

## **Return of Title IV Funds Policy**

### Introduction:

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 programs. This includes Stafford, Direct Subsidized, Direct Unsubsidized and Graduate/Parent PLUS Loans administered through Birkbeck ('the College'). Students in receipt of one or more of these types of funding 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 disbursement 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 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 the College assesses the amount of Title IV funding that has been 'earned' and 'unearned'. The College Registry ('the Registry') is responsible for calculating R2T4 amounts and uses 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 disbursement 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 disbursement period is the date that the funds were disbursed from the US Department of Education, usually the first day of the each term. The end date of the disbursement period is the day before the next scheduled disbursement 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 disbursement period.

The end date of the student's study is the date that the student notified the 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 Registry will consult with the student's School or Academic Department and the International Student Administration team to verify the last date of engagement on the course and this will be used as the end date. If the exact date cannot be determined the College will assume 50% attendance, setting a date midway through the enrolment period as the last date of attendance.

The minimum time required for students to earn the full Title IV funding is 60% of the disbursement period. Where enrolment is less than 60% of the disbursement period the amount of earned Title IV funding is calculated proportional to the actual percentage of enrolment.

Title IV funding is earned in a specific order of the loan programs. This order is set by the US Department of Education and not by the College.

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 Registry 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 College will arrange with the College's Income Office and Finance Office to return the relevant portion of funds retained by the College for tuition fees to the US Department of Education. The US Department of Education require all funds to be returned within 45 days of the date the Registry determines that a student has Withdrawn/Interrupted.
- The student is responsible for arranging the return to their loan servicer of the relevant portion of funds that were originally refunded to them by the College as part of their disbursements (if any). The loan servicer will contact the student regarding this once they have received notification of the students Withdrawal/Interruption through NSLDS (National Student Loan Data System).

Additional Notes:

If the student did not receive all of the Title IV funds that were earned they may be due a post-Withdrawal disbursement. The student is not under any obligation to take a post-Withdrawal disbursement in order to avoid incurring additional student loan debt. The College may automatically use all of, or a portion of, any post-Withdrawal disbursement for any outstanding tuition fees. The College needs the student's permission to use the post-Withdrawal disbursement funds for any non-tuition fee charges (such as library fines).

This policy does not affect the amount of tuition fees a student may be charged by Birkbeck upon Withdrawal/Interruption. This amount will be assessed according to Birkbeck's [Fees Policy](#).

As a consequence of Withdrawing/Interrupting during a disbursement period a student may owe money to the College for outstanding tuition fees, where the R2T4 amount has left a fee deficit.