

US Federal Aid – Return to Title IV (R2T4) Policy 2023-24

This policy should enable students to

- Determine the procedures for withdrawing from Solent University and the financial consequences of doing so.
- 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 Federal Aid funds the university might be required to make.
- Understand that if they withdraw, University charges that were previously paid by Federal Aid funds might become a debt that the student will be responsible for paying.

All Federal Student Aid is considered under the generic term "Title IV Funding". This is a reference to Title IV of the Higher Education Act of 1965 (HEA) which covers the administration of the United States Federal Student Financial Aid programmes. This includes Stafford, Direct Subsidized, Direct Unsubsidized and Graduate/Parent PLUS Loans administered through Solent University. Students in receipt of one or more of these types of loans are considered as 'Title IV-funded'. Throughout their study, Title IV funded students are considered as 'earning' funding based on the time they are enrolled in each payment period. When a student ceases study (by either withdrawing or interrupting their studies) or if they become ineligible for Federal Aid, they also cease to earn these funds. US federal regulations state that when a Title IV funded student ceases study, an assessment must be done to determine the amount of funds that the student received but did not earn within the relevant payment period. All unearned funds must be returned to the US Department of Education; this is known as 'Return to Title IV' or 'R2T4'.

Procedure for Withdrawal/Suspension

All students should follow the university attendance monitoring policy which is available at <https://students.solent.ac.uk/studying/attendance-monitoring>.

Students are advised of the process for withdrawal/suspension of studies via the Student Handbook at <https://students.solent.ac.uk/studying/student-handbook>

Withdrawal guidance is also found in the Fees Guidance Information and explains the process students need to follow in informing the university of the intention to withdraw/suspend studies.

<https://students.solent.ac.uk/official-documents/finance/fee-and-payment-regulations-home-and-island.pdf>

From Sept 2023 students will be able to access the withdrawal/suspension forms via the University Gateway Record system (You can access your information via the Student Portal, Go to the 'Apps' page you'll see 'Student Gateway' - select 'request a change to my enrolment' and you can then apply directly within the system)

R2T4 Assessment

The US Department of Education specify how Solent University assesses the amount of Title IV funding that has been “earned” and “unearned”. The Student Funding Team is responsible for calculating Return of Title IV Funds (R2T4) and the Finance Department is responsible for the actual transfer of any resulting funds. The Student Funding Team uses worksheets and software provided by the US Department of Education to calculate the R2T4 funds.

When a student who began attendance withdraws during a payment period, the amount of Title IV programme assistance that has been earned up to that point is determined by a specific formula. These formulae take into consideration the start and end date of the payment period, the end date of the student’s study, the minimum time required to earn funding, the amount disbursed, and the different Title IV programs being used.

The start date of the payment period is the date that the funds start to be earned, usually the first day of each term. The end date of the payment period is the day before the next scheduled payment period and first day of the next term, or, if all disbursements have been made, the end of the academic year. Where a student has received an additional disbursement outside of the dates registered with the US Department of Education they may be within two or more disbursement periods simultaneously, in this case an R2T4 calculation will be done for each payment period. The end date of the student’s study is the date that the student notified the Registry Dept of their intent to cease study or the date that the withdrawal/suspending studies request form was submitted, whichever is the earlier. Where a student is considered withdrawn or interrupts without an official notification (e.g. through lack of attendance) the Registry Dept will consult with the student’s course team to verify the last date of engagement on the programme and this will be used as the end date/last date of attendance. Students funding their studies through US Federal Aid are required to inform the Student Funding team (student.funding@solent.ac.uk) of their withdrawal at the same time as notifying their course and completing the withdrawal forms on the Gateway Student Record System with guidance via the Student Hub and Registry Dept.

Solent University Refund Policy

Solent University operates a refund policy for all students who have officially enrolled at the university. The University’s refund policy (<https://students.solent.ac.uk/official-documents/finance/fee-and-payment-regulations-home-and-island.pdf>) is not to be confused with R2T4 calculations and refunds, and should a student withdraw from their programme of study, they will be entitled to a refund as outlined in the regulations, but only after any funds owed have been returned to the US Department of Education if applicable. This policy does not affect the amount of tuition fees a student may be charged by Solent University upon withdrawal/interruption. This amount will be assessed according to Solent University’s Refund Policy. If the R2T4 calculation results in a Title IV credit balance on the student’s account the credit balance will be disbursed as soon as possible, but no later than 14 days after the Return calculation. The credit balance refund for withdrawn student must be put on hold until R2T4 is calculated. Regulatory timeframe for any credit balance resets to 14 days from the day you perform an R2T4 calculation. As a consequence, of withdrawing /interrupting during a payment period, a student may owe money to Solent University for outstanding tuition fees, where the R2T4 amount has left a fee deficit.

