



University of the Highlands and Islands US Federal Loans: Return to Title IV (R2T4) Policy

US federal law specifies that, should a student withdraw from their programme of study, the University of the Highlands and Islands (UHI) must complete a Return to Title IV (R2T4) calculation and arrange for any 'unearned' loan funds to be returned to the US Department of Education. For R2T4 purposes, a Leave of Absence (LOA) for longer than 180 days or an 'unapproved LOA' is also deemed to be a withdrawal (see further detail and definitions below). When considering US Federal loans the University is classed as an attendance taking institution.

An LOA is a temporary interruption in a student's programme of study and is equivalent to a suspension/suspension of status at the University of the Highlands and Islands.

This policy covers the following topics for UHI students using US Federal loans:

- University of the Highlands and Islands procedure for withdrawing or taking leave of absence, including the offices designated to receive official notifications of intent to withdraw;
- University of the Highlands and Islands fee refund policy;
- Requirements regarding the treatment of Title IV funds when a student withdraws or takes leave of absence.

The policy should enable students to:

- Determine the procedures for withdrawing and the financial consequences of doing so;
- Estimate how much Federal Student Aid (FSA) they will retain, and how much they may have to return, upon withdrawing;
- Understand the difference and interaction between the University's refund policy and the federal return requirements;
- Understand how the University might adjust their charges to take into account any return of FSA funds the University might be required to make;
- Understand that if they withdraw, University charges that were previously paid by FSA funds might become a debit that the student will be responsible for paying;
- Understand the effects that a failure to return from LOA may have on loan repayment terms, including the expiration of the grace period.

This policy will also be used when calculating the return of funds to the US Department of Education for reasons other than withdrawal/leave of absence. The policy will be applied when a student completes or graduates earlier than anticipated; when a student becomes ineligible for federal aid at the University of the Highlands and Islands following changes to their enrolment or other factors; or for any other reasons that federal aid funds are returned to the US Department of Education.

University of the Highlands and Islands Procedure: Withdrawal or Leave of Absence (LOA)/Suspension for UHI students using US Federal loans

Students should follow the withdrawal or suspension process within the university.

<https://www.uhi.ac.uk/en/t4-media/one-web/university/students/support/thinking-of-leaving/Withdrawal-procedure.pdf>

Students, for whatever reason, can initiate a withdrawal. However, they cannot complete a withdrawal form. They should in the first instance contact their personal academic tutor (PAT) and can do so if they wish, by completing the section 'I wish to withdraw/ suspend/ transfer' on UHI Records. An email will be sent to their PAT so they can discuss circumstances and options and for the PAT to process the withdrawal form if appropriate. Withdrawal forms can only be completed by a member of staff and processed by the university's Student Records Office (SRO) who will update records and ensure the Coordinator of US Federal Loans is informed of the withdrawal.

Once a withdrawal or leave has been processed or approved, the student will receive a letter of confirmation. Students funding their studies through US federal student loans are required to inform the International Team of their withdrawal (international@uhi.ac.uk).

All international students requiring a student visa must be aware that withdrawal (permanent or temporary) may affect their immigration status. The university is legally bound to report withdrawing (permanent or temporary) Tier 4 students to UK Visas and Immigration (UKVI). Students' visas could be cut short. International students must return to their home country during a suspension. When they want to resume their course, they will have to apply for a new visa from their home country. Staff are therefore asked to pay particular attention to the obligations on the University with respect to international students sponsored under the UKVI processes. Where a sponsored student fails to meet the programme requirements in terms of attendance or requests to withdraw/is deemed to have withdrawn from study, this must be managed and reported to EO admissions (admissions@uhi.ac.uk) within five days, in accordance with the monitoring requirements set out by the University.

