

# Royal Holloway, University of London

## Return of Title IV Funds Policy

If any student is considering withdrawing or interrupting or taking a leave of absence, we strongly recommend that they:

- Arrange to meet their Personal Advisor, Education Lead, Academic Co-ordinator or Head of Department to discuss the implications of withdrawing and options open to them.
- Seek support from the Wellbeing: Support & Guidance Team at [Student Wellbeing - Royal Holloway Student Intranet](#) or by emailing [wellbeing@rhul.ac.uk](mailto:wellbeing@rhul.ac.uk)
- Seek guidance from the Students' Union Advice Centre at <https://www.su.rhul.ac.uk/advice/> or by emailing [advice@su.royalholloway.ac.uk](mailto:advice@su.royalholloway.ac.uk)
- In addition, if the student is receiving federal loans, we strongly recommend that they contact Wellbeing: International Advice to discuss the effects of this decision on their Federal loans at [usloans@rhul.ac.uk](mailto:usloans@rhul.ac.uk) and their Visa at [Internationaladvice@rhul.ac.uk](mailto:Internationaladvice@rhul.ac.uk).

## College Refund Policy

The College has an institutional refund policy which is available at:

<https://intranet.royalholloway.ac.uk/students/assets/docs/pdf/student-fees-regulations-2022-23.pdf> (updated annually) and it applies to all students attending the College. In addition, this policy outlines the requirements and responsibilities that are required of the College and students receiving federal aid.

## Official Withdrawal

A withdrawal refers to a student's intent to terminate their studies at the College completely with no expectation of return. Students who subsequently decide to return to their studies must re-apply.

If a student has spoken to their school or department and wants to withdraw, they have to complete the online form that is appropriate to their level of study.

If an Undergraduate student wants to withdraw from their studies, they need to go to:

- [Update my study details - Royal Holloway Student Intranet](#). This outlines the withdrawal process and the student should select the link to the Undergraduate pages.
- This will direct them to <https://intranet.royalholloway.ac.uk/students/study/personal-study-details/study-details/undergraduate.aspx>. The final option on that page is *Withdraw from your studies* and students have to click on the appropriate link. For students receiving Federal Loans, this is generally [Form for UG Overseas students who are not eligible for funding via Student Finance](#)
- This links to <https://intranet.royalholloway.ac.uk/students/study/personal-study-details/study-details/student-movements/withdrawal-of-study-undergraduate-overseas.aspx>. This is the form to complete the form to start the withdrawal process.

If a Postgraduate Taught student wants to withdraw from their studies, they need to go to:

- [Update my study details - Royal Holloway Student Intranet](#). This outlines the withdrawal process and the student should select the link to the Postgraduate pages.
- This will direct them to [Update my postgraduate taught study details - Royal Holloway Student Intranet](#). The final option on that page is *Withdraw from your studies* and students have to click on the appropriate link. For students receiving Federal Loans, the correct form will depend on the student's start date:  
[Withdrawal form for Postgraduate Taught students](#) with a September start date.  
[Withdrawal form for Postgraduate Taught students](#) with a January start date
- If the student started as part of the September intake, they are directed to <https://intranet.royalholloway.ac.uk/students/study/personal-study-details/study-details/student-movements/withdrawal-of-study-postgraduate-taught.aspx>. This is where the complete the form to start the withdrawal process.
- If the student started their programme as part of the January intake, they are directed to <https://intranet.royalholloway.ac.uk/students/study/personal-study-details/study-details/student-movements/withdrawal-of-study-postgraduate-taught-january-starters.aspx>. This is where the complete the form to start the withdrawal process.

If a Postgraduate Research student wants to withdraw from their studies, they need to go to:

- [Changes that affect your registration status - Royal Holloway Doctoral School](#) and select Withdrawal from studies
- This will direct them to [Withdrawal from study - Royal Holloway Doctoral School](#). At the bottom of this page is the Withdrawal from Studies Form for postgraduate research students.

For all students, the form that the student submits will be sent to their school/department for approval. The withdrawal date is the date specified by the student on the online, checked by Student Administration (for Undergraduate or Postgraduate Taught Students) or by the Doctoral School (for Postgraduate Research Students) using the College's attendance records to confirm their last attendance and then confirmed to the student as their withdrawal date.

This is the withdrawal date that is used for Federal Aid purposes. The College will also report the withdrawal via the National Student Loan Database (NSLDS).

## Unofficial Withdrawal

An unofficial withdrawal is one where the student does not notify the College that they have ceased attending their programme of studies at the College. The College is an attendance-taking institution and this may become an attendance and engagement issue and the formal warning process may be invoked (see [Formal warnings - Royal Holloway Student Intranet](#)). This process can be lengthy but can ultimately lead to the student having their registration at the College terminated. However, as the majority of students eligible for Federal Loans attend the College on a Student Visa, they are subject to additional checks to comply with the College's UKVI obligations.

In addition, every seven days the College runs a specific report for students receiving federal loans to check whether they have been attending their programme. If they fail to do so, the Wellbeing: International Advice team will contact the student to check whether they are intending to

withdraw. In this way the College can identify the last day of attendance of the student within 14 days of the student's non-attendance.

As a result the last date of attendance the withdrawal date that is used for Federal Aid purposes for students who unofficially withdraw for Federal Aid purposes. The College will also report the withdrawal via the National Student Loan Database (NSLDS).

