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# RETURN OF TITLE IV AID POLICY

**Introduction**

This policy outlines Liverpool John Moores University’s compliance with legislation governing the issue of US Federal Loans to students, detailing the process for returning Title IV funds when a student stops attending prior to the planned end date of their program. As per the Higher Education Act 2008, Title IV funds are awarded to students based on full attendance for the whole period to which assistance has been granted.

In the case of Federal Loan students, a calculation must be made as to whether and how much must be returned to the US Federal aid program.

This calculation will be made in accordance with the Return of Title IV Aid (R2T4) requirements of section 484B of the Higher Education Act of 1965, which proscribes how Title IV funds must be treated when a Title IV student aid recipient withdraws from an institution during a payment period or period of enrolment. R2T4 will be calculated and NSLDS notified within 30 days of being informed of the student withdrawal. The payment period is the semester for which the loan was certified. (See examples of payment periods and R2T4 Calculation)

**Date of Withdrawal (Official and Unofficial)**

In a case where a student notifies the University that they intend to withdraw **(Official)** then the student will need to complete LJMU’s official withdrawal process by submitting the official withdrawal form (located within My Services on the student’s homepage). This date will be used for R2T4 calculation, students in receipt of US Loans are required to notify Registry Services within 5 working days. The date of withdrawal is determined by the Program Leader / Faculty Administration and will be the last date that the student attended his or her studies (See LJMU’s Withdrawal Policy). If the student received all ‘F’ grades for the semester / payment period, Registry Services will contact the Faculty program team to determine if theses grades were earned or these grades where attributed due to a lack of attendance on the course. If it was established that the failed grades was due to non-attendance then Registry Services will determine the last date of attendance, using this date for the R2T4 calculation; all unearned funds will be returned to the lender.

In the case where a student has not informed the University of their Intention to withdraw (**Unofficial)** and ceases attending, International students at Liverpool John Moores University are subject to internal attendance monitoring as part of the UK Visas and Immigration compliance policy. Registry Services will ascertain the last date the student was logged as attending from the Faculty program team and this date will be used for R2T4 calculation.

The amount of assistance earned is determined on a pro rata basis. The payment period is the semester for which the loan was certified and the percentage of attendance is calculated by dividing the number of days attended by the total number of days in the payment period. For example, if the student completes 30% of the payment period or period of enrolment, the student has earned 30% of the assistance they were originally scheduled to receive. Once the student has completed more than 60% of the payment period or period of enrolment, all the 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. If the post-withdrawal disbursement includes loan funds, the student may choose to decline the loan funds so that additional debt is not incurred. The Finance Department will use the R2T4 worksheets as provided by the US Department of Education to determine how much of the loan may be retained and how much must be returned.

**Post Withdrawal Disbursements**

Once the R2T4 calculation has been performed Registry Services will use the R2T4 worksheets provided by the US Federal department; if it is established that the student is entitled to earned loan funds, the student may decline this loan to stop incurring additional debt, or the University may automatically use all or a portion of a post-withdrawal disbursement for tuition, (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.

There is some Title IV funds that students were scheduled to receive that cannot be earnedonce a student withdraws because of other eligibility requirements. For example, in certain circumstances, 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
2. The entire amount of excess funds

**Return of Title IV funds / R2T4 Calculation (including LOA Approved and Unapproved)**

When a student withdraws during a payment period then the amount of Title IV program assistance that has been earned up to that point is determined by the proportion of time in attendance.

Listed below outlines the US Department of Education’s calculation of the amount of unearned funds. LJMU’s Registry Services is responsible for calculating R2T4 and Financial Services are responsible for the transfer of funds back to the US Department of Education.

|  |
| --- |
| Duration (calculated days) enrolled on the program  ------------------------------------------------------------------------- = Percentage Funds earned  Payment period (number of days within period) |

The school must do this within 30 days of knowing about the withdrawal

The money is returned in the following order

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

The student must repay their share by arrangement with their loan servicer.

