

## Return of Title IV Funds Policy

### US Financial Aid for US Students

#### 1. Overview

Title IV funds are awarded to students under the assumption that they will attend University for the entire period for which the assistance is awarded. When students withdraw, they may no longer be eligible for the full amount of Title IV funds that they were originally scheduled to receive.

US Federal regulations require that if a student receiving Title IV funds withdraws, the University must complete the Return of Title IV calculation using worksheets provided by the US Department of Education. The University is required to determine the earned and unearned portions of Title IV aid as of the date the student ceased attendance based on the amount of time the student spent in attendance. Return of Title IV calculations are completed by the University's Student Financial Support Team.

The requirements for Title IV program funds when students withdraw are **separate from Newcastle University's refund policy**. Therefore, in the event of withdrawal, the **student may still owe funds to Newcastle to cover unpaid institutional charges**. The University may also attempt to collect from the student any Title IV program funds that the University was required to return.

#### 2. Registration of withdrawal

Students are required to inform the Student Financial Support Team <https://www.ncl.ac.uk/student-financial-support/loans/non-uk/#usloans> of their withdrawal and must follow the University's formal withdrawal process and complete the Student Withdrawal Questionnaire:

<https://www.ncl.ac.uk/student-progress/circumstances/>

#### 3. Determining the date of withdrawal

a) Determining the date of withdrawal when official notification **is** given

The withdrawal date is the **last date** of formal attendance at lectures or tutorials.

b) Determining the date of withdrawal when official notification **is not** given

When no notification is received from the student the withdrawal date is the date that the student ceased attendance due to an unforeseeable event, where such an event exists: or where no such event exists, the last date of an academically related activity in which the student participated will be taken as the withdrawal date.

#### 4. Calculation of Title IV entitlement

Students earn Title IV aid funds through attendance and the amount of assistance earned by the student is determined by the Student Financial Support Team on a *pro rata* basis – the percentage of aid earned is equal to the percentage of the payment period or period of registration completed.

Once the student has completed more than 60% of the payment period, a student has earned 100% of the Title IV funds they were scheduled to receive during the period. If the student did not receive all of the funds that were earned, they may be due a post-withdrawal disbursement.

The student's permission is required before the school can make a post-withdrawal disbursement. A student may choose to decline some or all of the loan funds. **Loans must be offered to the student within 30 days**, allowing the student at least 14 days to respond. All post-withdrawal disbursements are applied to student account first, and any resulting credit balance is handled as noted in the next question. (will be disbursed to student w/i 14 days)

If the student withdraws prior to completing 60% of the relevant period they have not earned all of Title IV aid funds and a Return of Title IV funds calculation is performed (for example, if the student completes 30% of the payment period, the student has earned 30% of the assistance they were originally scheduled to receive). The Student Financial Support Team complete the Return of Title IV calculation using the Department's Return of Title IV funds worksheet and double check the calculation using the excel spreadsheet which was developed by the team for this purpose.

All unearned funds are returned by the University's Tuition Fees Office to the US Government within 45 days of the date the University was notified of the student's withdrawal.

The percentage of the payment period or period of enrollment completed is determined, in the case of a program that is measured in credit hours, by **dividing the total number of calendar days in the payment period or period of enrollment into the number of calendar days completed in that period as of the student's withdrawal date**. (Number of days completed in payment period ÷ Number of days in payment period)

**Title IV funds will be returned in the following order:**

1. Unsubsidised Federal Direct loans
2. Subsidised Federal Direct loans
3. PLUS Loan Funds

The student loans that remain outstanding consist of the loans disbursed to the student minus any loans the University repaid to the Department of Education. These outstanding loans are repaid by the student according to the terms of the student's promissory notes.

#### 5. Leave of Absence (LOA)

A LOA is a temporary interruption of a student's program of study and refers to a specific time period during a program when a student is not in attendance. An approved LOA must meet the following conditions:

- All requests for leaves of absence must be submitted in writing and include the student's reason for the request
- There must be a reasonable expectation that the student will return from the LOA
- The LOA together with any additional leaves of absence must not exceed a total of 180 days in any 12-month period
- The University (Student Financial Support Team) must explain to the student, prior to the University granting the LOA, the effects that the student's failure to return from a LOA may have on the student's loan repayment terms, including the expiration of the student's grace period

A student granted an LOA who meets the above criteria is not considered to have withdrawn, and no Return calculation is required.

## 6. Further Information

Students should contact the Student Financial Support Team

<https://www.ncl.ac.uk/student-financial-support/loans/non-uk/#usloans>

prior to withdrawal (or requesting leave of absence) from the University, to determine the effects this will have on their financial aid entitlement.

Further information is also available on US Federal Student Aid on the Web:

<https://studentloans.gov/myDirectLoan/index.action>