

Falmouth University Return of Title IV Policy

Summary

Title IV funds (“Federal Aid”) are awarded to a student with the assumption that the student will attend school for the entire payment period for which the assistance is awarded. Payment periods are normally framed in each Study Block.

This Policy outlines the requirements and responsibilities of Falmouth University and the student (“student”) in receipt of Federal Aid.

When a student ceases attendance prior to the planned ending date, the student may not be eligible for the full amount of Federal Aid funds the student was scheduled to receive.

US federal law specifies that, if a student begins attendance and then withdraws from their programme of study in the middle of a payment period, Falmouth University 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 For the purposes of Title IV, a student is considered withdrawn, if they ceased attendance in the University or withdrew 100% from their programme of study.

This policy covers the following topics:

Falmouth University’s procedure for withdrawing or taking leave of absence, including the offices designated to receive official notifications of intent to withdraw;

Falmouth University’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) they will retain, and how much they 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 they withdraw, 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 Falmouth University 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.

Loans in Scope:

- Federal Direct Subsidised Loan
- Federal Direct Unsubsidised Loan
- Federal Direct PLUS (Parent/Graduate) Loans

Section 1: Principles

- Student earns Title IV aid equal to the amount of attendance.
- Percentage of aid earned is equal to the percentage of the payment period or the period of enrolment completed.
- If FALMOUTH UNIVERSITY has disbursed more aid than the student has earned, Federal aid will be returned to the U.S. Department of Education.
- If FALMOUTH UNIVERSITY has disbursed less Title IV aid than the student has earned, a post-withdrawal disbursement will be calculated and will be offered to the student.
- After the student completes more than 60 per cent of the payment period or period of enrolment, the student has earned 100 per cent of the scheduled Federal aid and there will no requirement for a RT24 calculation.
- FALMOUTH UNIVERSITY policies have no material impact on the level of aid earned under an RT24 calculation.
- FALMOUTH UNIVERSITY will use the withdrawal date documented in the university record system (SITS) to determine last date of attendance.
- If a student who receives Title IV funding withdraws, interrupts for more than 180 days or drops below half time attendance or withdraws from Falmouth. FALMOUTH UNIVERSITY will follow the requirements of returning funds outlined by the US Dept of Education. The School will use RT24 (Return of funds) to determine how much of the loan may be retained and how much must be returned by either the School or student.
- Full information on interruption and withdrawing from FALMOUTH UNIVERSITY can be found in the sections below

Section 2: Withdrawal Types

Tier 4 students

Official withdrawal. All U.S. students wishing to officially withdraw from their programme must refer to the Falmouth University website for details of the withdrawal process, which can be found in the [Student Registration Policy](#) and [US Federal Loans - Refund Policy and SAP | Falmouth University](#)

The official withdrawal date for Tier 4 students will be the student's Last Date of Attendance as signed off by the Academic Department and recorded in the university record system, and tuition fees will be calculated accordingly. The withdrawal is reported to UKVI within 10 days of the update being processed in the record system. The University will also report the withdrawal via the National Student Loan Database (NSLDS). The date of withdrawal is the earlier of the date the student notified the university of their intention or the date the student submitted the withdrawal form.

Unofficial withdrawal. Students who have stopped attending classes and did not follow the official withdrawal process of the university are considered as being on an "unauthorised break" from their studies. At this stage, the record will be updated, and the last date of attendance recorded in the university 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 during the Academic Semester. University administrators are required to advise the US loans team of any unofficial withdrawals of federal loan recipients.

The date of withdrawal will be determined as follows:

- Official withdrawal: in a case where a student notifies the University that he or she intends to withdraw, they will be informed of the need to complete the official Withdrawal Form, including an indication of their last attendance date. The content of the form will need to be signed off by the relevant Academic Department and the Student Records Team.
- Unofficial withdrawal: Without an official Withdrawal Form, the School will update the record first to "break unauthorised" and, after one academic year, will write the record off as forcibly withdrawn. determine the last date of attendance according to the last attendance recorded on the university online registers and/or any other type of engagement such the submission of coursework.

Note: USDE regulations require Schools to complete a RT24 calculation when a student unofficially withdraws and return the funding to the Department of Education. The university will use the last date of attendance for that term to calculate R2T4.

Failure to Progress to the next year of studies or to be Awarded, and Failure to Attend Classes

Academic failure is where the student attended all classes but failed to achieve the minimum requirements at the end of an academic year to progress to the next or to be awarded the expected qualification. In this instance, the university will not perform an R2T4 calculation.

Failure to attend your course will be deemed an academic failure and the university will use your last date of attendance to calculate RT24.

If the attendance level of a student who has successfully registered for any given academic year

starts falling below satisfactory levels, the Academic Department and Student Records Team will follow the required procedures and follow up with the student. Further to this, there can be four outcomes:

- the student starts re-engaging satisfactorily
- the student pursues an Interruption of Studies
- the student decides to withdraw permanently
- student is deemed as being on “unauthorised break” if not responding.

