



Return of Title IV (R2T4) Funds Policy

Purpose

Students receiving financial assistance through the United States Federal Direct Loan Programme are subject to regulations issued by the US Department of Education. These regulations require LAMDA to determine whether a student has earned the federal aid they have received when they withdraw, interrupt, or otherwise cease attendance.

This policy explains how LAMDA administers the Return of Title IV Funds (R2T4) process and outlines the implications of withdrawal, interruption of studies, and changes in enrolment status for students receiving US Federal Student Aid.

This policy should be read alongside LAMDA's Academic Regulations, Student Regulations and Admissions Policy.

Withdrawal from Studies

If a student who receives Title IV funding withdraws from their programme or takes an interruption of studies that does not meet the requirements for an approved Leave of Absence under US federal regulations, LAMDA must calculate the amount of aid earned by the student up to the date of withdrawal.

Any unearned Title IV funds must be returned to the US Department of Education in accordance with federal regulations.

Where a student's enrolment status changes, including where they fall below at least half-time attendance, LAMDA will update the student's status through the National Student Loan Data System (NSLDS) as required by US Department of Education regulations.

Return of Funds by LAMDA

Federal aid is earned on a pro-rata basis according to the number of days completed within the payment period.

When a student withdraws, LAMDA will perform a Return of Title IV Funds (R2T4) calculation to determine:

- The amount of Title IV aid earned by the student.
- The amount of Title IV aid that remains unearned.
- Any funds that must be returned by LAMDA.
- Any funds that may need to be returned by the student.

LAMDA will complete the calculation using the methodology prescribed by the US Department of Education and will return any unearned funds within 45 days of determining that the student has withdrawn.

Returned funds will be allocated in the following order:

1. Direct Unsubsidised Loans
2. Direct Subsidised Loans
3. Direct PLUS Loans (Graduate PLUS or Parent PLUS)

Calculation of Earned Aid

The return of Title IV Funds calculation is based on:

Number of calendar days completed within the payment period ÷ Total number of calendar days in the payment period

Scheduled breaks of five consecutive days or more and approved periods of leave may be excluded where permitted under federal regulations.

A student is considered to have earned 100% of their Title IV aid once they have completed more than 60% of the relevant payment period.

The calculation applies only to the payment period in which the student withdraws.

For example, a student withdrawing during a second payment period will have fully earned aid received for previous completed payment periods but may not have earned all aid disbursed for the current payment period.

First-Year Undergraduate Students

Under US federal regulations, a first-time undergraduate student who withdraws before completing the first 30 days of their programme may not earn any Direct Loan funds that would otherwise have been disbursed.

Any undisbursed loan funds relating to this period will be cancelled.

Impact on Tuition Fee Liability

The R2T4 calculation is separate from LAMDA's tuition fee liability assessment.

As a result, the amount of federal aid returned to the US Department of Education may differ from any tuition fee adjustment made under LAMDA's Tuition Fee Liability Policy.

This may result in a student owing outstanding tuition fees to LAMDA following the completion of the R2T4 process.

Students will be notified where this applies.

Payment Periods

For the purposes of administering US Federal Student Aid, LAMDA will establish payment periods in accordance with programme structure and US Department of Education requirements.

Students will be advised of their applicable payment periods during the loan origination process.

Return of Funds by the Student

Where a student is required to return loan funds, repayment will ordinarily be made in accordance with the terms of the Master Promissory Note and the requirements of the loan servicer.

Students who have received loan refunds directly may be required to repay part or all of those funds if they are subsequently determined to be unearned under the R2T4 calculation.

Post-Withdrawal Disbursements

Following withdrawal, LAMDA will review whether the student is entitled to any additional aid that had been approved but not yet disbursed.

Where a post-withdrawal disbursement is available:

- LAMDA will notify the student in writing within the timescales specified by the US Department of Education.
- The notification will specify:
 - The type of loan funding available.
 - The amount available.
 - Any repayment obligations associated with acceptance.

Students will normally be required to respond within 14 days of notification.

If no response is received within the required timeframe, the post-withdrawal disbursement may be cancelled.

LAMDA may consider late responses where there is evidence of exceptional circumstances and where federal regulations permit.

