

Return of Title IV Funds Policy for Students Receiving U.S. Department of Education Title IV Financial Aid

This policy provides guidance on the University's approach to managing the Return of Title IV Funds (R2T4) for US Direct Loans Programmes. It provides students with information (in line with US Department of Education requirements), detailing how the University will calculate any return of Financial Aid should a student who began attendance withdraws, be deregistered or take a leave of absence from their studies. Where a student never begins attendance, all aid will be returned in full directly to the US Department of Education.

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

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

Please note: Title IV Funds will be hereon referred to Financial Aid.

When is this policy applied?

Where a student's registration stops (or temporarily pauses) with DMU, their entitlement to Financial Aid is impacted/stopped. At DMU there are a number of different terms used for a students' registration stopping or temporarily pausing which will result in a student's Financial Aid being impacted/stopped.

1. Withdrawal - where a student chooses to leave their programme, with no intention of returning, thus ending their registration with DMU.
2. De-registration – where DMU ends a student's registration. Reasons for this (but not limited to) include dismissal due academic failure, non-attendance, exclusion for non-payment of fees, expulsion for disciplinary issues, etc.
3. Leave of absence/interruption – where a student chooses to takes a temporary break from their studies, but intends to return. Reasons for a leave of absence could include (but are not limited to) illness, family commitments/caring responsibilities, pregnancy or a bereavement. For a leave of absences to be an official leave of absence it must be authorised by the appropriate faculty academic/administrator.
4. Suspension – where DMU suspends for a defined period of time student's registration due to disciplinary issues
5. Student moves to an ineligible course at the eligible school
6. Early Completion (such as submission of thesis early)
7. Transferring to an ineligible programme

For the purposes of the document; we will use the terms withdrawal and de-registration to cover all the examples above, plus any others that may impact on a student's registration and therefore eligibility for Financial Aid.

Information regarding withdrawals, de-registrations and leave of absences can be found in our:

- [Academic Regulations](#)
- [General Regulations](#)

This policy is linked to the [Satisfactory Academic Progress Policy](#)

We understand that a student's personal circumstances can change and this may affect their studies/ability to study. However, it is important to recognise that these changes may impact on Financial Aid eligibility. Therefore, please contact the US Federal Aid Administrator for details of the impact on Financial Aid eligibility of changes in personal circumstances. Please also ensure that your contact details are kept up-to-date via the Personal Details tab on MyDMU.

Where students no longer wish to continue their programme of study, they may withdraw from the university. Or where students wish to take a break from their studies they may wish to take a leave of absence. Students considering withdrawing or taking a leave of absence are strongly advised to discuss their circumstances with their Personal Tutor (for academic support) and must contact the US Federal Aid Administrator for details of the impact on their Financial Aid eligibility.

A student's date of withdrawal is determined by the student's last date of attendance according to DMU's attendance monitoring records.

In normal circumstances, the date of determination of a student withdrawing should be no more than 14 days (including holidays, breaks and weekends) from the last date of attendance, based on a student's attendance.

Note: Where a student ceases to attend their original eligible course but transfers to another eligible course in the same payment period, they are not considered to have withdrawn and are eligible to receive the Financial Aid which they were eligible for before the transfer.

Attendance Monitoring

Where a student does not meet our [Attendance Monitoring policy](#) students will be withdrawn and their record updated with their last date of attendance.

Note: the impact of stopping or pausing studies will impact on your UKVI requirements and will result in the curtailment of your Tier 4 visa. Please gain advice from the Immigration Compliance Team about the impact this may have on your Visa.

Fee Payment and Liability

For all students fee payment will continue to be calculated in line with our [Tuition Fee Charging and Refunding Policy](#). Please note: where Financial Aid does not cover Tuition Fees owed, the student remains eligible for the fee.

We are required to disburse Financial Aid in multiple and equal disbursements in accordance with the

structure of the programme. We certify three loan disbursements in line with the three term academic calendar structure and DMU retains 33.3% of the Tuition Fee from each disbursement (where tuition fees are not paid via another method).