There is a risk that the value which the school has to return might not match the University’s withdrawal / refund policy and leave the student owing money to the Institution. This should be discussed with Registry Services who can tell you the exact effect of any plans to withdraw.

**Leave of Absence (Students in receipt of Title IV Funds)**

If a break in study is required (Leave of Absence) all students must complete LJMU’s official process by submitting an official Leave of Absence form located within My Services on LJMU’s student’s homepage. All requests have to be authorised via the Faculty Registrar and Program Leader. Students in receipt of US Federal Loans must satisfy the following criteria to be classed as an approved ‘LOA’.

* The LOA must not exceed 180 days in a 12 month period including non-study days
* The student is required to resume their studies at the same point in the academic program that he/she began the LOA
* There must be a reasonable expectation that the student will return from the LOA
* Students can only request one break every 12 months
* LJMU will inform the student of the possible consequences a LOA will have on the student’s loan repayment terms, including the potential exhaustion of the student’s grace period.
* The LOA must be requested in advance, unless unforeseen circumstances prevent the student from doing so. Unforeseen circumstances include injury and illness.

A student granted an LOA that satisfies the criteria listed above is not considered to have withdrawn and no R2T4 calculation is required. During the LOA period, LJMU will not assess the student for any additional institutional costs increasing the student’s financial need. The student is not entitled to Federal Aid Loan disbursements during the LOA period.

Please refer to the following link which details LJMU’s ‘Leave of Absence Policy’

**Non Attendance**

If a student does not register at the university at the start of the course, we would not class the student as an eligible student for Federal Title 1V Aid and would not request the disbursement of any such funds. At the point where a student confirms, or the University determines, non-attendance; the loan will be cancelled.

**Cooling Off Period**

If a student leaves their course within 14 days of registration, there will be no charge for tuition, this applies to both undergraduate and postgraduate students.

**Examples of payment periods and R2T4 calculation**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Loan payment Period** | **Number of days in pay Period** | **Number of study days in pay period** | **Withdrawal date / LOA greater than 180 Days** | **Total number of days enrolled on program** | **Non-study days within Payment period** | **Loan Period** |
| **17th Sep 2023 – 31st Dec 2023**  **(30 week courses)** | **95** | **85** | **29th Oct 2023** | **36** | **10** | **1** |
| **1 Jan 2024 - 31st May 2024**  **(30 week courses)** | **147** | **104** | **9th Apr 2024** | **94** | **43** | **2** |
| **24th Sep 2023 – 8th Mar 2024**  **(45 week PG courses)** | **154** | **139** | **30th Nov 2023** | **68** | **15** | **1** |
| **9th Mar 2024 - 31st Aug 2024**  **(45 week PG courses)** | **176** | **156** | **26th July 2024** | **140** | **20** | **2** |

Non study days are counted as breaks of 5 or more consecutive days, weekends and bank holidays are calculated as study days for R2T4 calculation. Also, the date of withdrawal is calculated as a completed day.

The 30 week example in **loan period 1** shows a student that withdraws on the 29th October 2023 has earned less than 60% (using the standard R2T4 formula) 36 / 95 = 38% . In this case the University would be responsible to the return of unearned funds equating to 62%.

The 30 week example in **loan period 2** shows a student that withdraws on the 9th April 2024 has earned more than 60% equating to 64%. In this case the student has earned 100% of the funds in this payment period and no funds need to be returned immediately.

The 45 week example in **loan period 1** shows a student that withdraws on the 30th November 2023 has earned less than 60% (using the standard R2T4 formula) 68 / 154 = 44% . In this case the University would be responsible to the return of unearned funds equating to 56%.

The 45 week example in **loan period 2** shows a student that withdraws on the 26th July 2024 has earned more than 60% equating to 80%. In this case the student has earned 100% of the funds in this payment period and no funds need to be returned immediately.

If you require further information please contact [registryservices@ljmu.ac.uk](mailto:registryservices@ljmu.ac.uk) or call 0151 231 3289.