

# US Federal Loans

## RETURN OF TITLE IV FEDERAL AID FUNDS POLICY (R2T4)

A US Federal Aid loan is awarded on the assumption that the student will attend University for the entire period for which the funding is granted. Where a student withdraws during a payment period, the amount of Title IV funding that has been 'earned' up to that point is calculated in accordance with the US Department of Education's regulations.

The University must arrange for 'unearned' funds to be returned to the US Department of Education; this process is known as R2T4. Oxford Brookes University follows the US Department of Education's requirements for returning funds alongside the University's own [Withdrawal Policy](#) and [Debt Policy](#).

The R2T4 policy applies to students who:

- withdraw permanently from the University;
- have approved or unapproved temporary withdrawal longer than 180 days;
- are academically excluded;
- otherwise become ineligible for Title IV aid.

For guidance on how to request approved temporary withdrawal or inform Oxford Brookes that you are leaving, please refer to ['Time out from your course'](#) and ['Leaving the University'](#).

When considering US Federal loans the University is classed as an attendance taking institution.

### Date of withdrawal

Oxford Brookes University will use the best information available to determine the withdrawal date, Where a student is subject to Student Visa Route rules (because they are sponsored for a Student Route or Tier 4 Student Visa) the withdrawal date will always be determined by the last date of attendance according to the university's engagement monitoring records and except in unusual instances, the date of determination that the student has withdrawn should be no later than 14 days after the students last date of attendance as determined by the engagement monitoring records.

#### Notified Withdrawals:

- Permanent withdrawal: the date declared on the M200 (undergraduate) or F200 (postgraduate) and confirmed by Faculty as a last date of attendance if this is later than the last date of attendance as recorded in the University's engagement monitoring records. These forms are submitted via Moodle and are available from the links above. Students funding their studies through US Federal loans are required to inform the International Students Compliance Team of their withdrawal at the same time as submitting and M200 of F200 withdrawal form.
- Approved temporary withdrawal: the date declared on the M201 (undergraduate) or F201 (postgraduate) forms (submitted via Moodle) and confirmed by Faculty as a last date of attendance if this is later than the last date of attendance as recorded in the University's engagement monitoring records. If a student does not return at the expiration of the period of approved temporary withdrawal, the student's withdrawal date is the date the student began the period of approved temporary withdrawal. For retrospective temporary withdrawal, the date of withdrawal is the last day of attendance as confirmed by the Faculty. See also Leave of Absence (LOA) paragraph below
- Academic exclusion: the date of the relevant Modular Examination Committee.

- Disciplinary or Financial Exclusion: the date the Exclusion is applied to the students record.

Unofficial withdrawals:

- Unapproved temporary withdrawal this occurs when a student fails to complete enrolment at the start of an enrolment period: the withdrawal date will be the start of relevant semester.
- Non-engagement exclusion. For R2T4 purposes the University will use as the date of withdrawal either:
  - The last date of attendance / engagement as confirmed under the University's Engagement policy (applicable where a student is also a Tier 4 or Student Route visa holder). Details of the policy are part of the University Regulations at: <https://www.brookes.ac.uk/getmedia/e54997f8-3588-4d5a-b280-e0e00ae4831c/Student-Visa-Engagement-Policy.pdf>
  - Where there is evidence that the student has attended past the last date of attendance set out above (for example where a Faculty confirms a later date of attendance than is recorded for visa monitoring purposes) the University will use the later date of confirmed attendance.

The International Students Compliance Team carry out monthly enrolment checks to ensure that they are aware of any changes in a student's status.

Note: If a student does not attend even first lectures or seminars, they are not eligible to receive any Title IV funding and all funding will be returned to the US Department of Education by the University.

