

United States Department of Education Return to Title IV (R2T4) Regulations

Section 1 – Overview

According to US Federal Law, if a student withdraws from their programme of study, the University of Aberdeen Financial Aid Office must complete a Return to Title IV (R2T4) calculation and arrange for any ‘unearned’ Federal Aid funds to be returned to the US Department of Education.

When a student withdraws from or suspends their studies during a payment period, the amount of Title IV program assistance earned up to that point is calculated using a specific formula.

This policy outlines how the University of Aberdeen determines the amount of US Higher Education Act Title IV program assistance (Direct and PLUS Loans) a student has earned if they withdraw from the University or no longer meet the eligibility requirements. For R2T4 purposes, any interruption of studies (e.g., leave of absence) exceeding 180 days or an “unapproved leave of absence” is considered a withdrawal.

At the University of Aberdeen, the US Loan Administrator is responsible for calculating Return to Title IV Funds (R2T4). by using worksheets and software provided by the US Department of Education. The Finance Section is responsible for transferring the resulting funds. All funds must be returned to the US Department of Education within 45 days of the date the University determines that a student has withdrawn/ interrupted their studies or no longer meet the eligibility requirements.

For questions about Title IV program funds, students can contact the US Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users can call 1-800-730-8913.

Additional information is also available on Student Aid webpage - <https://studentaid.gov/>

Section 2 – Refund Policy

The University of Aberdeen has an institutional [Tuition Fee Refund Policy](#) for all students who have officially enrolled at the University. The University Policy should therefore not be confused with R2T4 calculations and refunds.

The amount of Title IV funds due for return as a result of a withdrawal is calculated independently of the tuition fee liability charged by the University. Therefore, the student may still owe funds to the University to cover unpaid institutional charges or may indeed be entitled to a refund in accordance with regulations found here (but only after any Title IV funds owed have been returned to the US Department of Education (if applicable). The University may also attempt to collect from the students any Title IV funding that the University of Aberdeen is required to return to the US Department of Education.

Section 3 – Withdrawal Procedure

If you are considering withdrawing or taking a break from your studies, it is recommended that you follow the guidance listed on the University of Aberdeen's website (links below), including discussing your personal circumstances with your supervisor, personal tutor, programme director, [School Retention and Engagement Contact](#) or member of the University's [Student Advice and Support team](#).

- Undergraduate withdrawal / suspending studies information.
<https://www.abdn.ac.uk/students/academic-life/changes-to-studies.php#panel4511>
- Postgraduate Taught withdrawal / suspending studies information.
<https://www.abdn.ac.uk/students/academic-life/changes-to-studies.php#panel4517>
- Postgraduate Research withdrawal / suspending studies information.
<https://www.abdn.ac.uk/students/academic-life/changes-to-studies.php#panel4520>

If you hold a Student visa, any changes may affect this; therefore, it is strongly recommended that you seek [immigration advice](#) before making your decision.

Once you have made your decision, but before you submit your request to change your status, it is essential that you contact the UoA US Loans Team as soon as possible at usaloans@abdn.ac.uk if you change the status of your studies by any of the following means;

- taking a period of approved leave of absence of 180 days or more¹
- withdrawing from your programme of study
- early completion of your programme, including submitting your final thesis early
- transferring your programme of study
- upgrading or downgrading² your level of study (e.g., PhD to MPhil/MPhil to PhD)
- changing your mode of attendance from full-time to half-time or less than half-time

For definitions of each of the above, please refer to Appendix 1 on page 7.

Withdrawal dates for students who officially withdraw will be determined by the completion of a withdrawal form and an agreement between the school and the student of the last date of attendance, and this date will be used for R2T4 calculation purposes.

¹In some cases, such as on a PGR degree, the leave of absence is approved for a period of less than 180 days, which does not require an R2T4 calculation.

²This may be determined at an annual review or meeting with your supervisory team or Registry Officer.

In the case where a student notifies the Personal Tutor/Programme Director or a member of staff that they intend to withdraw, the student must be informed of the need to submit a formal withdrawal form, citing the reason for withdrawal in writing and the effective date. Should the student fail to write or there is a lag between the notification and the student's written confirmation, the earlier date of notification will be used in calculating the R2T4 formula. In the event a student receives all failing grades for a semester, the Personal Tutor/Programme Director will contact academic staff to determine if the failing grades were earned or

represent a lack of attendance. In the event it is determined that those grades were the result of lack of attendance, the Personal Tutor/Programme Director will attempt to determine the last day of attendance and use that date in the R2T4 calculations. If the exact date cannot be determined, the University will use that date that you last attended a course as reported by your course tutor as the last date of attendance. Students who do not attend even one class, are ineligible for Title IV funds and all the loan proceeds will be returned to the lender.

