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**Student Funding**

**US federal Loans Suspending/withdrawing**

**Return of Title IV Funds Policy (R2T4)**

Revised: November 2020

**Overview**

US federal law specifies that, should a student withdraw from their programme of study, Glasgow Caledonian 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. Glasgow Caledonian University will follow this policy when a student in receipt of US Federal Title IV funding (Direct and PLUS loans) withdraws or suspends (takes a Leave of Absence) from their programme of study at Glasgow Caledonian University.

For R2T4 purposes, a Leave of Absence (LOA) for longer than 180 days or an ‘unapproved LOA’ is also deemed to be a withdrawal. This policy will also be used to calculate the return of Title IV funds to the US Department of Education for reasons other than Withdrawals / Leave of Absence. The policy will apply when a student completes or graduates earlier than expected; when a student becomes ineligible for federal aid at Glasgow Caledonian University due to changes in their enrolment status; or for any other reason that federal aid funding is returned to the US Department of Education. Students funding their studies through the US Federal Aid system are required to inform the US Loan Administrator of their withdrawal at the same time as notifying their respective Academic / Personal Tutor. To ensure compliance with the R2T4 guidelines that the process commences no later than 14 days after the student withdraws, as Glasgow Caledonian University is deemed to be an institution which is required to take attendance, the US Loan Administrator must rely on the respective School tutor/UKVI monitoring process to advise accordingly:

[Attendance policy for Taught students](https://www.gcu.ac.uk/media/gcalwebv2/student/regulations/GCU_Attendance_Policy_Taught_Students.pdf)

[Attendance policy for Research student](https://www.gcu.ac.uk/media/gcalwebv2/student/regulations/GCU_Attendance_Policy_Research_Students.pdf)

**Refund Policy:**

Glasgow Caledonian University operates a refund policy for all students who have officially enrolled at the University. The University Policy should therefore not to be confused with R2T4 calculations and refunds. The amount of Title IV funds due for return as a result of a withdrawal is calculated independently of the tuition fee liability charged by the University. Therefore, the student may still owe funds to the University to cover unpaid institutional charges, or may indeed be entitled to a refund in accordance with regulations found here (but only after any Title IV funds owed have been returned to the US Department of education if applicable):

[fees and refund policy for current students](https://www.gcu.ac.uk/media/gcalwebv2/theuniversity/supportservices/financeoffice/Fees%20and%20Refund%20Policy%20Amended%20SEP20.pdf)

 The University may also attempt to collect from the students any Title IV funding that Glasgow Caledonian University is required to return to the US Department of Education.

**Procedure for Suspending, Withdrawing, Transferring Course or Changing the Status of your Studies**

If you are thinking about withdrawing from your programme or if you need to take a suspension of study from your programme, you need to discuss this and speak to your programme leader or academic adviser first and also contact Andrea Butler US federal DPA usfederalloansadmin@gcu.ac.uk.

It is essential that you email usfederalloansadmin@gcu.ac.uk or call Andrea Butler on 0141 331 8770 if you change the status of your studies as follows:

* Suspend
* Withdraw
* Transfer course
* Upgrade / downgrade
* Change from full-time to half-time or less than half-time

Under US federal law, the University is required to report any changes to your enrolment within tight timescales. For students who **withdraw** from their studies, **suspend**their studies, or **complete their studies earlier than expected**, it may be necessary, to complete a Return to Title IV (R2T4) calculation, and arrange for the return any ‘unearned’ or credit balance funds to the US Department of Education within 14 days of withdrawal date.

For US students with federal loans the date of withdrawal used for return of funds to US Dept of Ed, and to inform NSLDS, will be the last date of recorded attendance

**If you are thinking of changing the status of your studies and want to know what your US Federal Loan entitlement will be, please email**usfederalloansadmin@gcu.ac.uk**.**

If you are an overseas student considering a suspension of studies, you should speak to the [VISA team](https://www.gcu.ac.uk/student/support/international/visainformation/contactus/getintouch/) for guidance and advice before requesting.  A suspension of studies will have serious implications to your immigration status, so this needs to be discussed fully before you make your decision to submit your request

Regulations for Taught Student Registration, Suspension of Studies and withdrawal information can be found in the policy below

[Regulations for Taught Student Registration, Suspension of Studies and Withdrawal](https://www.gcu.ac.uk/media/gcalwebv2/theuniversity/gaq/dogfiles/assessmentregulations/Regulations%20for%20taught%20Student%20Registration%2C%20Suspension%20and%20Withdrawal.pdf)

Regulations for Postgraduate Research Student Registration, Suspension of Studies and withdrawal information can be found in the policy below

[Research degree Regulations](https://edshare.gcu.ac.uk/5042/1/Research_Degree_Regulations_Revision_Final_Draft_October_2018.pdf)

Further information regarding visa and immigration policies can be found at: <https://www.gcu.ac.uk/student/essentials/policiesandprocedures/gcustudenttermsandconditions/>

**Unofficial Withdrawal**

An unofficial withdrawal occurs when a student ceases to attend the University, but the University has not received notice of this from the student

We will monitor your attendance through the attendance monitoring system and will also be in regular contact with your programme team to ensure that if any student unofficially withdraws, Glasgow Caledonian University can comply with the return of Title IV funds and adhere to the appropriate timelines.

