

Return of Title IV Federal Aid (R2T4)

If a student receiving Title IV Federal Aid who began attendance withdraws, interrupts studies for more than 180 days or drops below half time, it is their responsibility to email USstudyloans@westminster.ac.uk as soon as possible. This is addition to the normal University notification process for students [interrupting-or-withdrawing-from-studies](#).

Please note, a leave of absence (LOA) for R2T4 purposes is a temporary interruption in a student's program of study and is dealt with in a separate policy document.

If a student withdraws (i.e. began attendance but then decides to leave the course for good) or interrupts studies, we are required to notify the withdrawal/interruption to the US Department of Education (US DoE).

A student 'earns' aid on a daily basis and therefore if a student who began attendance withdraws, any 'unearned' aid for that payment period need to be returned to their lender and the student notified if they need to return any funds. The University is required to complete a 'Return to Title IV' (R2T4) refund calculation to determine this.

A student is required to be enrolled on their course to receive Title IV aid so if a student never enrolls and attends, their Title IV Federal Aid for that course is cancelled.

Establishing a student last date of attendance

If a student email's USstudyloans@westminster.ac.uk, they will be advised to complete the University Withdrawal from Studies form and hand this to their registry. If this is not done, the withdrawal date given by the student in the email will be the 'date of determination' for R2T4 calculation purposes.

If the student completes the University Withdrawal from Studies form and submits this to their registry, the date given on the form will be the last day of academic attendance for R2T4 calculation purposes.

If a student does not officially notify the University of their withdrawal, interruption, or did not begin the official withdrawal process; except in unusual instances, the date of the University determination that the student withdrew will be no later than 14 days after the student's last date of attendance as determined by the University from its attendance records. At that point the University must satisfy itself if the student intends to return to classes or to withdraw. If the student is determined by the University as being a withdrawal, this is the 'date of determination' for a R2T4 calculation.

Calculation used to determine 'unearned' loan amounts to return

A student 'earns' aid on a daily basis within a payment period and a R2T4 calculation is triggered by a withdrawal/interruption; the amount of aid that gets returned is based on the percentage of earned vs unearned aid.

We take the number of completed days up to their withdrawal date and divide this by the total days within the payment period. This gives us a percentage of 'earned' days. The University defines a payment period as a term and any official break of 5 days or more is not counted as days in the term.

The student will be assessed as having earned 100% of the award amount if they attended more than 60% of a payment period. For example, a student attending 70% of the payment period will have earned 100% of their aid.

If a student's withdrawal date means they earned less aid than was disbursed, the institution is required to return unearned aid to the student's loan servicer according to the terms of the promissory note. If the disbursement has been made to student, any excess in disbursements should again be repaid to the student's loan servicer.

Post Withdrawal Disbursement (PWD)

If the calculation shows that the amount of aid disbursed to student is **less** than the amount the student has earned, the University must notify the student of a post-withdrawal disbursement (PWD)

Within 30 days of the date of a university's determination that a student has withdrawn, we will notify a student, or 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).

The notification will contain all the required information necessary (e.g. loan amount and type) for the borrower (student or parent) to make an informed decision on whether they want to accept any disbursement of loan funds.

In particular the notice will:-

- request confirmation of any post-withdrawal disbursement that the student or parent as applicable, wishes the University to make
- identify the type and amount of the loan funds the University wishes to credit to the student's account or disburse directly to the student or parent, and explain that a student, or parent for a Direct Parent PLUS Loan, may accept or decline all or a portion of the funds
- Explain to the student, or parent for a Direct Parent PLUS Loan, their obligation to repay the loan funds whether they are disbursed to the student's account or directly to the borrower.

The notice will also make clear that a student, or parent for a Direct Parent PLUS Loan, may not receive as a direct disbursement loan, funds that the University wishes to credit to the student's account unless the University agrees to do so.

If the student, or parent for a Direct Parent PLUS Loan, does not wish to accept some or all of the loan funds that the university wishes to credit to the student's account, the institution will not disburse those funds.

In the information a university provides to a student when the University informs the student that he or she is due a post-withdrawal disbursement of loan funds, the University will include information about the advantages of keeping loan debt to a minimum.

If a post-withdrawal disbursement includes loan proceeds, unless the recipient needs the funds to pay educational costs, we would suggest that the student cancel the loan. With a student's permission Title IV grant funds due a student in a post-withdrawal disbursement can be used to pay down a Title IV loan, thereby reducing any post-withdrawal disbursement made directly to the student.

The University will document the result of the notification process, and the final determination made concerning the disbursement and maintain that documentation in the student's file.

The University has a deadline of 14 days for a response from the student (or parent) but can extend this deadline if the borrower provides a compelling reason why they did not respond by the deadline.

If a student decides to accept the PWD, the funds will be credited to a student's account or disbursed to the student within 180 days of the date of determination.

When does the calculation take place and how are the unearned amounts returned?

Within 30 days of the Date of Determination, the University will:

1. perform the R2T4 calculation
2. notify the student by email of any unearned aid to be returned, the amount and how the funds are to be sent back to the servicer
3. inform student if they must return funds directly to the loan servicer and the timeline for this
4. notify student by email if they are eligible for a post-withdrawal disbursement (PWD – see above for details)
5. if the R2T4 calculation results in a credit balance on the student's account, disburse the credit to the student within 14 days of the R2T4 refund calculation taking place.

Any RT24 refunds due are allocated (if applicable) against a student's Federal Loans in the following order: -

- Unsubsidised Direct Loans (other than Direct PLUS Loans)
- Subsidised Direct Loans
- Direct PLUS Loans

The University will return any funds due to the Dept of Education within 45 days of the student's date of withdrawal.

If student have any queries regarding the R2T4 policy, please email

USstudyloans@westminster.ac.uk.

Reviewed May 2025