Treatment of Title IV funds when a student withdraws

When a student withdraws, Solent University will use the previously mentioned information available to determine the withdrawal date/last day of attendance. The Student Funding Team will calculate the amount of Title IV programme assistance that has been earned up to that point, using a formula provided by the US Department of Education. The minimum time required for students to earn the full Title IV funding is 60% of the disbursement period. Students who complete more than 60% of the Payment Period are deemed to have earned 100% of the scheduled Title IV funds. The amount of loan funds earned is calculated as follows;

Number of calendar study days completed divided by Total number of calendar study days on the payment period equals the percentage completed.

Number of calendar study days completed = % completed

Number of calendar study days in payment period

Once a student has completed more than 60% of the payment period, all the assistance that the student was scheduled to have received for that period is considered to have been earned. As an example, if the student completes 30% of the payment period, they have earned 30% of the assistance they were originally scheduled to receive within that loan period. If the student had completed 60% of the payment period, they have earned 100% of the assistance they were scheduled to receive.

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 title IV funds which the student may have received must be returned to the US Department for Education, using the G5 system by Solent University as soon as possible but no later than 45 days from the date of determination (the date that the University determined the student ceased attendance) of a student's withdrawal.

Loan funds must be returned in the following order, as set by the US Department of Education and not by Solent University:

1. Unsubsidized Federal loans
2. Subsidized Federal loans
3. Federal PLUS loans/ Graduate PLUS Loans

Outcome of the R2T4 assessment:

The calculation will determine how much of the Title IV funding the student received was earned and how much was unearned. Where the student received unearned funds, the calculation will also determine the order in which the funds need to be returned to the relevant Title IV programs. The Student Funding Team will notify the student of the outcome of the R2T4 assessment by email with 5 working days of completing the assessment. If the student received more Title IV funds than were earned, these unearned funds must be returned: The Student Funding team will arrange with the Finance Dept to return the relevant portion of funds to the US Department of Education. The US Department of Education require all funds to be returned within 45 days of the date the Registry Dept determines that a student has withdrawn/interrupted. Once the assessment and calculation have been completed, a full breakdown will be produced and emailed to the student, detailing any

balances owed to Solent University after repayment of the unearned funds. Solent University's Finance Department will contact the student to request payment of any outstanding tuition and/or accommodation fees.

If a student has queries regarding their Title IV programme funds, they can call the US Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1- 800-730-8913. Information is also available on Student Aid on the Web at www.studentaid.ed.gov

Post- Withdrawal Disbursement Process

If a student did not receive all of the funds earned, a post-withdrawal disbursement may be due.

Solent University's Responsibility

If Solent University owes the student a post withdrawal disbursement of funds, the following action will be taken: Solent University will contact the student, or a parent for a Direct Parent PLUS Loan, in writing within 30 days of the Date of Determination, 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 Federal Aid regulations. This allocation must take place no later than 30 calendar days of the determination of the date the student withdrew. There is a strict 30-day required notification of the need for authorisation from the student and/or parent to make a Post-Withdrawal disbursement of FSA loan funds. Solent University does not need the student's permission to use the Post-Withdrawal Disbursement for any educationally related expenses/charges remaining on a student's University account. The notice must identify the type of aid and the loan amount it seeks to credit to the account, or the amount of aid offered as a direct disbursement to the student or parent, advising that they may accept or decline all or a portion of the funds. The advantages about keeping the loan debt to a minimum will be advised. Once Solent University has received confirmation from a student, or parent in the case of a Direct PLUS Loan, (recommended time frame to receive a response is 14 days), that a Post-Withdrawal disbursement is to be made, it must be processed as soon as possible, but no later than 180 days to pay the Post Withdrawal Disbursement directly to the student or parent, or to credit the student's account, from the date of determination. If Solent University has not received a response from the student and/or parent, then the funds are to be returned to the Department no later than 45 calendar days of the determination of the date the student withdrew.

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, Solent University may automatically use all of, or a portion of, any Post-Withdrawal disbursement, without the student's permission, for any charges due for tuition, fees and accommodation, if applicable, up to the amount of the outstanding charges. The student is not under any obligation to take a Post Withdrawal disbursement, in order to avoid incurring additional student loan debt.