Section 3.1 Unofficial Changes to Study

An unofficial withdrawal occurs when a student ceases to attend the University, either temporarily (e.g., unofficial leave of absence or indefinitely (where there is no intent to return), but the University has not received notice of this from the student.

The US Loans team will monitor student attendance through the Student Record system. Departments are required to monitor regular attendance through the academic year and report a C6/C7 (withdrawal or refusal of a Class Certificate) on the Student Record system when a certain number of classes have been missed or assignments not submitted. This report is checked on a weekly basis. If a C6 is not actioned within 8 days, the student will be contacted to advise that they are not making Satisfactory Academic Progress. If C7's are received for all courses in a semester, a student will be classed as an unofficial withdrawal.

Where a student has an unofficial withdrawal, the withdrawal date for R2T4 calculation purpose will be the last known date of attendance, as provided by the student's academic department. Except in unusual instances, the date of the institution's determination that the student withdrew should be no later than 14 days after the student's last date of attendance as determined by the institution from its attendance records.

Section 3.2 Returning from an approved Leave of Absence

Federal Aid recipients at the University of Aberdeen that begin an approved leave of absence will be reminded of the consequences of not returning to their studies at the end of the approved period and the effects this will have on the student's loan repayment terms, including the expiration of the grace period on the loan. A student that is granted an approved leave of absence is not considered to have withdrawn and no return of R2T4 calculation is required. Upon the students return they continue to earn the federal aid previous awarded for the period.

If a student fails to return after an approved leave of absence or takes a period of absence that does not qualify as an approved leave of absence, then the date of withdrawal is the start date of the approved leave of absence and a R2T4 calculation should be completed.

Section 4. Calculation R2T4

Students “earn” Federal Aid funds by attending classes. Under US Federal Law, the University is required to report any changed to your enrolment within tight timescales. For students who withdraw, suspend, or completed their studies earlier than expected, it may be necessary to complete a R2T4 calculation and arrange for the return of any “unearned” or credit balance funds to the US Department of Education within 45 days of the date of the University determines that the student withdrew. This date will be used to calculate the “earned” funds and to inform the National Student Loan Data System (NSLDS).

Where a student unofficially withdraws, the University of Aberdeen will comply with the return of Title IV funds; the R2T4 calculation will be made from the last know date of attendance. Therefore, it is important to notify usaloads@abdn.ac.uk as soon as a change is known, as this may affect the level of “unearned” funding to be returned to the US Department of Education and/or the date the student will begin repayments.

When a student withdraws, and the appropriate form is processed through Student Services, the University will use the best information available to determine the withdrawal date.

When the US Loans Team receive official notification that a student is withdrawing, then the last date of attendance used in the R2T4 calculation is the latter of:

- The date of notification of withdrawal
- The last date of attendance as identified by institutional procedure.

If no official notification is received, the last date of attendance will be the date of withdrawal.

The US Loans Team will calculate the amount of Title IV programme assistance that has been earned up to that point, using the R2T4 calculation formula provided by the US Department of Education within the Appendix to Volume 5 [worksheet](#).

The calculation will be based on the amount of attendance within a payment period. Students earn Title IV aid in direct proportion to the amount of attendance within a payment period.

Students who have been in attendance for more than 60% of the Payment Period are deemed to have earned 100% of their scheduled Title IV funds for that period. Students who have been in attendance for less than 60% are required to return unearned funds. The following calculation will be used to calculate unearned funds;

$$\frac{\text{Number of calendar days completed}^3}{\text{Number of calendar dates in payment period}} = \text{Amount of Loan 'earned'}$$

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

³ excluding Weekends, University Closure Days, Christmas & Easter Breaks

Section 4.1 Example

This is an example of a student who withdraws during the fourth week of the first term. It is not intended to represent the current semester or a particular student.

Number of days attended:	22
Number of days in the payment period:	105
Earned Financial Aid:	20.9%
Unearned Financial Aid:	79.1%

Type of Aid	Financial Aid Disbursed	Earn Aid (student keeps)	Unearned Aid (to be returned to US DoE)
Unsubsidised Direct Loans	\$1,000	0	\$1,000
Subsidised Direct Loans	\$1,800	0	\$1,800
PLUS Loans	\$2,200	\$1,045	\$1,155
Total	\$5,000	\$1,045	\$3,955

Section 5. Returning unearned funds

Section 5.1 Returning the University's share

The University must return its unearned Federal Aid funds percentage to the US Department of Education as soon as possible and within 45 days from when the withdrawal was identified in the following priority;

- Unsubsidised Direct Loans
- Subsidised Direct Loans
- Graduate PLUS Loan
- Parent PLUS Loan

Up to the value of the disbursement for that payment period.

