

Return to Title IV Funds Policy (R2T4) 2020/21

We are required to complete a Return to Title IV (R2T4) calculation for US Federal loan recipients who withdraw their studies during the course of the academic year. The withdrawal may be an official, unofficial or a result of academic failure.

The R2T4 calculates the amount of 'unearned funds' loan funds paid to the student. The 'unearned loan funds' must be returned to the US Department of Education. The return amount will be calculated using the number of days the student attended in the given term and the total number of days in the given term

A Return to Title IV (R2T4) calculation for US Federal loan recipients is also required where recipients undertake an interruption of study longer than 180 days or go on an unauthorised interruption.

Interruption of Studies/Withdrawal procedure

The [Procedure for Leavers who withdraw](#) policy provides information about the procedure involved to request an interruption of studies or withdrawal. US loans recipients are required to inform Student Financial Support team and the Registry of their withdrawal/interruption of studies with 5 days. The withdrawal/interruption of studies date is the date the student completed the formal University process. This date is entered on the University student records system

Withdrawal and tuition fee refund policy

The [Tuition Fees Policies 2020-21](#) provides the College's tuition fee refund policy.

Return of Overpayment – Withdrawal and Interruption of Study for more than 180 days

Title IV financial aid recipients who withdraw, are administratively withdrawn or interrupt their studies using the formula provided by the US Department of Education.

The Student Financial Support team are responsible for the correct calculation of the unearned funds using the formula provided by the US Department of Education. Central Finance are responsible for the transfer of R2T4 funds to the US Department of Education

Title IV financial aid recipients who receive an overpayment resulting from changes in enrolment, cost of attendance and general eligibility will be required to return funds necessary to eliminate overpayments within a specified time frame.

In accordance with federal regulations, refunds are allocated in the following order:

- Unsubsidized Direct loans
- Subsidized Direct loans
- Direct PLUS loans

The following calculation has to calculate the amount of unearned funds:



Where a student withdraws or interrupts study after completing 60% of the payment period, he/she is deemed to have earned 100% of the loan funds therefore there is no requirement to return funds.

Students who have received more loan funds than earned, the unearned funds must be returned to the US Department of Education by the University or the student.

If the student has earned less than the earned amount of loan funds, the difference could be paid as a post withdrawal disbursement.

The College's tuition fee policy and R2T4 policy have different requirements. Therefore the student may owe funds to the College to cover any unpaid institutional charges.

The College will collect any unearned us loan funds required to be returned from the Student.

College and Student Responsibilities

Imperial College London responsibilities in regard to the return of Title IV funds include:

- providing each student with the information given in this policy
- identifying students who are affected by this policy and completing the Return of Title IV funds calculation for those students, and
- returning to Title IV programs any Title IV funds that are due.

Student responsibilities include:

- notifying the College of the student's intent to withdraw from all courses, and
- returning to Title IV programs any funds that were disbursed directly to the student and for which the student was determined to be ineligible through the Return of Title IV Funds calculation.

Federal regulations require the University to return unearned funds directly to the student's lender with 45 days. If the return of the funds creates a balance due on the student account the student will responsible to pay the full balance on their account.

Please note that this policy applies to unofficial withdrawals, official withdrawals, interruptions and academic failures.

Please contact the [Student Financial Support](#) team if further information is required on this policy.

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