Determining the Withdrawal Date

Students wishing to withdraw from their programme must follow LAMDA's formal withdrawal process.

The official withdrawal date will normally be:

- The last date of academically related attendance, as confirmed by LAMDA; or
- The date the student notifies LAMDA of their intention to withdraw, where required by federal regulations.

LAMDA will record the withdrawal date on the student record system and report the change of status to the US Department of Education through NSLDS where required.

Students holding a Student Visa should be aware that withdrawal from studies may affect their immigration status and sponsorship arrangements. Relevant reporting obligations will be carried out in accordance with UK immigration requirements.

LAMDA will:

- determine withdrawal status no later than 30 days after becoming aware that a student has withdrawn;
- perform the Return of Title IV Funds calculation within the required federal timeframe; and
- return any unearned funds to the US Department of Education within 45 days of the date of determination.

Attendance Monitoring

LAMDA maintains attendance and engagement records sufficient to determine a student's last date of academically related activity. Academically related activity may include attendance at timetabled classes, rehearsals, tutorials, assessments, performances, supervised learning activities, or other activities recognised under US Department of Education regulations.

Students must maintain at least half-time enrolment to remain eligible for Direct Loan funding. LAMDA will determine half-time status in accordance with programme structure and credit intensity. Any change affecting a student's half-time status will be reported to NSLDS as required. However it is important to note that LAMDA's attendance policy requires students to meet a much higher attendance to ensure academic progression.

Unofficial Withdrawals

Students who cease attending classes, training, rehearsals, assessments, or other required academic activities without formally notifying LAMDA may be treated as unofficial withdrawals.

In such circumstances, LAMDA will determine the student's last date of academically related attendance and use this date to:

- Calculate tuition fee liability.
- Determine the withdrawal date for Title IV purposes.
- Complete a Return of Title IV Funds calculation.

US Department of Education regulations require institutions to undertake an R2T4 calculation for unofficial withdrawals where the student has received Title IV funding.

Students returning from withdrawal or an approved Leave of Absence remain subject to satisfactory academic progress detail on which can be found in LAMDA's Academic Regulations. Continued eligibility for Federal Student Aid is dependent upon compliance with satisfactory academic progress

Credit Balance Refunds

Upon withdrawal, tuition fees will be reassessed in accordance with LAMDA's Student Regulations and the Terms & Conditions.

Following completion of the Return of Title IV Funds calculation:

- Any required funds will be returned to the US Department of Education.
- Any earned but undisbursed aid will be assessed for possible post-withdrawal disbursement.
- LAMDA will advise the student of any outstanding balance owed to the institution.
- Where a credit balance remains on the student's account after all adjustments have been completed, the balance will be refunded to the student.

Leave of Absence (LoA)

Students receiving US Federal Student Aid who are considering an interruption of studies should contact the Head of Admissions & Student Affairs before submitting a request.

All interruption requests must be made and approved in accordance with LAMDA's Academic Regulations..

For Title IV purposes, an approved Leave of Absence must meet all applicable US Department of Education requirements. If these requirements are not met, the interruption must be treated as a withdrawal and an R2T4 calculation undertaken.

To qualify as an approved Leave of Absence:

- The student must intend to return to their programme following the interruption.
- The student must resume study at the same point in the programme where the leave commenced.

- The total period of leave must not exceed 180 days within any 12-month period.
- The request should normally be approved before the leave begins unless exceptional circumstances prevent this.

A Leave of Absence will be treated as a withdrawal if:

- The student does not return from the approved leave.
- The leave exceeds 180 days within a 12-month period.
- The student cannot return to the same point in the programme.
- Any other Title IV eligibility requirements are not satisfied.

No Federal Direct Loan disbursements can be made during a period of approved Leave of Absence.

Further Information

Students who are considering withdrawing, interrupting their studies, or making changes to their enrolment should seek advice from:

- The Financial Aid Administrator;
- Student Services;
- Their Programme Leader or Personal Tutor; and
- The Student Visa Compliance Team (where applicable).

Students are strongly encouraged to seek advice before making any decision that may affect their eligibility for US Federal Student Aid.