Where students are on non-standard length programmes (e.g. 15 months or 18 months), we may certify less than three loan disbursements in line with the period of study remaining (after the initial 12 months).

How the earned financial aid is calculated.

Where withdrawal occurs where a student has earned 60% or less of the disbursement, then it is considered that the disbursement has not been fully earned and a Return of Title IV Funds calculation must be carried out.

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.

Students who are in receipt of Financial Aid must earn this aid by remaining registered on their programme and engaging in their study. The amount of Financial Aid earned by the student is pro-rated.

The Percentage Earned -The amount of funds earned is calculated by:

- the numbers of calendar days completed up to the withdrawal/deregistration date
- 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 more than 60% then there is nothing to be returned

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

The Percentage Unearned - is equal to 100 percent **MINUS** the percent earned.

Amount of Financial Aid earned by the student.

Where the percentage of aid earned is 60% or less, the percentage earned is multiplied by the total Financial Aid disbursed (and could have been disbursed) for the period, to give the amount of Financial Aid earned by the student.

Percentage Completed **MULTIPLIED** Total Aid Disbursed **EQUALS** Earned Aid.

Amount of Financial Aid to be disbursed or returned

If any Financial Aid that has been disbursed is less than the aid earned then a post-withdrawal disbursement will need to be calculated by the University and the University has a responsibility for returning the unearned aid.

Total Disbursed Aid **MINUS** Earned Aid **EQUALS** Unearned Aid to be returned

Example 1 - Student leaves after attending only 32 days in the first term of a 3-term academic year.	
Total number of days (Payment Period)	80

No. of days completed	32
% earned	40%
Total Financial Aid Disbursed/ would have been disbursed	\$ 4,500
Amount earned	\$ 1,800
Amount unearned	\$ 2,700

Example 2 - Student leaves after attending only 96 days in the second term of a 3-term academic year.	
Total number of days	160
No. of days completed	88
% earned	55%
Total Financial Aid Disbursed/ would have been disbursed	\$ 11,000
Amount earned	\$ 6,050
Amount unearned	\$ 4,950

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 Financial Aid Administrator completes the R2T4 calculation process and the Income Team will arrange the return of funds.
 - Student are notified via email/letter should they be required to return any funds to the US government and the R2T4 calculation. The Funds to be returned are sent to G5.

Post Withdrawal/De-Registrations disbursement.

In cases where the amount of Financial Aid disbursed is less than the Financial Aid earned a Post Withdrawal/De-Registration disbursement can be made.

Where a post withdrawal/de-registration disbursement has been identified the University will provide written notification within the 30 days of the date withdrawal/de-registration was confirmed. The type and amount of funds to be credited will be identified to either student/parent.

Within the post withdrawal notification, we will include the following information –

1. The request for confirmation of any post withdrawal disbursement payments to be made
2. Confirmation of the type and amount of loan to be paid and to whom (student or parent if a Parent Plus loan)
3. An explanation that the student or parent can accept or decline all or a proportion of the aid
4. Clarification that the student or parent is still obliged to repay the aid.
5. Confirmation that if the student or parent does not want the money to be disbursed the

University will not do so.

6. Outline the process under which students/parents have 14 days to confirm whether they would like to receive the disbursement. Once the 14 days have passed if confirmation is not received, no disbursement will be made. The response is not required in writing but must be recorded by the university. In the case of a late response the University will use their discretion as to whether the disbursement is honoured.

If the student or parent submits a timely response that instructs the University to make all or a portion of the loan post withdrawal disbursement, the University must do it in 180 days of the determination.

University and student's responsibility for returning unearned Federal Funds.

The University and student are both responsible for any return of unearned Federal Aid. The student will be "invoiced" for any amount due as a result of the R2T4 calculation.

The Financial Aid Administrator 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 the application of our Charging and Refunding 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 student's 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 Financial Aid and that this policy exists.
- Ensure that any outstanding balance owed to the University resulting from a return of unearned funds are met.