

## **Student Federal loans Withdrawal, Return of Title IV Funds Policy (R2T4) Dublin City University**

Title IV funds are awarded to a student with the assumption that the student will attend school for the entire period of the programme. Students in receipt of US Federal Student Loans who withdraw from a programme of study at DCU may be required to repay some or all of the Federal Student Loans disbursed to them for that term, the “unearned” portion as they may not be eligible for the full amount. The amount of aid earned is determined by the Return to Title IV guidelines set by federal regulations.

If students **attend between 0 to 60 percent** of a term, they earn that percentage of the aid they were originally scheduled to receive.

If students **attend more than 60 percent** of a term, they earn 100% of aid for that term and a repayment will not be calculated. DCU must determine if the student is entitled to a post withdrawal disbursement and the student must be notified within 30 days.

If students **received less aid** than the amount earned, they may be eligible to receive the difference if they meet all the documentation requirements within the specified time frame.

If students **received more aid** than earned, the unearned aid must be returned to the programmes by the University, the student, or both.

### **REPAYMENT OF UNEARNED FEDERAL LOANS**

Responsibility for repayment of unearned Federal Student Loans will be shared by the University and the student according to the requirements of the Federal Formula for Refunds of Unearned Title IV aid. In essence, students will be entitled to retain the same percent of the federal loans received as the percentage of the semester completed. This percentage is calculated by dividing the number of days in the semester (excluding breaks of five days or longer) into the number of days completed prior to the withdrawal (excluding breaks of five days or longer). There will be no adjustment to federal loans after the completion of at least 60% of the semester.

Unearned Title IV aid due from the University will be returned to the federal programmes for the specified term. The University must return the lesser of institutional charges multiplied by the unearned percentage of your aid, or the entire amount of unearned aid. Students may be required to repay this amount to the University.

Unearned portions of Title IV aid due from the student will also be returned to the federal programs by the University. The student will owe the University for these Returned Funds. If loan funds are calculated to be returned, you (or your parent for a Parent PLUS Loan) repay in accordance with the terms of the promissory note.

## HOW THE EARNED FINANCIAL AID IS CALCULATED

Students who receive federal financial aid must “earn” the aid they receive by staying enrolled in classes. The amount of federal financial aid assistance the student earns is on a pro-rated basis. Students who withdraw or do not complete all registered classes during the semester may be required to return some of the financial aid they were awarded.

Institutions are required to determine the percentage of Title IV aid “earned” by the student and to return the unearned portion to the appropriate aid programs. Regulations require schools to perform calculations within 30 days from the date the school determines a student’s complete withdrawal. The school must return the funds within 45 days of the calculation and the calculation must be performed within 30 days of the date of determination of withdrawal. The **R2T4** calculation process is completed by the Federal Loan Administrator. The return of funds is facilitated by the DCU Fee Payment’s Office in collaboration with the International Office.

For example, if a student completes 40 percent of the payment period, they earn 40 percent of the aid they were originally scheduled to receive.

This means that 60 percent of the scheduled awards remain “unearned” and must be returned to the federal government. Once 60% of the semester is completed, a student is considered to have earned all of his/her financial aid and will not be required to return any federal funds.

The following formula is used to determine the percentage of unearned aid that has to be returned to the federal government:

The percent earned is equal to the number of calendar days completed up to the withdrawal date, divided by the total calendar days in the payment period (less any scheduled breaks that are at least 5 days long). This is further discussed later in the policy.

(The payment period for students is the entire semester and the percent unearned is equal to 100 percent minus the percent earned).

## WITHDRAWAL TYPES

For financial aid purposes there are two types of withdrawals: Official and Unofficial.

### **Official:**

This is when a student officially withdraws from the University and submits the correct and official paperwork to all relevant staff through the DCU Student Apps. All registered students have access to DCU Apps and will find the link below to the form. Students log into DCU Apps using their Student User Name and Password. Students in receipt of US Federal Loans should also email the current Federal Aid Administrator. The date of form submission is the date of withdrawal. Further Information on officially withdrawing from DCU is available using the following link:

<https://www.dcu.ie/students/az/withdrawing>

Fee refund information is available [here](#).

DCU's tuition/fee refund policy is separate from the federal regulations to repay unearned aid. Whether or not a student receives a tuition/fee refund has no bearing on the amount he/she must repay to the federal aid programs.

### **UNOFFICIAL WITHDRAWALS**

Students who have stopped attending their program and did not officially withdraw from the university are considered 'Unofficially Withdrawn'. In accordance with federal guidelines, **Return to Title IV** calculation will be performed using the midpoint of the term (50 percent) unless attendance is documented after that time. As a result, students may be billed for that term's unearned loans.

Federal financial aid regulations consider a student to be unofficially withdrawn if the student receives all Fail or Absent Grades during the Academic Semester.

### **DETERMINATION OF THE WITHDRAWAL DATE**

The Withdrawal Date is the date used by the institution to determine the 'Earned' and 'Unearned amounts' of Title IV Funds from the Return of Title IV Funds calculation.

The withdrawal date used in the return calculation of a student's federal financial aid at DCU is the actual date indicated on the official form submitted through the Student App.

If a student stops attending classes without notifying DCU officials, the withdrawal date will be the mid-point date of the payment period or if it can be determined, the last date of academic activity.

If a student withdraws through illness or accident etc., the date of withdrawal will be the date of illness or accident.

### **DISENROLLED STUDENTS**

Return to Title IV calculation will apply to students who received federal loans and were disenrolled from the University. The disenrollment date used for the calculation will be determined by the University.