At the same time the University will send the student a copy of the R2T4 calculation showing the value returned by the school and against which loans have been returned, and a notification showing the value to be returned by the student and the value to be repaid in the normal way. Within the same 30 days, the school will also inform NSLDS of the withdrawal which will trigger all loans going into repayment.

Section 5.2 Return of the Student's share

Any unearned funds that have been disbursed directly to the student will be paid back to the US Department of Education by the student in accordance with the terms set out in the student's Promissory Note, and the Direct Loan servicer will be notified. The student will be required to return their 60% to their loan servicer and to repay their 40% earned along with repayment of the school's share and all other loans. The student MUST contact their servicer to make arrangements for repayment.

The University will provide the student with a copy of the R2T4 calculation, and the student will be notified within 30 days of the withdrawal date of the requirement to repay the overpayment or else make satisfactory arrangements to repay the overpayment, in accordance with the terms set out the student's Promissory Note. The University will also advise the student to complete exit counselling, which will explain repayment arrangements.

Once the return has been completed, a statement will be produced for the student detailing any balances owed to the University of Aberdeen after repayment of the unearned funds. The University of Aberdeen's Credit Control Office will contact the student to request payment of any outstanding balance.

Full details of the Federal requirements can be read in the latest Federal Student Aid Handbook which is available for download on the [Federal Student Aid website](#).

Section 6 – Post withdrawal Disbursement Process

If a student did not receive all the funds earned, a post-withdrawal disbursement may be due, but the student must give permission for this to take place. A student may choose to decline some or all the funds to avoid incurring additional debt.

If the University of Aberdeen owes the student a post withdrawal disbursement of funds, the US Loans team will contact the student, or a parent for a Direct Parent PLUS Loan, in writing, prior to making any post-withdrawal disbursement of the 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 the guidance detailed in the Federal Student Aid Handbook.

This written notification must take place no later than 30 calendar days of the determination of the date the student withdrew. The University of Aberdeen is permitted to credit a student's account without the student's permission for tuition, fees, and accommodation, if applicable, up to the amount of the outstanding charges.

The notice must identify the type and amount of the loan funds it wishes to credit the student's account or disburse directly to the student, or to the parent in the case of a Direct Parent PLUS Loan, advising that they may accept or decline all or a portion of the funds, and will include information about the advantages about keeping the loan debt to a minimum. The student or parent will have 14 days to respond.

Once the University has received confirmation from a student or parent that a post-withdrawal disbursement is to be made, any Credit Balance will be processed as soon as possible, and no later than 14 days after the R2T4 calculation has been completed.

Any unearned Title IV funds which the student may have received will be returned to the US Government using the G5 system by the University of Aberdeen within 45 days of the date of withdrawal, with priority as follows: Unsubsidised Direct Loans, Subsidised Direct Loans, Graduate PLUS loan and Parent PLUS loan.

Appendix 1 – Definitions

Leave of absence

A leave of absence is a temporary interruption in a student's program of study. In the context of Title IV funds, a leave of absence refers to the specific time period during a program when a student is not in attendance and will return to complete the program. Students returning from a leave of absence are not required to re-apply for admission but must re-complete the enrolment process upon their return to their program of study.

Withdrawal

A withdrawal refers to a student's intent to completely terminate studies at the university with no expectation of return. Students who subsequently decide to return to their studies must re-apply for admission through the University's Registry Student Services.

Early completion of the programme

In some cases, students may submit their final thesis before the maximum deadline date. If there is no further teaching or assignments required of the student, it will be considered that they have completed their studies, their student record will be closed, and the student will no longer be eligible to receive Federal Aid.

Programme transfers

Students may stay on the same degree -award level but opt to change the subject of their degree. Students should speak with their Registry Officer in the first instance, as academic advice will be needed. Students may request a transfer at any time, but it usually happens during or at the end of the first year of study.

Upgrading or downgrading your level of study

Following successful or unsuccessful progression points (i.e., examinations, annual Thesis Advisory Panel meetings, etc.), your academic department may make a formal recommendation to upgrade or downgrade your level of study. This change in study may affect the length of your course, which in turn may affect the amount of Federal Aid you are entitled to and/or any visa restrictions. It is recommended that you follow the procedures outline in section 3 above to seek appropriate advice before the change is made to their student records.

Changing mode of attendance

Mode of attendance relates to the amount of time that a student is completing their studies, i.e., full, or part-time. Students must be continuously enrolled for at least half-time at the University of Aberdeen to be eligible for Federal Aid. If students are considering a change to their mode of attendance, they must follow the procedures outline in section 3 above to seek the appropriate advice before the change is made to their student records.