2020 = 29 days	76	15 November 2019
Loan Period 2	14 January 2020 – 26 April 2020	104	14 January 2020 – 27 March 2020	28 March 2020 – 26 April 2020 = 30 days	74	26 February 2020
Loan Period 3	27 April 2019 – 30 June 2020 (9 month programmes)	64	27 April 2020 – 19 June 2020	20 June 2020 – 30 June 2020 = 8 days	56	31 May 2020
	27 April 2020 – 28 September 2020 (12 month programmes)	154	27 April 2020 – 28 September 2020	None	154	28 July 2020

*Non-study days are breaks of 5 or more consecutive days only

** Students who withdraw having completed over 60% study periods will remain eligible for loans within the payment period; however they will not be eligible for funds from any future payment periods.

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, which is recommended. Funding, Graduation & Awards will determine how much of the loan may be retained and how much must be returned and will communicate this to the student in writing via email.

30 Day Rule for First-Time First-Year Undergraduates

Students classified as being first-year, first-time undergraduate borrowers to the US Federal Loans programme are not permitted access to their loan funds until 30 days after enrolment has occurred.

In terms of withdrawals, 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. For example, if a first-time, first-year undergraduate student has not completed the first 30 days of the program before withdrawal, the student will not earn any Federal loan funds that he or she would have received had the student remained enrolled past the 30th day. If the student receives (or the University receives on behalf of the student) excess Title IV program funds that must be returned, the University must return a portion of the excess equal to the lesser of:

- 1) The institutional charges multiplied by the unearned percentage of the funds OR
- 2) 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 should repay in accordance



with the terms of the Master Promissory Note; 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.

Loan Entitlement and Returning Funds

If you withdraw from the University, or make changes to your studies that affect your eligibility for Title IV Direct Loans, we will recalculate your loan entitlement based on the period of attendance/entitlement. As a result, the University or you, may be required to return funds to the U.S. Department of Education from the Title IV Direct Loans subsidised / unsubsidised or PLUS loans received/disbursed. Future disbursements may also be affected.

Title IV funds will be returned in the following order:

- 1) Unsubsidized Federal Direct Stafford Loans
- 2) Subsidized Federal Direct Stafford Loans
- 3) Federal Direct PLUS Loans

A student may still owe funds to the University to cover unpaid institutional charges. The school will also attempt to collect from the student any Title IV program funds that the school was required to return.

Contacts

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

Following review of this policy, if you have questions or if you wish to inform Funding, Graduation & Awards of any changes to your status by emailing USLoans@contacts.bham.ac.uk