

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

**A.** Royal Holloway has a duty to ensure that Federal Education Loan monies – and especially subsidised funds – are properly apportioned to study and attendance costs and accounted for in accordance with US Department of Education guidelines.

**B.** This means that upon a student borrower's withdrawal from College, interruption of studies exceeding 180 days or submission of thesis (in the case of a PhD or MPhil programme) during an enrolment period, Royal Holloway will carry out an assessment based - in strict order of priority, as listed – upon:

**(i) US Department of Education refund rules in respect of Title IV funds for foreign schools, as revised from time to time.**

Both Stafford and PLUS loans will effectively need to undergo a recalculation to determine whether all of the aid received during the payment period was earned. The calculation expresses the number of days completed by the student borrower in the payment period (including weekends, but not scheduled breaks) as a percentage of the number of days in the whole payment period. Where the outcome is 60% or greater of the payment period completed, the student borrower will be deemed to have earned all of the aid received, the tuition fee for the period will be payable in full and there will be no requirement to return federal loan funds to the US Department of Education.

In cases where less than 60% of the payment period has been completed at the point of withdrawal etc., the student borrower will be regarded as not having earned all of the aid received and the College will have an obligation to return the unearned portion, received towards tuition and College accommodation fees, to the US Department of Education within 45 calendar days from the date of withdrawal, interruption or submission as appropriate, and as determined by the College. This aid will have to be returned utilising loan funds in the order: 1. Direct unsubsidised 2. Direct subsidised and 3. Direct PLUS. It should be noted that such a return of loan funds may result in the student borrower having a liability to the College in respect of tuition and /or accommodation fees, as outlined in step (ii) below.

**(ii) The College's own Student Fee Regulations – available at:**

<http://www.rhul.ac.uk/ecampus/documents/pdf/money/studentfeeregulations201213august2012.pdf>

The student's liability to the College for tuition fees, where the percentage of the payment period completed is less than 60% will be determined in line with these regulations and may result in a residual amount owing to the College after completion of step (i) above. Similarly, the College charge for accommodation, which will be charged to the student on the basis of the number of days of occupancy, may result in an underpayment to the College. Where a deficit remains on the student's Fees Account with the College as a result of the application of these regulations and/or an outstanding accommodation charge, the student will be expected to reimburse the College in full within 28 days (or such alternative period as agreed by the Head of Student Fees) of being advised of the funding shortfall, or the date of the refund to the US Department of Education, whichever is later.

**C.** Student borrowers are required to complete an exit counselling session via the National Student Loan Data System at [www.nsls.ed.gov](http://www.nsls.ed.gov) upon withdrawal from the College, graduation, or when moving to less than half time study. The session provides important information on repayment of their federal student loans and money management. The College will notify student borrowers of their obligation to complete exit counselling. Dedicated staff are also available for guidance and advice if required. The College will also endeavour to inform withdrawing/interrupting/submitting students of the following:

- (i) the return formula used in the calculations;
- (ii) the amount returned to the US Department of Education, if any;

- (iii) any resulting liability of the student borrower to the College (whether for tuition or accommodation fees); and
- (iv) any anticipated liability the borrower may have to the US Department of Education as a result of an overpayment of other, non-College/school costs.

**E.** The College has an obligation to report any changes in a student borrower's enrolment status (including mode of study) to the National Student Clearinghouse, which acts as the reporting agent to lenders, guarantors and the US Department of Education. Where a student has been reported as withdrawn or studying less than half time the re-assessment and refund process, described in B (i) above, will need to be undertaken. This will also have ramifications for the repayment date of existing Federal Loans.

*Important notes:*

- (i) *The College reserves the right to consult with a student's loan servicer as appropriate (and any relevant Federal body if deemed necessary,) to ascertain whether a partial refund by the College of loan monies previously paid to it is due, and if so, to whom the amount should be returned.*
- (ii) *Students should note that this policy does not apply to the routine disbursement of loan funds to students to assist with living costs etc., incurred directly by them (i.e. disbursements for associated expenses covered by the loan, available after the relevant portion of the main school fees have been settled).*

*March 2013*