

## **Return to Title IV Funds Policy (R2T4)**

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We are required to complete a Return to Title IV (R2T4) calculation for U.S. federal loan recipients who withdraw from their studies during the course of the academic year. The withdrawal may be an official, unofficial or a result of academic failure.

The R2T4 calculates the amount of earned and unearned loan funds paid to the student. The unearned loan funds must be returned to the U.S. Department of Education. The return amount will be calculated using the number of days the student attended in the given term and the total number of days in the given term. For students who do not provide in writing an official withdrawal notice, our office will determine the date of withdrawal as the last day the student attended classes or submitted coursework, as confirmed by their academic department. This is known as an unofficial withdrawal.

A Return to Title IV (R2T4) calculation for U.S. federal loan recipients is also required where recipients undertake an interruption of study longer than 180 days or go on an unauthorized interruption.

### **Interruption of Studies/Withdrawal procedure**

The [Procedure for Leavers who withdraw policy](#) provides information about the procedure involved to request an interruption of studies or withdrawal. U.S. loans recipients are required to inform the Student Financial Support team and the Registry office of their withdrawal/interruption of studies within 5 days. The withdrawal/interruption of studies date is the date the student completed the formal University process. This date is entered on the University student records system.

### **Withdrawal and tuition fee refund policy**

The [Tuition Fees policy](#) provides the Imperial's tuition fee refund policy.

### **Return of Overpayment – Withdrawal and Interruption of Study for more than 180 days**

Title IV financial aid recipients who withdraw, are administratively withdrawn or interrupt their studies using the formula provided by the U.S. Department of Education.

The Student Financial Support team is responsible for the correct calculation of the unearned funds using the formula provided by the U.S. Department of Education. Central Finance is responsible for the transfer of R2T4 funds to the U.S. Department of Education.

Title IV financial aid recipients who receive an overpayment resulting from changes in enrolment, cost of attendance and general eligibility will be required to return funds necessary to eliminate overpayments within a specified time frame.

In accordance with federal regulations, aid will be returned in the following order:

- Unsubsidized Direct loans
- Subsidized Direct loans
- Direct PLUS loans

The amount of earned aid is calculated on a daily basis from the first day of classes. The process uses calendar days rather than school days. The following calculation calculates the amount of unearned funds:

$$\frac{\text{Number of days enrolled on the programme}}{\text{Total number of days in the payment period}} \longrightarrow \text{Amount of loan funds earned}$$

Please see below an example:

Undergraduate student withdraws Autumn Term on Wednesday of Week 3:

Days Attended:	19
Days in Term:	76
Earned Aid:	25%
Unearned Aid:	75%

Please note: In calculating the number of days, scheduled breaks of more than 5 days should be excluded from both the numerator and the denominator in the above calculation.

Where a student withdraws or interrupts study after completing 60% of the payment period, he/she is deemed to have earned 100% of the loan funds therefore there is no requirement to return funds.

The amount of unearned aid that must be returned by Imperial College London is a percentage of the tuition fee for the term. The school portion of the return is calculated by taking the percentage of unearned aid and multiplied by the fees for the term. If the calculation results in an amount that exceeds the school's portion, the student must repay some funds to the U.S. Department of Education. The College will collect any unearned U.S. loan funds required to be returned from the student.

If the student has earned less than the earned amount of loan funds, the difference could be paid as a post withdrawal disbursement. In some cases, post-withdrawal the school will disburse any Title IV funds that the student has earned but have not yet been disbursed to the students. This is known as a post-withdrawal disbursement. Loans must be offered to the student within 30 days, allowing the student at least 14 days to respond.

If the R2T4 calculation results in a credit balance on the student's account, the amount will be disbursed to the student within 14 days.

The College's tuition fee policy and R2T4 policy have different requirements. Therefore, the student may owe funds to the College to cover any unpaid institutional charges.

## College and Student Responsibilities

Imperial College London responsibilities regarding 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 that are due.

Student responsibilities include:

- notifying the College of the student's 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.

Federal regulations require the University to return unearned funds directly to the student's lender with 45 days. If the return of the funds creates a balance due on the student account, the student will be responsible to pay the full balance on their account.

Please note that this policy applies to unofficial withdrawals, official withdrawals, interruptions and academic failures.

Please contact the [Student Financial Support team](#) if further information is required on this policy.

## Document Control

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