

U.S FEDERAL STUDENT AID – RETURN OF TITLE IV FUNDS POLICY 2014

The Vice-Chancellor and Principal, as delegate of the Senate of the University of Sydney, adopts the following policy.

Dated: 26 May 2014

Date amended: 16 May 2017

Signature:

Name: DR MICHAEL SPENCE

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1 Name of policy

This is the U.S. Federal Student Aid – Return of Title IV Funds Policy 2014.

2 Commencement

This policy commences on 27 May 2014.

3 Policy is binding

Except to the extent that a contrary intention is expressed, this policy binds the University, staff, students and affiliates.

4 Statement of intent

This policy: sets out the manner in which the University will return funds received from the United States government under the United States Federal Student Aid Program, established under Title IV of the *Higher Education Act 1965 (as amended) (U.S.)*, following the withdrawal from candidature of a student participating in that program.

5 Application

This policy applies to all enrolled students in receipt of any of the following forms of United States government student aid:

- (a) Federal Stafford Direct Loan – Unsubsidised;
- (b) Federal Stafford Direct Loan – Subsidised;
- (c) Federal PLUS Direct Loan.

6 Definitions

LOA	means leave of absence, and is an approved temporary interruption to a student's studies (see clause 13).
payment period	means the semester for which the aid was certified and disbursed.
period of enrolment	means the period for which a United States government student loan is intended, which is the relevant semester, term, Summer School or Winter School for which the University assesses its charges.
post withdrawal disbursement	means a payment made to a withdrawing student of aid funds to which the student has become entitled (i.e. earned) but which has not previously received.
R2T4	means "Return to Title IV". This acronym refers to the return of unearned funds to the United States government when a student withdraws.
R2T4 amount	means the amount of money to be returned to the United States government on account of unearned aid, calculated in accordance with the provisions of clause 9 of this policy and U.S government requirements. The amount will usually consist of a University portion, repayable by the University, and a student portion, repayable by the student.
withdrawal	means the termination of a student's studies at the University, for any reason.
withdrawal date	means the date that a student officially informs the University of their intention to withdraw. In the absence of notification from the student, the last date the student attended is deemed to be the withdrawal date. If the last date of attendance cannot be determined, the University will assume a 50% attendance and will use that date as the last day of attendance.

7 Return of funds

- (1) When a student who is funded by the United States Federal Aid Program withdraws, the University will return unearned funds received under that program in accordance with this policy.
- (2) The University of Sydney will:

- (a) calculate the R2T4 amount, including the University's and the student's portion of that amount, within 30 days from the date of the withdrawal; and
- (b) return the University's unearned portion of the R2T4 amount to the lender within 45 days of the student's last attendance.

8 Withdrawal process

- (1) Students considering withdrawal should be aware that the University will be required to cancel the electronic Confirmation of Enrolment (eCOE) originally issued to them for the purpose of obtaining an Australian temporary student visa.
Note: Students should speak to the Department of Immigration and Citizenship (DIBP) for information about departure requirements from Australia or for alternate visa options to remain in Australia.
- (2) Students must:
 - (a) lodge a withdrawal notice with the relevant faculty office; and
 - (b) advise the Student Recruitment & Admissions Unit of their withdrawal.
- (3) Students who lodge a withdrawal notice will be provided with exit counselling, which will include information about their loan repayment obligations and options.

9 Calculation of R2T4 amount, including University and student portions

- (1) If a student withdraws during the loan payment period (or period of enrolment), the R2T4 amount to be returned will be the amount of unearned aid. This will be determined, as at the date of withdrawal, on the basis of the calculation formulas provided by the U.S. Department of Education.
- (2) The percentage of aid earned in any loan payment period (or period of enrolment) will be determined on the basis of the percentage of the student's attendance.
 - (a) The number of calendar days completed by the student in the payment period (or period of enrolment) is divided by the total number of calendar days of the payment period (or period of enrolment) excluding scheduled breaks of five days or more or periods for which the student has been granted LOA.
 - (b) This calculation is represented by the following formula:

number of days completed

total number of days in loan payment period (or period of enrolment) = **% of payment period completed (or period of enrolment completed)**

Note: See clause 13 in relation to LOA.

