



**Northumbria  
University**

NEWCASTLE

**NORTHUMBRIA UNIVERSITY NEWCASTLE RETURN TO TITLE IV (R2T4) POLICY  
AND SUMMARY OF REQUIREMENTS**

## **Introduction**

US federal law specifies how a school must determine the amount of Title IV program assistance (Federal Direct Stafford or Federal PLUS Loans) that students earn if they withdraw from school, transfer to an ineligible programme of study or drop below half-time.

In short, any unearned funds must be returned to the lender, a process known as Return to Title IV (R2T4).

The US Loans Coordinator is responsible for calculating R2T4, using worksheets and software provided by the US Department of Education. All funds must be returned to the lender within 45 days of the date of when the school determined that a student withdrew or became ineligible. Any funds that have been disbursed and are regarded as an overpayment must be returned to the loan servicer by the student within the same timeframe. Upon notice of a withdrawal from study, the US Loans Coordinator will email you to notify you of any funds that may require repayment once the R2T4 calculation has been completed.

## **Changes to Personal Circumstances**

We recognise that personal circumstances can change and affect your studies but it's important to be aware that such changes can also affect your right to borrow US federal loans.

You must ensure that your personal details (such as address, phone number, email, next of kin) held by the University are correct and up-to-date. You can use the Student Hub section of MyNorthumbria to update your information or you can email any changes to the US Loans Coordinator.

If you change your name, you will need to provide proof of change (for example, a marriage certificate or passport). Please contact Ask4Help with your evidence so that your information can be updated both with the University and with our Immigration Compliance Officer.

## **Changes to Academic Circumstances – Withdrawal, Suspension or Change of Studies**

If you are considering taking a break in study, transferring from one programme to another, or withdrawing, please first discuss your situation with your guidance tutor. He/she will be able to advise you on an appropriate course of action. It is a University Regulation that you attend regularly; if circumstances are such that you are unable to do so, then please contact your guidance tutor or Faculty Office to discuss your situation and agree an appropriate course of action.

The financial implications of withdrawing from the University or suspending your studies can be significant so you should also consult the US Loans Manager who can advise you on implications for fees and the suspension of loan funding.

If you have an approved period of suspension from studies which will be longer than 180 days your status will be changed to 'withdrawn' for the purposes of Title IV loans. This is not to be confused with being classified as 'withdrawn' from your programme of study.

## **Breaks in Study and Withdrawals:**

### **DEFINITIONS and PROCEDURES**

#### **Approved Breaks in Study**

A Break in Study is a temporary interruption in a student's program of study. A Break in Study refers to the specific time period during a program when a student is not in attendance but intends to return to complete the program. Students returning from a Break in Study are not required to re-apply for admission but must re-register/re-enrol on their course. Students are expected to re-join their courses at the same point where they left unless otherwise agreed with academic staff and the student at the point of approving the Break in Study.

A Break in Study must also meet certain conditions to be counted as a *temporary* interruption in a student's education instead of being counted as a withdrawal (which requires the school to perform a Return of Title IV calculation). If a Break in Study does not meet the conditions, the student is considered to have ceased attendance and to have withdrawn. To secure an approved Break in Study, the student must have an agreement with the Faculty that they may take a short break from their studies for an agreed period of time, or that they may defer and re-commence their study from the beginning at a future date. They are also required to inform their guidance tutor as well as the US Loans Coordinator of any changes to their student status. This information will also be passed to our Immigration Compliance Officer so that UK Visas and Immigration can be updated accordingly and the student visa curtailed where necessary.

Further information on Approved Breaks in Study can be found here:

<https://www.northumbria.ac.uk/study-at-northumbria/support-for-students/staying-on-course/student-process-for-change-of-circumstances/>

### **Unapproved Breaks in Study**

A Faculty may grant a student a Break in Study that does not meet the conditions to be an approved Break in Study for Title IV purposes (for example, for academic reasons). However, any Break in Study that does not meet all of the conditions for an approved Break in Study is considered a withdrawal for Title IV purposes. Unapproved Breaks in Study usually occur when students simply stop attending, do not inform their Faculty or the US Loans Coordinator of their intentions and do not provide correspondence or confirmations when requested. This information will be passed to our Immigration Compliance Officer so that the UK Visas and Immigration can be updated accordingly and the student visa curtailed where necessary.

### **Official Withdrawal**

A 'withdrawal' refers to a student's intent to completely terminate their studies with no expectation of return. Students who subsequently decide to return to their studies must re-apply for admission and go through the standard admissions process. To secure a withdrawal, students are required to inform follow the instructions on this webpage: <https://www.northumbria.ac.uk/study-at-northumbria/support-for-students/staying-on-course/student-process-for-change-of-circumstances/>. Students are also required to inform the US Loans Coordinator of any changes to their student status. This information will be passed to our Immigration Compliance Officer so that the UK Visas and Immigration can be updated accordingly and the student visa curtailed.

### **Unofficial Withdrawal**

An unofficial withdrawal is one where the University has not received notice from the student that the student has ceased or will cease attending. Much like an unapproved Break in Study, an unofficial withdrawal occurs when students simply stop attending, do not inform their University or the US Loans Coordinator of their intentions and do not provide correspondence or confirmations

when requested. This information will be passed to our Immigration Compliance Officer so that the UK Visas and Immigration can be updated accordingly and the student visa curtailed.

