
Return of Title IV Funds Policy

Swansea University will follow this policy when a student in receipt of Title IV funding withdraws or suspends from their programme of study at Swansea University.

An [Approved Leave of Absence](#) (suspension of studies) only relates to PhD students at Swansea University. This is covered separately under our Leave of Absence policy.

All Federal Student Aid is considered under the generic term 'Title IV funding'. This is a reference to Title IV of the Higher Education Act of 1965 (HEA) which covers the administration of the United States federal student financial aid programmes. This includes Stafford, Direct Subsidized, Direct Unsubsidized and Graduate/Parent PLUS Loans administered through Swansea University. Students in receipt of one or more of these types of loans are considered as 'Title IV-funded'.

Throughout their study Title IV funded students are considered as 'earning' funding based on the time they are enrolled in each payment period. When a student ceases study (by either Withdrawing or Interrupting their studies) they also cease to earn these funds. US federal regulations state that when a Title IV funded student ceases study, an assessment must be done to determine the amount of funds that the student received but did not earn within the relevant payment period.

All unearned funds must be returned to the US Department of Education; this is known as 'Return to Title IV' or 'R2T4'.

R2T4 assessment:

The US Department of Education specify how Swansea University assesses the amount of Title IV funding that has been 'earned' and 'unearned'. The Federal Aid Administrators at Swansea University are responsible for calculating R2T4 amounts and use a procedure which is based on the R2T4 calculation formulae provided by the US Department of Education.

These formulae take into consideration the start and end date of the payment period, the end date of the student's study, the minimum time required to earn funding, the amount disbursed, and the different Title IV programs being used.

The start date of the payment period is the date that the funds start to be earned, usually the first day of each term. The end date of the payment period is the day before the next scheduled payment period and first day of the next term, or, if all disbursements have been made, the end of the academic year. Where a student has received an additional disbursement outside of the dates registered with the US Department of Education they may be within two or more disbursement periods simultaneously, in this case an R2T4 calculation will be done for each payment period.

The end date of the student's study is the date that the student notified their Academic College of their intent to cease study or the date that the withdrawal/interruption request form was

submitted, whichever is the earlier. Where a student is considered withdrawn or interrupts without an official notification (e.g. through lack of attendance) the Academic Services will consult with the student's Academic College to verify the last date of engagement on the programme and this will be used as the end date/last date of attendance.

Students funding their studies through US Federal Aid are required to inform a US Loan Administrator of their withdrawal at the same time as notifying their respective Academic College Tutor/Administrator.

To ensure compliance with the R2T4 guidelines, the process must insure that the University's determination that the student withdrew is no later than 14 days after the last day of attendance commence.

Refund Policy:

Swansea University operates a refund policy for all students who have officially enrolled at the University. The [University's Refund Policy](#) is not to be confused with R2T4 calculations and refunds, and should a student withdraw from their programme of study, they will be entitled to a refund as outlined in the regulations, but only after any funds owed have been returned to the US Department of Education if applicable.

This policy does not affect the amount of tuition fees a student may be charged by Swansea University upon withdrawal/interruption. This amount will be assessed according to Swansea University's Refund Policy.

If the R2T4 calculation results in a Title IV credit balance on the student's account the credit balance will be disbursed as soon as possible, but no later than 14 days after the Return calculation.

As a consequence of withdrawing/interrupting during a payment period, a student may owe money to Swansea University for outstanding tuition fees, where the R2T4 amount has left a fee deficit.

Treatment of Title IV funds when a student withdraws (including for PhD students only: unapproved LOA and LOA for more than 180 days)

When a student withdraws, Swansea University will use the previously mentioned information available to determine the withdrawal date/last day of attendance. The US Loans Administrator will calculate the amount of Title IV programme assistance that has been earned up to that point, using a formula provided by the US Department of Education.

The minimum time required for students to earn the full Title IV funding is 60% of the disbursement period.

Students who complete more than 60% of the Payment Period are deemed to have earned 100% of the scheduled Title IV funds.

In order to calculate the amount of unearned loan funds a student may have received, the percentage of the programme completed must be calculated as follows:

$$\frac{\text{Number of calendar days completed}}{\text{Number of calendar days in payment period}} = \% \text{ completed}$$

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.

Any unearned title IV funds which the student may have received must be returned to the US Government using the G5 system by Swansea University within 45 days of the date of withdrawal.

Loan funds must be returned in the following order, as set by the US Department of Education and not by Swansea University:

1. Unsubsidized Federal Stafford loans
2. Subsidized Federal Stafford loans
3. Federal PLUS loans

Outcome of the R2T4 assessment:

The calculation will determine how much of the Title IV funding the student received was earned and how much was unearned. Where the student received unearned funds the calculation will also determine the order in which the funds need to be returned to the relevant Title IV programs.

The Federal Aid Administrator will notify the student of the outcome of the R2T4 assessment by email with 5 working days of completing the assessment.

If the student received more Title IV funds than were earned, these unearned funds must be returned:

The Financial Aid Administrator will arrange with the Finance Office to return the relevant portion of funds to the US Department of Education. The US Department of Education require all funds to be returned within 45 days of the date the Academic College determines that a student has withdrawn/interrupted.

Once the assessment and calculation have been completed, a full breakdown will be produced and emailed to the student, detailing any balances owed to Swansea University after repayment of the unearned funds.

Swansea University's Finance Department will contact the student to request payment of any outstanding tuition and/or accommodation fees.

Post-Withdrawal Disbursements Process:

If the student did not receive all of the Title IV funds that were earned they may be due a Post-Withdrawal disbursement.

Swansea University's Responsibility:

If Swansea University owes the student a post withdrawal disbursement of funds, the following action will be taken:

Swansea University will contact the student, or a parent for a Direct Parent PLUS Loan, in writing within 30 days of the Date of Determination, prior to making any post-withdrawal disbursement of

loan funds, whether those loan funds are to be credited to the student's account, or disbursed directly to the student or parent in accordance with Federal Aid regulations.

This allocation must take place no later than 30 calendar days of the determination of the date the student withdrew. There is a strict 30-day required notification of the need for authorisation from the student and/or parent to make a Post-Withdrawal disbursement of FSA loan funds.

Swansea University does not need the student's permission to use the Post-Withdrawal Disbursement for any educationally related expenses/charges remaining on a student's University account.

The notice must identify the type of aid and the loan amount it seeks to credit to the account, or the amount of aid offered as a direct disbursement to the student or parent, advising that they may accept or decline all or a portion of the funds. The advantages about keeping the loan debt to a minimum will be advised.

Once Swansea University has received confirmation from a student, or parent in the case of a Direct PLUS Loan, (recommended time frame to receive a response is 14 days), that a Post-Withdrawal disbursement is to be made, it must be processed as soon as possible, but no later than 180 days to pay the Post Withdrawal Disbursement directly to the student or parent, or to credit the student's account, from the date of determination.

If Swansea University has not received a response from the student and/or parent, then the funds are to be returned to the Department no later than 45 calendar days of the determination of the date the student withdrew.

Student Responsibility:

If a student did not receive all of the funds earned, a post-withdrawal disbursement may be due, but the student must give the permission for this to take place. However, Swansea University may automatically use all of, or a portion of, any Post-Withdrawal disbursement, without the student's permission, for any charges due for tuition, fees and accommodation, if applicable, up to the amount of the outstanding charges.

The student is not under any obligation to take a Post Withdrawal disbursement, in order to avoid incurring additional student loan debt.

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June 2023 reviewed

Jan Gosling