University of Highlands and Islands Policy: Refunds of Fees

The amount of Title IV funds due for return as a result of a withdrawal is calculated independently of the tuition fee liability charged by the University. **Tuition fees are not normally refundable.** International students using US federal loans need to also read the University Fees Policy at <https://www.uhi.ac.uk/en/about-uhi/governance/policies-and-regulations/policies/>

Exceptions include where UK Visas and Immigration fail to grant a visa or in relation to any fees pre-paid for subsequent years for students who withdraw or do not progress from their current year of study. In cases where a visa is not granted by UKVI the following will apply:

- Where UKVI assessed the visa application to be fraudulent and refused to grant a visa on this basis, the full tuition fee paid may potentially be subject to forfeiture and surrender.
- Where UKVI fail to grant a visa due to fault, error or omission on the part of the applicant £500 of the fee will be retained.
- Further information on the University's refund policy is available from the International Office (international@uhi.ac.uk) or at: <https://www.uhi.ac.uk/en/about-uhi/governance/policies-and-regulations/policies/>

Timeframes and treatment of Title IV funds when a student withdraws (including unapproved LOA and LOA for more than 180 days)

When a student withdraws, the University will calculate the amount of Title IV program assistance that has been earned up to that point, using a Return of Title IV (R2T4) calculation as provided by the US Department of Education. The University's Finance department are responsible for the transfer of R2T4 funds to the US Department of Education.

The University will return unearned funds for which it is responsible as soon as possible but no later than forty-five (45 days) from the determination of a student's withdrawal. Students who enrol but do not start will have their award cancelled. Students who attended for only a few days an R2T4 will be calculated within thirty (30) days, and the funds returned within forty-five (45) days. The University will also inform NSLDS (National Student Loan Data System) of the withdrawal, which will trigger all loans going into repayment.

Loan funds must be returned in the following order:

1. Federal Direct Unsubsidized loans
2. Federal Direct Subsidized loans (awarded to undergraduates only)
3. Federal PLUS and Grad PLUS loans

The date of withdrawal used for R2T4 will normally be the date in which the confirmation of withdrawal letter. This is classed by the University as the last date of verified attendance. For an unapproved LOA, it will be the date the student began the LOA, unless the LOA was requested retrospectively, in which case the date the PAT signed the request may be used. If the R2T4 calculation results in an owing credit balance to the student that must be paid to the student within 14 days of the calculation.

The amount of loan funds earned is calculated as follows:

$\frac{\text{Number of study days completed}}{\text{Total number of study days in payment period}} = \text{Amount of loan funds earned}$
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Standard payment periods at the University of Highlands and Islands for a year are:

	Loan Period	Total no. of days	Term dates Sun – Sat	Non-study days*	Study days	Post-60% date for ref**
Loan Period 1:	01 Sep – 31 Dec 2019	122	08 Sep – 21 Dec	01-08 Sep = 07 days; 22-31 Dec = 10 days	95	13 Nov
Loan Period 2:	01 Jan – 31 Mar	92	27 Jan – 28 Mar	01-26 Jan = 05 days; 29-31 Mar = 03 days	84	26 Feb
Loan Period 3: <i>(9 month courses)</i>	01 Apr – 31 May	61	13 Apr – 16 May	01-12 Apr = 12 days; 17-31 May = 14 days	35	08 May
Loan Period 3: <i>(10 month courses)</i>	01 Apr – 30 Jun	91	13 Apr – 30 Jun	01-12 Apr = 12 days	79	25 May
Loan Period 3: <i>(11 month courses)</i>	01 Apr – 31 Jul	122	13 Apr – 31 Jul	01-12 Apr = 12 days	110	13 Jun
Loan Period 3: <i>(12 month courses)</i>	01 Apr – 31 Aug	153	13 Apr – 31 Aug	01-12 Apr = 12 days	141	01 Jul

*Breaks of five (5) or more consecutive days (i.e. outside of the term period week 0 through to week 9) are to be counted as non-study days. Any period under five consecutive days, and weekends in the study period, are study days.

** Students withdrawing on or after this date have completed 60% of the payment period and therefore no funds need to be returned to the US Department of Education. The day of withdrawal is counted as a completed day.

Once the student has completed more than 60% of the payment period, all the assistance that the student was scheduled to receive for that period is considered to have been earned. As an example, if the student completes 30% of the payment period, they have earned 30% of the assistance they were originally scheduled to receive within that loan period.

If the student received more assistance than was earned, the excess funds must be returned to the US Department of Education by the University and/or the student. The requirements for Title IV program funds when students withdraw are separate from the University's refund policy. Therefore, the student may still owe funds to the University to cover unpaid institutional charges. The University may attempt to collect from the student any Title IV program funds that the University is required to return.

Students who do not attend even initial lectures or seminars are ineligible to receive any Title IV funds and all loan awards will be cancelled, and monies returned to the US Department of Education. The student will be liable for any fees or outstanding balances owed to the college or University.