### **WHEN A STUDENT FAILS TO BEGIN ATTENDANCE**

If a student receives financial aid, but never attends class, all disbursed funds must be returned to the federal aid program by DCU. The student has never established eligibility and therefore all aid is cancelled and returned.

### **FAILING COURSES**

When a student fails all exams or continuous assessment elements, the Financial Aid office will contact the student to establish whether the grades are genuine or represent a lack of attendance. The Satisfactory Academic Progress will apply if the grades are genuine and earned but if it is determined the grades were earned due to non-attendance, then the last known date of attendance or the unofficial withdrawal procedure will be used for the R2T4 calculation. Students who do not attend any classes will be ineligible for loans.

### **POST WITHDRAWAL DISBURSEMENT**

When a student withdraws from the University, they generally become ineligible for future disbursements of federal financial aid. In some cases, however, funds earned prior to withdrawal can be offered to the student through a post-withdrawal disbursement (PWD). When the total amount of the Title IV loan assistance earned as of the withdrawal date is

more than the amount that was disbursed to the student, the difference between the two amounts may be treated as a post-withdrawal disbursement.

If eligible, DCU will send notification of the action required to either accept or decline a portion, or all, of the late disbursement. If no response is received within 2 weeks the award will be cancelled.

### **LEAVE OF ABSENCE**

A Leave of Absence (LOA) should only be a temporary interruption to a programme of study and students must inform the Financial Aid Officer at DCU in writing of any intended LOA.

The following policy applies to LOAs at DCU:

- There must be a reasonable expectation that the student will return from the LOA and DCU must approve the requested LOA for it to be official.
- The student must request the LOA in writing from the Programme Chair of the DCU Programme and state the reason for the request.
- Once approved, the student should advise the Federal Aid Administrator and provide confirmation from the Programme Chair.
- A student granted an LOA is not considered withdrawn and no return of Title IV calculation is required.
- If a student does not meet the LOA criteria, the student is considered to have ceased attendance from the institution if they proceed with an unofficial LOA and a Title IV return of funds calculation is required if the student received federal aid.
- An LOA is considered to be the equivalent of a withdrawal from DCU if it exceeds 180 days (6 months) in any 12 month period.
- The borrower will be considered as withdrawn from DCU for loan repayment purposes if there is a failure on behalf of the student to return within 180 days (6 months) and students are advised of this rule if the LOA has been approved.
- At this point, DCU is required to calculate the amount of financial aid earned and the amount of 'unearned' aid that must be returned.
- The withdrawal date for students who fail to return is the date of commencement of the LOA.

**IMPORTANT:** For a student on an approved LOA, Title IV loans remain in "in-school" status for the period of the LOA. When a student does not return from an LOA, part or all of the grace period could be used impacting when a student will go into repayment.

## STEPS IN THE RETURN OF TITLE IV FUNDS POLICY

DCU will determine the circumstance and:

- The total amount of Title IV aid disbursed for the semester in which the student withdrew. Aid is considered disbursed in the calculation if it has been applied to the student's account on or before the date the student withdrew.
- The total amount of Title IV aid disbursed plus the aid that could have been disbursed for the semester in which the student withdrew.

DCU will calculate the percentage of Title IV aid earned as follows:

$$\frac{\text{The number of days enrolled on the program}}{\text{Number of days in enrolment period}} = \text{Percentage completed or amount of funds earned.}$$

If the Percentage completed or amount of funds earned is greater than 60%, the student has 'earned' all of the Title IV aid for the enrolment period.

DCU will calculate the percentage of Title IV aid earned by **the student** as follows:

$$\text{Total Aid Disbursed X Percentage completed (as above) = Earned Aid}$$

If the aid already disbursed = earned aid, then no further action is required however if the aid already disbursed is greater than the earned aid, the difference must be returned to the Department of Education by the University or the Student.

$$\text{Total Disbursed Aid} - \text{Earned Aid} = \text{Unearned Aid to be returned}$$

If the aid already disbursed is less than the earned aid, then DCU will calculate a post-withdrawal disbursement.

## REPAYMENT CALCULATION OF UNEARNED AID AS A RESULT OF A WITHDRAWAL

The calculations are performed by completion of the Federal Government's **R2T4** Form and the institution completes this within 30 days.

### ORDER OF RETURN

In accordance with Federal Regulations, refunds are allocated in the following order:

- Unsubsidized Loans
- Subsidized Loans
- Direct PLUS Loans

## UNIVERSITY AND STUDENT RESPONSIBILITIES

DCU responsibilities in regard to the return of Title IV funds include:

- Providing each student with the information given in this policy
- Identifying students who are affected by this policy and completing the Return of Title IV funds calculation for those students, and

- Returning to Title IV programs any Title IV funds which have been applied to tuition fees.

Student responsibilities include:

- Notifying DCU of intent to withdraw from all courses, and
- Returning to Title IV programs any funds that were disbursed directly to the student and for which the student was determined to be ineligible through the Return of Title IV Funds calculation.
- Payment of any balance on the student account after the R2T4 calculation.

*This policy is subject to change without advance notice based on changes to federal laws, federal regulations or school policies. If changes are made, students must abide by the policy. The R2T4 process is very encompassing and this policy is intended to be an overview of the policies and procedures that govern regulations pertaining to Title IV Refund (R2T4). For further guidance, please contact the Financial Aid Administrator at DCU by emailing [international.office@dcu.ie](mailto:international.office@dcu.ie)*

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