

US Federal Student Aid (Direct Loans)

Return of Title IV Funds (R2T4) Nottingham Trent University

Overview

This policy applies to students in receipt of Direct Loans where a student ceases to be enrolled on their course prior to the end of their loan payment period (e.g., withdraws, has a leave of absence period of more than 180 days in any 12-month period or returns to the US). In such circumstances, the US Department of Education requires the University to complete a Return to Title IV (R2T4) calculation and arrange for any 'unearned' loan funds to be returned to the US Department of Education.

The amount of Title IV loan fund that has been earned is calculated using a formula provided by the US Department of Education and is separate from the [University's Fee Payment Conditions Policy](#). This may mean that a student owes fees to the University once a R2T4 has been made.

NTU is considered as an attendance monitoring university for Title IV loans purposes. At present the university is only required to monitor attendance for those students who hold a Tier 4 student visa as part of our UK Home Office compliance. For purposes of making the R2T4 calculation, the University will use the dates of withdrawal/last date of attendance/leave of absence as confirmed as confirmed by the academic School.

This policy will also be used when calculating the return of funds to the US Department of Education e.g., when a student completes or graduates earlier than anticipated or when a student becomes ineligible for Title IV funds at NTU following changes to their enrolment or other factors.

Withdrawal/Leave of Absence

Information for students on NTU's Leave of Absence and withdrawal policies can be found in the [NTU Quality Handbook](#) and in [NTU's Terms and Conditions document](#). Students should also seek advice from their academic School prior to taking a Leave of Absence or withdrawing.

The date for Title IV Refund purposes, will be taken as the date the student informs the University in writing (withdrawal forms can be obtained from the academic School) of their confirmation of withdrawal/change of circumstance. If a student does not promptly submit confirmation in writing, their last date of attendance will be deemed as the date they informed the University verbally of their withdrawal/leave of absence. If the student does not formally withdraw from their course, their date of withdrawal for the purpose of return of Title IV funds will be taken as the date the student stopped attending University.

Note that for the purposes of Title IV, a leave of absence can only be approved if it is not over 180 days in length. The student must also be able to resume their studies at the same academic point that they took their leave of absence. If these conditions cannot be met, the student is deemed withdrawn for Financial Aid purposes.

How Direct Loans are calculated and returned

The amount of loan a student has earned is calculated by the number of days they were enrolled during the relevant payment period.

- Once a student has completed more than 60% of the payment period, a student has earned 100% of the Title IV funds he or she was scheduled to receive during the period.
- Should a student complete less than 60% of the payment period, a pro rata schedule is used to determine the amount of Title IV funds the student has earned at the time of withdrawal, however, the University must determine whether the student is eligible for a post-withdrawal disbursement.

Note that scheduled breaks of more than 5 consecutive days e.g., vacation period are not included in the above calculations.

Timeframe for the Return of Title IV Funds

Any return of Title IV Funds are to be returned in the following order, within **45 days** of becoming aware of the student's withdrawal:

- Unsubsidized Direct Loans
- Subsidized Direct Loans
- Direct PLUS Loans

Where a student notifies the University of their withdrawal after the draw-down of funds, but is found not to have attended at all during the relevant payment period, the date of withdrawal will be the last day of the previous term and all funds drawn-down by the University directly for fees/institutional charges, will be returned to the US Department of Education within **30 days** of the University becoming aware of the student's nonattendance.

Post-withdrawal Disbursement

If the value disbursed to the University or student before withdrawal is less than the earned value, we would contact the student and arrange for a post-withdrawal disbursement to be made to the student. The University will provide written notification within **30 days** of the date of determination of withdrawal. The student (or parent) is required to confirm within **14 days** if they wish to accept or decline the post-withdrawal disbursement. Funds are disbursed as soon as possible, but no later than **45 calendar days** after the date of determination and disbursed as credit to the account within **180 days** after the date of determination.

Post-withdrawal disbursements are determined through the R2T4 process and will only be relevant to students where there have been multiple disbursements within a payment period.

Notification of Return of Title IV Funds

The University will advise students in writing of any amounts it is required to return to the Department of Education, along with details of any resulting student liability/refund arising from the student's withdrawal and return of funds. It is the student's responsibility to return any unearned aid, in accordance with the terms of the borrower's promissory note.

Contact Information

Student Financial Support Service

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