## **Principles behind Return of Title IV Funds and Royal Holloway, University of London Refund Policy**

1. Title IV funds are awarded to a student on the expectation that the student will attend the College for the entire payment period for which the assistance is awarded. When a student withdraws before the end of that period, they may not have earned the full amount of the Federal Aid they received during the payment period. Therefore the College is required to carry out a calculation to determine how much of the Federal funds can be retained and how much of the loan must be returned by the College or the student. This is called a Return of Title IV Funds calculation (R2T4 calculation).
2. This may apply when a student receiving Title IV aid has started their programme, but withdraws or takes an approved leave of absence or interruption of studies exceeding 180 days in a 12 month period, an unapproved leave of absence (see Leave of Absence policy. In addition, if a student completes or graduates earlier than anticipated or becomes ineligible for federal aid following changes to their eligibility or enrolment (for example if their attendance drops below part-time (half time)) or as determined by the U.S. Department of Education. No additional disbursements can be made to a student after their Withdrawal Date.
3. As the calculation used for this policy is separate from the College's Refund Policy, it may mean that the student still owes funds to the College to cover unpaid College charges. If this is the case, students will be notified by email and a copy of the calculation sheet can be sent to the student.

## **Calculating earned Financial Aid**

4. When the student withdraws, the College will use the R2T4 calculation to calculate the amount of Title IV Aid they have earned. This recalculation of both Stafford and PLUS loans will determine whether or not the student has earned all the aid they have received (or could have received) during the payment period.
5. The College will perform this within 30 days from the date that they determine a student's complete withdrawal. For this purpose, the College will use its School attendance records to determine the last date of the student's academic attendance and this will be the Withdrawal Date. The College will return the unearned funds no later than 45 days from the date of determination of a student's withdrawal.
6. The Withdrawal Date is counted as a completed day for the purposes of this calculation.

7. The R2T4 calculation is based on:
  - a. The number of days a student attended
  - b. The number of days in the loan payment period
  - c. The institutional charges (i.e. tuition, cost of accommodation if applicable etc)
  - d. The total amount of US Direct Loan aid awarded and/or disbursed
  
8. When a student borrower withdraws, the College must determine the percentage of title IV aid that the student borrower has earned. To do this, the College will determine the percentage of the student's attendance and apply this to the title IV aid that the student has received. This is calculated as follows:

$$\text{Percentage of loan funds earned} = \frac{\text{Number of calendar days enrolled in a payment period}^*}{\text{Total number of calendar days in the payment period}^*}$$

\*This includes weekends, but excludes scheduled breaks of 5 or more consecutive days

9. The student borrower will be deemed to have earned 100% of the aid received if the result of the calculation is that the student has earned more than 60% of the payment period. In this case, there will be no requirement to return federal loan funds to the US Department of Education.
  
10. Any credit balance refund for a withdrawn student must be put on hold until the R2T4 is calculated. The regulatory timeframe for any credit balance resets 14 days from the date the R2T4 calculation is performed.

## Return of unearned aid

1. If the total amount of title IV Aid that the student has earned is less than the amount of title IV loan assistance that was disbursed, the difference between these amounts must be returned to the US Department of Education by the University and/or the student. For example, if a student completes 30% of the payment period, they will have earned 30% of the financial aid that they were originally scheduled to receive. Therefore, the unearned balance must be returned.
  
2. Once the R2T4 calculation has been completed, the College will issue a copy to the student. If unearned funds have to be returned by the College, a payment will be issued to G5 and the student's loan disbursement record will be updated in the Common Origination and Disbursement (COD) portal.
  
3. Funds will be returned to the US Department of Education in the following order:
  - a. Federal Direct Unsubsidized Loan
  - b. Federal Direct Subsidized Loan
  - c. Federal Direct PLUS Loan

4. If there are loan funds that they must return themselves, the student will be notified of this in writing by the College within 30 days. The student should repay these loan funds in accordance with the terms of their Master Promissory Note to be made to the holder of the loan. If the student has received a refund of their loan proceeds before withdrawing, they may be required to return part or all of these funds to the lender.

## **Post-Withdrawal Disbursement (PWD)**

5. If the total amount of Title IV Aid that the student has earned is greater than the amount of Title IV Aid that was disbursed, then the difference between these amounts must be treated as a post-withdrawal disbursement ("PWD") due to the student.
6. Within 30 days of the date that it has been determined that the student withdrew, the College will contact the student (or parent in the case of a parent PLUS loan) in writing to offer them the PWD identifying the type and amount of loan funds involved. The College will explain that the student (or parent) can choose to accept or decline some or all of these funds and require a response by email within 14 days. The College may automatically request confirmation that all or a portion of the PWD (including loan funds, if the student accepts them) can be used to cover institutional charges or be directly disbursed to the student. If the response is received after that time, the College may honour that response but not if it is received more than 180 days late. The IFC will confirm this decision to the student in writing. The College will only disburse the PWD on receipt of emailed confirmation from the student (or parent).
7. Any PWD must be repaid in the same way as other loan funds disbursed in accordance with the terms of the promissory note.

## **Other circumstances**

8. If a student fails to start enrol or re-enrol at the College for a payment period, that student is not eligible for Title IV funds and so it is not necessary to carry out an R2T4 calculation.
9. If a first year undergraduate student withdraws within the first 30 days of a programme they are deemed not to have earned any federal aid and so it is not necessary to carry out an R2T4 calculation.

## **Exit Counselling**

When a student withdraws from the College, they are required to complete Exit Counselling at [studentaid.gov/exit-counseling/](https://studentaid.gov/exit-counseling/). This provides important information on the repayment of their federal student loans and money management. Wellbeing: International Advice will check that students undertake this Exit Counselling and document it in their records.