**US Federal Loans: Return of Title IV (R2T4) Policy**

**Treatment of Title IV funds when a student withdraws (including unapproved LOA and LOA for more than 180 days)**

When a student withdraws, and the withdrawal form is processed through the Student Records department, the University will use the best information available to determine the withdrawal date.

When the student funding receives official notification that a student is withdrawing then the last date of attendance used in the R2T4 calculations is the later of: -

* The date of notification of withdrawal
* The last date of attendance as identified by institutional procedures.

If no official notification is received, the last date of attendance will be the date of withdrawal.

The US Loans Administrator (Student Funding team) will calculate the amount of Title IV program assistance that has been earned up to that point, using a R2T4 calculation formula provided by the US Department of Education, using the worksheet: Treatment of Title IV Funds When a Student Withdraws from A Credit-Hour Program.

The calculation will be based on the amount of attendance within a payment period. Students earn Title IV aid in direct proportion to the amount of attendance within a payment period.

Students who have been in attendance for more than 60% of the Payment Period are deemed to have **earned** 100% of the scheduled Title IV funds for that period.

Students who have been in attendance for less than 60% are required to return **unearned** funds. The following calculation will be used to calculate **unearned** funds

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



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

Any ‘unearned’ Loan funds must be returned in the following order:

* Unsubsidized Direct loans
* Subsidized Direct loans
* Graduate PLUS loans
* Parent PLUS loans

Any unearned funds that have been disbursed directly to the student will be paid back to the Department of Education by the student in accordance with the terms set out in the student’s Promissory Note, and the Direct Loan servicer will be notified.

The student will be notified within 30 days of the Date of Determination of the requirement to repay the overpayment or else make satisfactory arrangements to repay the overpayment, in accordance with the terms set out the student’s Promissory Note.

Once the return has been completed, a statement will be produced for the student detailing any balances owed to Glasgow Caledonian University after repayment of the unearned funds. Glasgow Caledonian University will contact the student to request payment of any outstanding balance.

**Procedure and timeframe for the Return of School’s unearned share**

The University will return its unearned percentage within 30 days of identifying the withdrawal by

completing a Return of Title IV (R2T4) calculation and return any unearned loan funds to the US Department of Education in the following order:

* unsubsidised up to the value of the disbursement for that term,
* any residue will be returned to the subsidised up to the value of the disbursement for that term,
* any residue will be returned to the PLUS loan.

At the same time, the University will send the student a copy of the R2T4 calculation showing the value returned by the school and against which loans it has been returned, and notification of the value to be returned by the student and the value to be repaid in the normal way.

Within the same 30 days, the school will also inform NSLDS (National Student Loan Data System) of the withdrawal which will trigger all loans going into repayment.

**Return of Student’s unearned share**

The student will be required to return their 60% to their loan servicer and to repay their 40% earned along with repayment of the school’s share and all other loans.

The copy of the R2T4 spreadsheet calculated by the school will advise the student of the value to be returned by the student and the value to be repaid in the normal way

The school will also direct the student to exit counselling which will explain repayment arrangements.

The student MUST contact their servicer to make arrangements for repayment.

Full details of Federal requirements can be read in the latest FSA Handbook which is available at [www.ifap.ed.gov](http://www.ifap.ed.gov) where the handbook can be found and be downloaded.

**Post Withdrawal Disbursement Process:**

**Glasgow Caledonian University’s Responsibility:**

If Glasgow Caledonian University owes the student a post withdrawal disbursement of funds, the following action will be taken:

*Glasgow Caledonian University will contact the student, or a parent for a Direct Parent PLUS Loan, in writing, prior to making any post-withdrawal disbursement of loan funds, whether those loan funds are to be credited to the student’s account, or disbursed directly to the student or parent, in accordance with the guidance detailed in the Federal Student Aid Handbook*.

This written notification must take place no later than 30 calendar days of the determination of the date the student withdrew. Glasgow Caledonian University is permitted to credit a student’s account without the student’s permission for current charges for tuition, fees and accommodation, if applicable, up to the amount of the outstanding charges.

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, but will include information about the advantages about keeping the loan debt to a minimum.