- (3) If the percentage calculated through application of this formula is greater than 60%, the amount of aid earned by the student is considered to be 100% of the applicable aid.

- (4) Where this percentage calculated through application of this formula is less than or equal to 60%, the amount of aid earned by the student is determined by multiplying this percentage by the total amount of the aid disbursed.
- (5) The unearned amount of aid will be the amount equivalent to the remaining percentage of the relevant payment period (or period of enrolment). (For example, if the student withdraws after completing 40% of the payment period, the R2T4 or unearned amount will be 60% of the applicable aid.)
- (6) A student who is a first year, first time borrower under the United States Federal Student Aid Program and who withdraws within the first 30 days of their program will not earn any aid.
- (7) The University's portion of the R2T4 amount is the percentage of the University's allowable institutional charges for the loan payment period (or period of enrolment), equal to the remaining percentage of the payment period after deduction of the proportion completed by the student. (For example, if the student withdraws after completing 40% of the payment period, the University's portion of the R2T4 amount will be 60% of the University's charges for the payment period).
- (8) If the University's portion of the R2T4 amount is a dollar amount less than the total dollar amount of all unearned aid, the University will return the amount of the University's portion.
- (9) If the University's portion is a dollar amount greater than the total amount of unearned aid, the University will return the total amount of unearned aid.
- (10) Any amount of the total R2T4 amount that remains after the University's portion is returned becomes the student portion of the return. This amount, if any, is repayable after the student leaves the University in accordance with the repayment terms and conditions attached to the applicable loan(s). The student will not be liable for these funds immediately upon withdrawal.
- (11) Students are responsible for ensuring that all earned loan funds they receive are repaid according to the terms of the loan.

10 Returning unearned aid funds

- (1) The Student Recruitment & Admissions Unit is responsible for processing the return of unearned aid to relevant recipients.
- (2) Unearned funds (i.e. the R2T4 amount) must be returned to the appropriate program(s), in the following order:
 - (a) firstly, to Unsubsidised Federal Stafford Direct Student Loans;
 - (b) secondly, to Subsidised Federal Stafford Direct Student Loans; and
 - (c) finally, to Federal PLUS Direct loans.

11 Post-withdrawal disbursements

- (1) A student who has not received all the aid funds they earned may receive a post-withdrawal disbursement of the remaining earned funds.
- (2) The University will notify the student and or any parent borrower of eligibility for a post-withdrawal disbursement.
- (3) A student entitled to receive such a post-withdrawal disbursement may decline it.

- (4) If the student owes outstanding debts to the University at the time of a post-withdrawal disbursement, these amounts will be deducted from any such disbursement.

12 Funds outstanding to the University

- (1) This policy operates separately and in addition to the [International Students Refund Policy 2017](#)
- (2) The University may also seek re-imburement from a student directly for any funds outstanding and for any U.S Federal Aid returned.

13 Leave of absence

- (1) Leave of absence for the purposes of United States government funding may be granted by a student's faculty.
- (2) Requests for LOA must:
 - (a) be made in writing;
 - (b) state the reason(s) for the request;
 - (c) specify the dates for commencement and end of the LOA; and
 - (d) be signed and dated by the student.
- (3) The LOA must be applied for in advance, unless unforeseen circumstances prevent this.
- (4) LOA will not be granted for periods longer than 180 days in a 12 month period.
- (5) Any absence exceeding 180 days in a 12 month period, will be considered as a withdrawal.

NOTES

U.S. Federal Student Aid – Return of Title IV Funds Policy 2014

Date adopted: 26 May 2014

Date commenced: 27 May 2014

Administrator: Chief Financial Officer.

Review date: 27 May 2019

Related documents:

International Student Fee Refund Policy 2017

Student Debtor Sanctions Policy 2014

Student Debtor Sanctions Procedures 2014

AMENDMENT HISTORY

Provision	Amendment	Commencing
12(1); Related documents	Updated references to internal policy documents	16 May 2017