### **Leave of Absence (LOA) for less than 180 days:**

A request for Approved Temporary Withdrawal may qualify as an approved LOA for federal loan purposes (this removes the need for the University to perform an R2T4 calculation). To qualify as an LOA for federal loans purposes the following conditions must be met:

- The period of Approved Temporary Withdrawal must be approved in advance by the University following completion of an M201 (undergraduate) or F201 (postgraduate) form via the students Moodle. Where unforeseen circumstances prevent a request for Approved Temporary Withdrawal being submitted in advance (for example illness or injury) the International Students Compliance Team can determine that an approved LOA is started where appropriate evidence to support the delay in requesting the LOA is provided.
- The period of withdrawal must be temporary and any reasons stated in the relevant withdrawal form must lead to a reasonable expectation that the student will return to study at the end of the LOA.
- The original LOA and any extension requested (further period of Approved Temporary Withdrawal) must not exceed 180 days in any 12 month period – this includes days in which the University is not in session and is not limited to 'term-time'
- The student must resume their course at the same point in the academic programme that they began the LOA

A student granted an LOA as described above is not considered to have withdrawn and no R2T4 calculation is required.

During the LOA the student will not incur any additional tuition fees - they would not therefore be eligible for any additional disbursements of US Federal Loans. A student who is granted an approved LOA maintains in-school 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 (as set out above), the date that the University determined the student ceased attendance may be used.

If the student does not return from an approved LOA or the LOA otherwise does not qualify as an approved LOA the student will be deemed to have withdrawn for the purposes of US federal loans and the R2T4 calculation and procedure will be followed. This may lead to a student's grace period for loan repayments being exhausted. The date of withdrawal will be treated as the date that the original approved LOA began.

### **Determining the amount of Title IV funds to be returned:**

The amount of Federal Aid earned is calculated by dividing the number of days of attendance minus any period of unscheduled leave (5 days or more) by the total number of days in the payment period. The payment period is the term for which the loan was certified. For example, a student who attends 40 out of 100 days in a payment period will have earned 40% of the aid for that period. For the purposes of this calculation the number of calendar days in the numerator or denominator includes all days within the period except for institutionally scheduled breaks of five or more consecutive days or days in which the student was on an approved leave of absence.

If a student has completed more than 60% of the payment period, federal regulations consider that they have earned 100% of Federal Aid for that period, and there are therefore no unearned funds to be returned.

In accordance with federal regulations, funds must be returned in the following order:

- Direct Unsubsidized
- Direct Subsidized
- Direct PLUS

A copy of the document used for the R2T4 calculation will be emailed to the student and/or Parent PLUS borrower, together with details of the University's and borrower's responsibilities.

### **Oxford Brookes' responsibilities include:**

- providing each student with the information given in this policy;
- identifying students who are affected by this policy;
- completing the R2T4 calculation for students who are subject to this policy;
- returning the Title IV funds that are due;
- informing the student if they have to return unearned funds;
- notify the student of the requirement for them to complete Exit Counselling;
- notify the US Department of Education of the change in a student's enrolment status via NSLDS within 30 days.

### **Timeframe for the return of Title IV funds**

Students in receipt of US Federal Aid must notify the [International Students Compliance Team](#) immediately of a pending withdrawal in order to meet the US Department of Education requirement that the R2T4 process begins no less than 14 days after the student's change of enrolment status.

The University has 45 days from the date it determined that the student's enrolment status changed to return to the US Department of Education all unearned funds for which the University is responsible. The student (or parent, in the case of Parent PLUS loans) must return unearned funds to the US Department of Education within the same timeframe and in accordance with Master Promissory Note they signed for that loan.

### **Post-withdrawal disbursements**

If the student received (or the University received on the student's behalf) less funds than the amount

earned, the student may be eligible for a post-withdrawal disbursement. However, the University can deduct without the student's permission, any charges due for tuition, accommodation and fees up to the amount of the outstanding charges.

The International Students Compliance Team will contact the student or Parent PLUS borrower via email, prior to making any post-withdrawal disbursement of loan funds, to establish whether those funds should be credited to the student's account or disbursed directly to the student or Parent PLUS borrower. A response is required within 14 days. This must take place no later than 30 calendar days of the student's change of enrolment status.

The notice must identify the type and amount of the loan funds it wishes to credit the student's account, or disburse directly to the student or parent, advising that they may accept or decline all or a portion of the funds.

Once the International Students Compliance Team has received confirmation from a student or Parent PLUS borrower that a post withdrawal disbursement is to be made, it must be processed as soon as possible but no later than 180 days after the date of the University's determination that the student withdrew.

Please note that this R2T4 policy is separate to the [University's refund process](#) and applies only to Title IV funds.

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.

Last reviewed by International Students Compliance Team, August 2021