Once Glasgow Caledonian University has received confirmation from a student, or parent in the case of a Direct Parent PLUS Loan, that a post withdrawal disbursement is to be made, (recommended time frame to receive a response is 14 days), it must be processed as soon as possible, but no later than 180 days after the date of the school’s determination that the student withdrew.

Any unearned Title IV funds which the student may have received will be returned to the US government using the G5 system by Glasgow Caledonian University within **45 days** of the date of withdrawal, with priority as follows: Unsubsidised Direct Loans, Subsidised Direct Loans, Graduate PLUS loan and Parent PLUS loan.

**Student Responsibility:**

If a student did not receive all of the funds earned, a post-withdrawal disbursement may be due, but the student must give the permission for this to take place. However, Glasgow Caledonian University can automatically deduct without the student’s permission, any charges due for tuition, fees and accommodation, if applicable, up to the amount of the outstanding charges.

A student may choose to decline some or all of the funds to avoid incurring additional debt. Last Reviewed: October 2020 Any loan funds that a student, or parent are required to be repaid, must be in accordance with the terms of the Promissory Note.

**The following definitions relate to the Glasgow Caledonian University Return of Title IV funds policy:**

**US Federal Loans: Return of Title IV (R2T4) Policy**

In the event of withdrawal, whether formally or by lack of attendance, the proportion of the disbursement up until the date of withdrawal is earned, but the balance of the disbursement for the rest of the term is unearned and has to be returned.

In broad terms:

Suppose the term is 100 days and Student withdraws on day 40, then:

40 days (40%) is earned and is to be repaid in the normal way

60 days (60%) is unearned and must be returned to the Dept of Education

This applies to both the share of the disbursement kept by the school, for tuition and accommodation, and the share kept by the student for living expenses.

For US students with federal loans the date of withdrawal used for return of funds to US Department of Education, and to inform NSLDS, will be the last date of recorded attendance.”

**Official Withdrawal:** is when a student formally notifies Glasgow Caledonian that they will withdraw from their studies. The student notifies the academic department in writing and requests to withdraw from their programme of study. The date this communication is processed through Student Records is the date of withdrawal used for the Return of Title IV funds calculation.

**Unofficial Withdrawal**: is when a student ceases attending the university, but the University does not receive formal notification of their intention to withdraw.

In the event of an informal withdrawal (when a student withdraws outside the normal withdrawal procedure or just leaves), the date of withdrawal is the later of (1) the last known date of academic activity [submit coursework, tutor meeting, withdraw a library book, any other on-campus activity which can be proved] or (2) the date of the last fulfilled "point of contact" for UK Visa.

**Leave of Absence (Suspension of Studies):**

Students wishing to temporarily interrupt their studies should complete in writing and email to your relevant Programme Leader or academic tutor and include the reasons for the suspension of studies and the start and end date for the period of suspension which should be agreed by the course tutor. A copy of the agreed LOA email will be forwarded to the US Loan Administrator at Glasgow Caledonian for any students receiving federal loans.

The US Loan Administrator will determine whether the conditions of the suspension of studies are eligible for the absence to be deemed as an ‘approved leave of absence’ for Title IV purposes.

**An Approved Leave of Absence:** is a temporary interruption in a student’s program of study for a period not more than 180 days in length. Students returning from an approved leave of absence are not required to re-apply for admission and must enroll again on their course. Where possible students should apply in advance for an approved leave of absence (unless circumstances prevent the student from doing so). The reason for an approved leave of absence must generally be non-academic in nature and must be one that leads to a reasonable expectation that the student will return to their studies within the allowed timeframe. During an approved leave of absence, the student will not be liable for any additional charges from the University for that period, however existing charges will remain. The students financial need will not increase, therefore the student will not be eligible for any disbursements of federal student aid for that period.

Leave of Absence requests will be subject to approval by the relevant school and programme team and Visa Department if you are on a student visa. Notification of your request will be confirmed via email

**Students returning from an approved Leave of Absence**

Federal aid recipients at the University that begin an approved leave of absence will be reminded of the consequences of not returning to their studies at the end of the approved period and the effects this will have on the student’s loan repayment terms, including the expiration of the grace period on the loan. A student that is granted an approved leave of absence is not considered to have withdrawn and no return of Title IV calculation is required. Upon the students return they continue to earn the federal aid previously awarded for the period.

If a student fails to return after an approved leave of absence or takes a period of absence that does not qualify as an approved leave of absence, then the date of withdrawal is the start date of the Leave of Absence and a Return of Title IV Calculation should be completed.

**Unapproved Leave of Absence:**

Glasgow Caledonian may grant a period of suspension of studies to a student which does not qualify as an approved leave of absence. For Title IV purposes this will be considered as a Withdrawal from the academic programme and a return of Title IV funds calculation will be undertaken.