Students who fail all, or part of their course should always seek advice from their Personal Academic Tutor (PAT). Students who complete the academic session, but fail all or part of their course do not need to have an R2T4 recalculation undertaken if evidence can be provided showing they were engaged on the course throughout the academic session.

If a student fails their course through non-attendance, for example not showing up at an examination or attending lectures, the University will follow the unofficial withdrawal process. The last verifiable date of attendance will be used for R2T4 calculation.

Unofficial withdrawals

An unofficial withdrawal occurs when a student ceases to attend the University, but the University has not received notice of this from the student. The University Admissions Team are required to advise the University's US Loans Team of any unofficial withdrawals of federal loan recipients. **Students in receipt of Title IV loan funds, will be monitored as part of there VISA requirements on a weekly basis. For R2T4 purposes, the University's US Loans Team will use as the date of withdrawal as the last verifiable date of attendance at an academically related activity.**

The unofficial withdrawal will then follow the normal procedure for returning Title IV loan funds.

Post-withdrawal Disbursements

If the value disbursed to the University or student before withdrawal is less than the earned value, the university will first obtain authorization from the US Department of Education to disburse the fund, and then contact the student and arrange for a post-withdrawal disbursement to be made by bank transfer in pounds sterling to the student. The following regulations would apply:

- The University will provide written notification within thirty (30) days of date of determination of withdrawal;
- The student must confirm their eligibility and banking details. If they do not respond within fourteen (14) days the aid will be returned to US Department of Education;
- Funds disbursed directly to student - as soon as possible, but no later than forty-five (45) calendar days after date of determination;
- Disbursed as credit to account – within one hundred eighty (180) days after date of determination.

However, as the University draws down disbursements in advance and immediately pays any credit balances to the student, there normally will not be any post-withdrawal disbursement due.

Treatment of Title IV funds when a student takes an approved LOA for less than one hundred eighty (180) days

In order to qualify as an approved LOA for the purposes of federal aid (negating the need for the University to perform a return calculation), the LOA must meet the conditions outlined below:

- the LOA must be approved by the University, in accordance with the suspension procedures outlined above;
- the situation described as the reason for the LOA which will normally be found on the confirmation request letter, must lead to a reasonable expectation that the student will return from the LOA within the allowed time frame;
- the LOA, together with any additional leaves of absence, must not exceed a total of one hundred eighty (180) days in any twelve (12)-month period, including days in which courses are not in session;
- the student must resume training at the same point in the academic programme that he or she began the LOA;
- the LOA must be requested in advance, unless unforeseen circumstances prevent the student from doing so (for example, injury or illness);
- the University must inform the student of the possible consequences a withdrawal may have on the student's loan repayment terms, including exhaustion of the student's grace period.

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

During the LOA, the University will not charge the student any additional institutional charges, the student's financial need will not increase, and therefore, the student will not be eligible for any disbursements of Federal Student Aid. A student who is granted an approved LOA maintains in-school status for Title IV loan repayment purposes.

The start date of the LOA for federal loans purposes is the date that the LOA comes into effect. Where an LOA is requested retrospectively, the date the PAT signed the GS017 form (for graduates) or the date of the college letter (for undergraduates) (whichever is later) may be used.

If a student does not return from an approved LOA, or the LOA does not qualify as an approved LOA, the student **will be deemed to have withdrawn from the last verifiable date of attendance at an academically related activity**, for the purposes of federal aid and R2T4 will be required. The date used for the One possible consequence of not returning from an LOA is that a student's grace period for Title IV program loan repayments might be exhausted. **The date of withdrawal will be treated as the date that the approved Leave of Absence began.**

Further Information

Please contact the International Team (international@uhi.ac.uk) for more information or consult: www.studentaid.ed.gov

Please refer to the University's:-

Fees Policy - <https://www.uhi.ac.uk/en/t4-media/one-web/university/about-uhi/governance/policies-and-regulations/policies/he-fees-policy.pdf>

Admissions Policy - [https://www.uhi.ac.uk/en/t4-media/one-web/university/about-uhi/governance/policies-and-regulations/policies/Admissions-Policy-\(Higher-Education\).pdf](https://www.uhi.ac.uk/en/t4-media/one-web/university/about-uhi/governance/policies-and-regulations/policies/Admissions-Policy-(Higher-Education).pdf)