

RETURN OF TITLE IV FUNDS (R2T4) POLICY

The law specifies how the University must determine the amount of Title IV program assistance (Direct Loans) that students earn if they withdraw or interrupt. The Financial Aid Administrator is responsible for calculating R2T4 and the Finance Office is responsible for transferring the funds. The Financial Aid Administrator uses worksheets provided by the US Department of Education to calculate the R2T4 funds. All funds must be returned to the lender within 45 days of the date of when the University determined that a student withdrew. If you have questions about your Title IV program funds, students can call the Federal Student Aid Information Centre 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](#).

When a student withdraws during a payment period, the amount of Title IV program assistance that has been earned up to that point is determined by a specific formula. The date of withdrawal is determined by the Head of School/Supervisor and will be the last day the student attended. If the student received (or the University received on the student's behalf) less assistance than the amount that is earned, the student may be able to receive those additional funds. If the student received more assistance than was earned, the excess funds must be returned by the University and/or the student. The University is not required to take attendance although many Head of Schools may require a student to attend in order to receive a passing grade. Students who are not in attendance are reported to the Academic Registry, who will consult with the student's School to determine if the student attended classes or to verify the last date of attendance. The University will use the last date of attendance to compute the R2T4 formula.

In the case where a student notifies the Head of School/Supervisor or a member of staff that he or she intends to withdraw, the student must be informed of the need to inform the School in writing, citing the reason for withdrawal in writing and the effective date. The School will share that information with the Academic Registry. Written confirmation will then be passed to Finance. Should the student fail to write or there is a lag between the notification and the student's written confirmation, the earlier date of notification will be used in calculating the R2T4 formula. In the event a student receives all failing grades for a semester, the Head of School/Supervisor will contact academic staff to determine if the failing grades were earned or represent a lack of attendance. In the event it is determined that those grades were the result of lack of attendance, the Head of School/Supervisor will attempt to determine the last day of attendance and use that date in the R2T4 calculations. If the exact date cannot be determined, the University will assume a 50% attendance, and use that date as the last date of attendance. Students who do not attend even one class, are ineligible for Title IV funds and all of the loan proceeds will be returned to the lender.

The amount of assistance earned is determined on a pro rata basis. The payment period is the semester for which the loan was certified and the per cent of attendance is calculated by dividing the number of days attended by the total number of days in the payment period. Once the student has completed more than 60% of the payment period or period of enrolment, all the assistance that the student was scheduled to receive for that period is considered to have been earned. If the student did not receive all of the funds that were earned, he or she may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the student may choose to decline the loan funds so that additional debt is not incurred. The Financial Aid Administrator will use the R2T4 worksheets as provided by the US Department of Education to determine how much of the loan may be retained and how much must be returned.

The University may automatically use all or a portion of your post-withdrawal disbursement (including loan funds, if the student accepts them) for tuition, fees, and accommodation. For all other University charges, the University needs the student's permission to use the post-withdrawal disbursement. If the student does not give permission the student will not be offered the funds. However, it may be in one's best interest to allow the University to keep the funds to reduce the debt at the University.

There are some Title IV funds that students are scheduled to receive that cannot be earned once a student withdraws because of other eligibility requirements. If the student receives (or the University receives on behalf of the student) excess Title IV program funds that must be returned, the University must return a portion of the excess equal to the lesser of:

- The institutional charges multiplied by the unearned percentage of the funds, or
- The entire amount of excess funds.

The University must return this amount even if it didn't keep this amount of the Title IV program funds. If the University is not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that must be returned, the student must repay in accordance with the terms of the promissory note. That is, scheduled payments are made to the holder of the loan over a period of time. Students who have received a refund of their loan proceeds before withdrawing may be required to return part or all of those funds to the lender.

Title IV funds will be returned in the following order:

1. Unsubsidized Direct loans
2. Subsidized Direct loans
3. PLUS Loan Funds

The requirements for Title IV program funds when students withdraw are separate from any refund policy that the University may have. Therefore, the student may still owe funds to the University to cover unpaid institutional charges. The University may also attempt to collect from the student any Title IV program funds that the University was required to return.

If you have questions about your Title IV program funds, you can call the Federal Student Aid Information Centre 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.

Last Reviewed May 2019
Alison Barnett
Finance Operations Manager