



Return of Title IV Funds (R2T4) Policy

This policy applies only to eligible US and eligible non-US citizens receiving Title IV funds, specifically the Federal Stafford and PLUS loans.

Title IV funds are awarded to a student under the assumption that they will attend university for the entire period for which the assistance is awarded. When a student withdraws from their programme, for any reason including medical withdrawals, they may no longer be eligible for the full amount of Title IV funds that they were originally scheduled to receive.

If the student withdraws from their programme prior to completing over 60% of their course, they may be required to repay a portion of the federal financial aid that they received for that term. A pro rata schedule is used to determine the amount of federal student aid funds they will have earned at the time of the withdrawal. A credit balance refund for a student who has withdrawn will be put on hold until the R2T4 calculation is finalised. The regulatory timeframe for any credit balance will be reset to 14 days from the date of the R2T4 calculation.

Federal aid includes Federal Stafford Loans (subsidized and unsubsidized), Parent Plus Loans and Graduate Plus Loans.

The return of funds is based upon the concept that students earn their financial aid in proportion to the amount of time in which they are enrolled. Under this reasoning, a student who withdraws in the second week of their course has earned less of their financial aid than a student who withdraws in the seventh week. Once 60% of the course is completed, a student is considered to have earned all of his financial aid and will not be required to return any funds.

For the purposes of this policy, courses of less than two academic years duration will be divided into six-monthly increments; longer courses will have an annual increment.

A student's withdrawal date is:

- The date they officially withdrew by submitting the withdrawal form, counter-signed by the Academic Registrar, to Ian Sibbald, the Federal Aid Administrator, in the Finance Department. The date at which the withdrawal becomes effective may be different from the date of submission. The effective date of withdrawal will be the one used to determine financial aid refunds.
 - The deemed withdrawal date where a student ceases to attend without giving formal notice. This is considered an unofficial withdrawal. This date will be based on their last known engagement on their course in line with the Student Engagement Policy.
 - The date the student was expelled/dismissed from the institution.
 - The date the student died, if the student passed away during the period.

The Financial Aid Administrator determines the return of Title IV funds percentage.

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 program. 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.

The return of Title IV funds policy follows these steps:

Step 1: Student's Title IV information

The Federal Aid Administrator will determine:

- a) The total amount of Title IV aid disbursed (Not aid that could have been disbursed) for the period in which the student withdrew.

A student's Title IV aid is counted as aid disbursed in the calculation if it has been applied to the student's account on or before the date the student withdrew.

- b) The total amount of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the period in which the student withdrew.

Step 2: Percentage of Title IV Aid Earned:

The Federal Aid Administrator will calculate the percentage of Title IV aid earned as follows:

- The number of calendar days completed by the student divided by the total number of calendar days in the period in which the student withdrew.

The total number of calendar day in a period shall exclude any scheduled breaks of more than five days.

$$\text{Days Attended} \div \text{Days in Enrolment Period} = \text{Percentage Completed}$$

If the calculated percentage exceeds 60%, then the student has "earned" all the Title IV aid for the enrolment period.

Step 3: Amount of Title IV Earned by the Student

The Federal Aid Administrator will calculate the amount of Title IV earned as follows:

The percentage of Title IV aid earned (Step 2) multiplied by the total amount of Title IV aid disbursed or that could have been disbursed for the term in which the student withdrew (Step 1-b).

$$\text{Total Aid Disbursed or that could have been disbursed} \times \text{Percentage Completed} = \text{Earned Aid}$$

Step 4: Amount of Title IV Aid to be Disbursed or Returned:

- If the aid already disbursed equals the earned aid, no further action is required.
- If the aid already disbursed is greater than the earned aid, the difference must be returned to the appropriate Title IV aid program.

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

- If the aid already disbursed is less than the earned aid, the Federal Aid Administrator will calculate a Post-Withdrawal Disbursement.

Post-withdrawal Disbursement Process

If a student did not receive all of 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 of the funds to avoid incurring additional debt.

If Cranfield University owes the student a post-withdrawal disbursement of funds, the Federal Aid Administrator will contact the student, or a parent for a Direct Parent PLUS Loan, in writing, 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. This written notification must take place no later than 30 calendar days of the determination of the date the student withdrew. Cranfield University is permitted to credit a student's account without the student's permission for current charges 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.

Return of the Title IV Aid, based on the type of aid disbursed, in the following order:

1. Federal Unsubsidized Stafford Loan
2. Federal Subsidized Stafford Loan
3. Parent Plus Loan or Graduate Plus Loan

Loans must be repaid by the loan borrower (student/parent) as outlined in the terms of the borrower's promissory note.

The student's grace period for loan repayments for Federal Unsubsidized and Subsidized Stafford Loans will begin on the day of the withdrawal from the institution. The student should contact the lender if they have question regarding their grace period or repayment status.

Institutional and student responsibility in regard to the Federal Return of Title IV Funds policy

The Federal Aid Administrator's responsibilities in regard to the Return of Title IV funds policy include:

1. Providing each student with the information given in this policy;
2. Identifying students affected by this policy and completing the Return of Title IV Funds calculation;
3. Informing the student of the result of the Return of title IV Funds calculation and any balance owed to the institution as a result of a required return of funds;
4. Returning any unearned Title IV aid that is due to the Title IV programmes and, if applicable, notifying the borrower's holder of federal loan funds of the student's withdrawal date;
5. Notifying student and /or Plus borrower of eligibility for a Post-Withdraw Disbursement, if applicable.

The student's responsibilities in regard to the Return of Title IV Funds policy include:

1. Becoming familiar with the Return of Title IV Funds policy and how withdrawing from the programme of study affects eligibility for Title IV aid;
2. Resolving any outstanding balance owed to Cranfield University resulting from a required return of unearned Title IV aid. Please refer to the Cranfield University refund policy, ([paragraph 3 of our Student Protection Plan](#)).

Leave of Absence and Withdrawals

Definitions:

Approved Leave of Absence or Suspension of Studies

A Leave of Absence/Suspension of Studies is a temporary interruption in a student's programme of study. It refers to the specific time period during a programme when a student is not in attendance. This is a temporary period of time which the student has requested with the intention to return and complete their programme. Students returning from a Leave of Absence are not required to re-apply for admission. Please refer to the [Leave of Absence \(LoA\) and Withdrawals Policy](#)

Official Withdrawal

A "withdrawal" refers to a student's intent to permanently terminate studies at an institution with no expectation of return.

Unofficial Withdrawal

An unofficial withdrawal is one where the School has not received notice from the student that the student has ceased or will cease attending the School.

The procedures and policies listed above are subject to change without advance notice.