

# SERVICES FOR STUDENTS

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## **Return of Title IV Funds Policy**

### **General Overview**

This policy applies to the following U.S loan programs:

- Federal Student Subsidized Loans
- Federal Student Unsubsidized Loans
- Federal PLUS Loans

### **Student Withdrawal and fee liability.**

Where students no longer wish to continue with their programme of study, they may withdraw from our University. Students considering withdrawal are advised to discuss their circumstances with their Academic Advisor, Student Administrator or Student Liaison Officer as soon as possible.

Information regarding the processes of withdrawal and suspension of studies can be found at:

<http://www.leedsbeckett.ac.uk/-/media/files/public-information/withdrawals-policy-and-procedure-201617-v1-20160919.pdf?la=en>

For full-time undergraduate students with deferred payment of composite fees under the UK Government's student finance scheme, reassessment of fee liability will continue to be undertaken in line with the Student Finance England funding periods. For all other taught students, calculation of fee-liability will be undertaken according to the number of term-time weeks that have elapsed up to the point of withdrawal. Weeks are counted from the start of the academic year up to the date of withdrawal. Calculations are based on a percentage of 30 weeks except for long courses (taught masters and accelerated learning) where the base is 45 weeks. For courses of 6 months or more

in duration, there is no charge for students who withdraw during the first two weeks. For courses of less than 6 months in duration, there is no charge for students who withdraw during the first week. For postgraduate research students, recalculation of fee liability will be undertaken according to the number of calendar months that have elapsed up to the date of withdrawal.

### **The Payment of Tuition Fees**

We are required to disburse Federal Loans in multiple and equal disbursements in accordance with the structure of the course. For Undergraduate Students, we certify 2 loan disbursements in line with the 2 Semester course structure and Leeds Beckett retains 50% of the Tuition Fee from each disbursement. For Graduate Students and Research Students, we certify three loan disbursements in line with the 3-term course structure and Leeds Beckett retains 33.3% of the Tuition Fee from each disbursement.

### **Early Withdrawals**

Where withdrawal occurs before 60% of the appropriate disbursement period has elapsed, then it is considered that the disbursement has not been fully earned and a Return of Title IV Funds calculation must be carried out. We use the "Treatment of Title IV Funds when a student withdraws from a Credit-Hour Program" document for this purpose and then return funds as required by the calculation.

The withdrawal and return of funds is calculated on a R2T4 form. On the date of the student' withdraws the term and the disbursement will then be split into earned and unearned periods/values.

### **How the earned financial aid is calculated.**

Students who are in receipt of Federal Aid must earn this aid by remaining enrolled on their course and be in attend their classes. The amount of federal aid earned by the student is pro-rated. Students who do withdraw or do not complete the registration required for their classes during the semester, may have a requirement to return some of the Federal Aid they have been awarded.

**The Percentage earned** -The amount of DL funds earned is calculated by the numbers of calendar days completed up to the withdrawal date (student in attendance) divided by the total number of calendar days within the period (excluding scheduled breaks of five days or more and days that the student was on approved leave).

If the earned percentage is 60% or above then there is nothing to be returned (step 1).

Days competed /total days = percentage completed

**The Payment period** – which for most students will be the entire semester. For some students where courses are not scheduled for the whole semester/term the payment period will be defined as the days that the student is registered on the module.

**The percentage unearned** – is equal to 100 percent – the percent earned.

Where a student ceases to attend their elected course but transfers to another course in the same payment period they are not considered to have withdrawn and are eligible to receive Title IV funds for which the students were eligible for before ceasing their attendance.

Amount of Title IV earned by the student.

Where the percentage of aid earned is under the 60% the percentage calculated in step 1 is multiplied by the total Title IV aid disbursed and could have been disbursed for the period to give in USD the amount of Title IV earned by the student.

Total aid disbursed x percentage completed = earned aid.

Amount of Title IV aid to be disbursed or returned

If any aid that has been disbursed is less than the aid earned then a post-withdrawal disbursement will need to be calculated by the University.

Total disbursed aid-earned aid = unearned aid to be returned

The University has a responsibility to return unearned aid, whichever is the lesser amount between the Title IV aid to be returned and the amount of unearned charges.

Example 1 Student leaves after attending only 24 days in the first term of a 2 term academic year.

<b>Payment period</b>		<b>Period of enrolment</b>	
Total number of days:	100	Total number of days	200
No. of days completed	<u>24</u>	No. of days completed	<u>24</u>
% earned	0.24	% earned	0.12
Total Title IV Disbursed/ could have been disbursed	2000	Total Title IV Disbursed/ could have been disbursed	4000

Amount earned	----- 480	Amount earned	----- 480
Amount unearned	1520		3520

There is an order for the returns of unearned aid by the University, as follows:

- Unsubsidised Direct Loan (up to the total net amount disbursed)
- Subsidised Direct Loan (up to the total net amount disbursed).
- Graduate Plus Direct Loan (up to the total net amount disbursed).
- Parent Plus loan (up to the total net amount disbursed).

Regulations require the University to perform the R2T4 calculation within 30 days from the date the student has completely withdrawn and the Funds need to be returned within 45 days of the calculation.

The Money Support Manager completes the R2T4 calculation process and the institutions Finance Office handles the return of funds through Western Union.

The student has in some cases a responsibility for returning funds where there is a difference between the amounts of Title IV Funds to be returned minus the amount of Funds to be returned by the University.

Students are notified via email/letter should they be required to return any funds to the US government and the R2T4 calculation will be sent to the third party servicer (Weber Associates). The Funds to be returned are sent to G5 via Western Union who do the conversion from pounds to US dollars. Weber are responsible for ensuring the return of funds are properly executed.

**University and students responsibility for returning unearned Federal Funds.**

The University and student are both responsible for any return of unearned Federal Aid. The student will be billed for any amount due because of the R2T4 calculation.

The Finance office will notify the student if they owe Federal Funds. Any student/parent who owes funds will be allowed to repay the loan based upon the terms set out on the Master Promissory Note.

Where U.S Department of Education regulations for the return of funds have been satisfied and should there be a balance, remaining after application of our Fee Policy then this will be reimbursed to the Student. This would be

applicable to a student who withdraws after the 60% point-in-time when it is considered that they have earned 100% of the Title IV funds that they were scheduled to receive during the period.

### **University and students responsibility in line with the R2T4 process and policy.**

#### **Universities responsibility**

- Provide the student with the information set out in this policy.
- Complete an R2T4 calculation for any student who is affected by this policy.
- Inform the student of the result of the R2T4 calculation and a balance that is owed to the University because of the return of funds.
- Return any un-earned funds.
- If applicable notify any student/plus borrower of any eligibility to Post –withdrawal disbursements

#### **Student's responsibility**

- Being aware of how any withdrawal will affect their eligibility to Title IV federal aid and that this policy exists.
- Ensure that any outstanding balance owed to the University resulting from a return of unearned funds are met.

**Note: The procedures and policies listed are subject to change in line with any changes to Federal Laws, Federal Regulations or University Policies. For more in depth guidance regarding the R2T4 policies and procedures please refer to The Federal Student Aid Handbook.**