### **Other Scenarios**

Transferring to an ineligible programme of study or dropping below half-time is treated in the same way as a withdrawal. If the student received (or the University received on the student's behalf) less funding than the amount 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. If the student has not officially withdrawn, the University will use the last date of eligible attendance to compute the R2T4 formula. 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. Please note a period of suspension from studies which is longer than 180 days in any 12 month period, for the purposes of Title IV loans, is also treated as a withdrawal. The 12 month period begins on the first day of the suspension and the return of Title IV funds policy will apply.

### **In order for a Break in Study to qualify as 'approved':**

1. The situation described for the reason for the Break in Study must be generally non-academic in nature and must be one that leads to a reasonable expectation that the student will return from the Break in Study within the allowed time frame.

2. The Break in Study together with any additional leaves of absence must not exceed a total of 180 days in any 12-month period including days in which the University is not in session. During the Break in Study, the institution will not charge the student any additional institutional charges, the student's financial need will not increase, and therefore, the student will not be eligible for any additional disbursements of Federal Student Loan funds.

If the student is a Stafford Loan recipient, the US Loans Coordinator will explain to the student the effects that the student's failure to return from an Break in Study may have on the student's loan repayment terms, including the expiration of the student's grace period.

A student granted a Break in Study that meets the criteria stated above is not considered to have withdrawn, and no Return of Title IV calculation is required. Upon the student's return from the leave, he or she can continue to earn the Federal Student Loan funds previously awarded for the period.

### **Change of Status - Consequences to Loan Recipients**

#### **Determining Last Date of Attendance (Withdrawals and Breaks in Study)**

A student's last date of attendance is the date of their decision to withdraw/take a Break in Study or the date they were told would be their withdrawal/Break in Study date. International students at Northumbria University Newcastle are subject to attendance monitoring as part of the UK Visas and Immigration protocols and we will use this attendance data as a means of determining a student's last date of attendance for both Breaks in Study and Withdrawals where the information is not made clear by the student. A registered Break in Study or Withdrawal will be updated against a student's record with the appropriate date of validity and used for any R2T4 calculations

An unapproved Break in Study is treated as an official withdrawal, and a Return calculation must be performed, using the date the student begins the Break in Study as the specified withdrawal date in the Return calculation.

If a student does not return to the school at the expiration of an approved Break in Study (or a student takes an unapproved Break in Study), the student's withdrawal date is the date the student began the Break in Study.

If there was a period of suspension (leave of absence) before withdrawing, the date of withdrawal is the date of the decision to withdraw, not the date the suspension began (which might be in a previous academic year). Where students are reported as a fail and withdrawn, the date of withdrawal will be the date that the Progression and Awards Board met to approve such a withdrawal.

If the University is unable to determine the date of withdrawal e.g. due to no communication from the student, then the date of withdrawal will be determined by the academic department, normally the last known date of attendance obtained from our attendance records.

### **Calculating the Amount to Be Returned**

When a student withdraws or becomes ineligible, the amount of Title IV funding that has been earned up to that point is determined by a specific formula.

The amount of assistance earned is determined on a pro-rata basis and the percentage of attendance is calculated by dividing the number of hours completed by the total number of hours in the payment period. For example, if the student completes 30% of the hours in a payment period, the student has earned 30% of the assistance they were originally scheduled to receive. Once the student has completed more than 60% of the hours in a payment period, 100% 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.

### **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, which is recommended. The US Loans Coordinator will use the R2T4 worksheets to determine how much of the loan may be retained and how much must be returned and will communicate this to the student in writing via email.

The University may automatically use all or a portion of a post-withdrawal disbursement (including loan funds, if the student accepts them) for tuition, fees, and room and board charges (as contracted with the University). 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 their personal debt at the University.

### **30 Day Rule for First-Time First-Year Undergraduates**

Students classified as being first-year, first-time undergraduate borrowers to the US federal loans programme are not permitted access to their loan funds until 30 days after enrolment has occurred. In terms of withdrawals, there are some Title IV funds that students were scheduled to receive that cannot be *earned* once a student withdraws because of other eligibility requirements. For example, if a first-time, first-year undergraduate student has not completed the first 30 days of the program before withdrawal, the student will not earn any Federal loan funds that he or she would have received had the student remained enrolled past the 30th day. 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:

- 1) The institutional charges multiplied by the unearned percentage of the funds OR
- 2) 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 repays in accordance with the terms of the Master Promissory Note; 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.

### **Loan Entitlement and Returning Funds**

If you withdraw from the University, or make changes to your studies that affect your eligibility for Title IV Direct Loans, we will recalculate your loan entitlement based on the period of attendance/entitlement. As a result, the University or you, may be required to return funds to the U.S. Department of Education from the Title IV Direct Loans subsidised / unsubsidised or PLUS loans received/distributed. Future disbursements may also be affected.

Title IV funds will be returned in the following order:

- 1) Unsubsidized Federal Direct Stafford Loans
- 2) Subsidized Federal Direct Stafford Loans
- 3) Federal Direct PLUS Loans

The requirements for Title IV program funds when students withdraw or lose eligibility are separate from the School [refund policy](#).

A student may still owe funds to the University to cover unpaid institutional charges. The school will also attempt to collect from the student any Title IV program funds that the school was required to return.

If you have questions about 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* at [www.studentaid.ed.gov](http://www.studentaid.ed.gov).