In all but the former case, the student will be reported to UKVI and their sponsorship withdrawn if they hold a Tier 4 visa.

Section 3: Calculating earned financial Aid

Provisions within (34 CFR 668.22- U.S Department of Education) require the university to return unearned funds to the US Department of Education.

Timing of calculation: Under federal regulations, the University is required to perform calculations within 30 days from the date on which the university determines a student’s complete withdrawal. The university must return the funds within 45 days of the calculation and the calculation must be performed within 30 days of the date of determination of withdrawal.

Calculation method: When a student withdraws from the University, a calculation will be carried out by the university to determine the amount of financial aid that has been earned, and hence the amount (if any) to be returned. The earned financial aid will be determined by applying the total value of aid for the student’s enrolment for that academic year to the percentage of the course which has been attended.

The percentage of earned funds is calculated based on the number of days attended, divided by the number of days in a payment period. The payment period is the term for which the loan was certified, and the attendance percentage 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, 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, all the assistance that the student was scheduled to receive for that period is considered to have been earned.

In order to calculate the amount of unearned loan funds a student may have received, the percentage of the programme completed must be calculated as follows:

Number of calendar days completed

Number of calendar days in payment period = % completed

Please note: in calculating the number of days, scheduled breaks of more than 5 days should be excluded from both the numerator and the denominator in the above calculation.

If the amount of the Earned Title IV funds exceeds the amount that has been disbursed, the difference is due 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: FALMOUTH 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.

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

- Tuition
- Amend to Fee
- Room and board (FALMOUTH UNIVERSITY operated residences only).
- Any credit balance will be disbursed no later than 14 days after the calculation of R2T4.

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 students loan disbursement record will be updated in the Common Origination and Disbursement (COD) portal.

Funds will be returned to the U.S. Department of Education.

Loans are returned in the following order:

- Federal Direct Unsubsidized Loan
- Federal Direct Subsidized Loan
- Federal Direct Plus Loans.

If a student never commences attendance for a payment period the student is not an eligible for Title IV funds, therefore R2T4 (34 CFR 668.22) does not apply. The university will return all aid back to the Department of Education.

The university are required to notify the loan servicer when funds have been disbursed directly to the student.

The calculation used for this policy is separate from the FALMOUTH UNIVERSITY Fees Policy. It may mean that the student has a balance to pay FALMOUTH UNIVERSITY once the funds has been returned to the U.S. Department of Education. Students will be notified by email.

If the student is notified that there are loan funds that must be returned (by the student) the student should repay in accordance with the terms of the Master Promissory Note. That is,

scheduled payments are made to the holder of the loan over a period. Students who have received a refund of their loan proceeds before withdrawing may be required to return part or all those funds to the lender

Section 4: Interruption of Studies

A request to take an interruption of studies is made by the student and reviewed by the Academic Department and the Student Records Team before being authorised and formalised in the record system. 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.

- Institutionally scheduled breaks of 5 or more consecutive days are excluded from both the numerator and the denominator of the R2T4 calculation
- Breaks of less than 5 consecutive days are not excluded, rather included in the R2T4 calculation.

The policy for Interruption of Studies at the university is available [here](#) along with details on how to request an interruption of studies.

Tier 4 students wishing to suspend their studies are advised to check the impact on their Tier 4 visa status before considering a suspension. More information for Tier 4 students can be found by contacting the Student Records Team.

An Interruption of Studies (Taught Students) cannot be longer than 12 months. It can be shorter than 12 months if the student is authorised to return to undertake repeat tuition for a portion of the following academic year.

There is an expectation that the student will return to study after their interruption. For the purpose of Title IV, Falmouth University cannot approve a LOA if a student cannot resume their education at the same point in their programme of study that they began the LOA. This is considered unscheduled leave and the student will be withdrawn for FA purposes only. The University will perform an R2T4 calculation if a student is withdrawn in the middle of a payment period.

If the student cannot return to resume their programme after 12 months, a new interruption request must be made and considered. Second interruption requests require a higher level of approval and are only approved in very exceptional circumstances. If a student does not return from interruption without requesting a second interruption, they will be deemed to be on “unauthorised break” and kept at this status for an additional academic year before the student is forcibly withdrawn and the record is written off and closed. A Return to Title IV funds calculation is required if the student is in receipt of US financial aid, if the interruption will last more than 180 days.

When a student interrupts their studies, their tuition fees for that academic year are recalculated in line with FALMOUTH UNIVERSITY's Tuition Fee Policy:

- Once the interruption is approved, the student is not considered as withdrawn and no Return of Title IV calculation is required. An unapproved LOA is deemed as withdrawal.
- The borrower of financial aid will be deemed to be withdrawn from studies for loan repayment purposes if the student does not resume studies within 180 days (6 months). However, students are informed of this rule at the point of interruption approval.
- At this stage, the university is required to calculate the amount of federal aid earned and the total amount of “unearned” aid that must be returned.

If you have any questions regarding this please contact student.finance@falmouth.ac.uk quoting RT24 Query in the email subject field.